THE WORDSWORTH TRUST

England & Wales · Charity number 1066184

Details

Status	Registered
Legal form	Charitable company
Company number	03442086
Registered	1997-11-24
Register	View on the Charity Commission register

Contact

Address	The Wordsworth Trust Dove Cottage Grasmere Ambleside LA22 9SH
Phone	01539435544
Email	enquiries@wordsworth.org.uk
Website	www.wordsworth.org.uk

Activities

Objects: A) TO ADVANCE THE EDUCATION OF THE PUBLIC IN THE WORKS OF THE POET WILLIAM WORDSWORTH AND IN PARTICULAR TO MAINTAIN DOVE COTTAGE, GRASMERE AND ITS ENVIRONS AND TO PRESERVE AND DEVELOP THE TRUST'S PERMANENT COLLECTIONS AS A LIVING MEMORIAL TO HIM. B) TO ADVANCE THE PUBLIC KNOWLEDGE AND ENJOYMENT OF THE LITERATURE AND CULTURE OF THE ROMANTIC PERIOD (1750 TO 1850)

Activities: Our charitable activities fall into two categories.(1) Custodianship: of Dove Cottage; of our collection of manuscripts, books & fine art; and of the historic environment of Town End, Grasmere(2) Access and learning: visitor operations; exhibitions and publications; education; and contemporary literature.

Classification

- **How:** Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** The General Public/mankind

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Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,024,000	£1,917,000	£21,451,000	29
2024-03-31	£1,488,000	£1,925,000	£21,199,000	36
2023-03-31	£1,362,000	£1,934,000	£21,229,000	39
2022-03-31	£2,924,660	£2,108,251	£22,349,625	39
2021-03-31	£2,912,588	£1,367,922	£19,691,586	38

Trustees

Name	Role	Appointed
Anne Elizabeth Young		2022-07-20
Clare Adams		2025-10-18
Donna Chambers		2023-07-20
Dr Alexandra Whitfield		2025-10-18
Dr Amy Elizabeth Concannon		2022-01-26
Dr Paul John Davies		2022-01-26
Gesa Renate Blackmore		2019-02-01
Jonathan Bate		2026-01-28
PROFESSOR DAVID JOHN MCKITTERICK		2019-02-01
Professor Simon John Julian Bainbridge		2019-02-01
Rishi Dastidar		2025-10-18
Timothy John Robertson		2022-01-26

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THE WORDSWORTH TRUST

England & Wales - Charity number 1066184

Accounts

Registered number: 03442086
Charity number: 1066184

THE WORDSWORTH TRUST

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

ArmstrongWatson®

Accountants, Business & Financial Advisers

THE WORDSWORTH TRUST
(A company limited by guarantee)

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THE WORDSWORTH TRUST

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2025

Trustees	Professor Sir Drummond Bone, Chair Professor Simon Bainbridge Professor Donna Chambers Ms Anne Young Dr Paul Davies Tim Robertson Dr Amy Concannon Ms Gesa Blackmore ACA, CPA Professor David McKitterick Ms Judith Cooke Mr David Heal Dr Anna Fleming (resigned 11 November 2024) Mr Jonathan Johnson (resigned 7 November 2024) Ms Lisa Peter (resigned 22 October 2024)
Company registered number	03442086
Charity registered number	1066184
Registered office	Dove Cottage Grasmere Cumbria LA22 9SH
Company secretary	Philip M Stone
Hon. Treasurer	Gesa Blackmore ACA, CPA
Independent auditors	Armstrong Watson Audit Limited Chartered Accountants & Stautory Auditors James Watson House Montgomery Way Rosehill Carlisle Cumbria CA1 2UU

THE WORDSWORTH TRUST

(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

The Trustees are pleased to present their report together with the audited consolidated financial statements for the year ended 31 March 2025. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Companies Act 2006, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland FRS 102.

The Wordsworth Trust is registered with the Charity Commission, registration number 1066184, and is a company limited by guarantee, registration number 03442086. The charitable company is governed by its Memorandum and Articles of Association. The Trust was incorporated on 30 September 1997 and the registered address is Dove Cottage, Grasmere, Cumbria, LA22 9SH. The Trustees' Annual Report also contains the information required under the Companies Act 2006 for a Directors' Report.

The Trust is honoured to have as Royal Patron, His Majesty The King.

The Honorary President of the Trust during the year was The Rt Hon Lord Smith of Finsbury PC.

Chair	Professor Sir Drummond Bone
Hon. Treasurer	Gesa Blackmore ACA, CPA
The Robert Woof Director	Michael McGregor
Company Secretary	Philip Stone

Trustees who served during the year:

Professor Sir Drummond Bone
Professor Simon Bainbridge
Ms Gesa Blackmore ACA, CPA
Professor Donna Chambers
Dr Amy Concannon
Ms Judith Cooke
Dr Paul Davies
Dr Anna Fleming(Resigned 11th Nov 2024)
Mr David Heal
Mr Jonathan Johnson OBE (Resigned 7th Nov 2024)
Professor David McKitterick
Ms Lisa Peter (Resigned 22nd Oct 2024)
Tim Robertson
Ms Anne Young

The Trustees are the members of the charitable company and act as Directors for the purposes of company law. In the event of the charitable company being wound up, the guarantee of each member is limited to £1.

In accordance with the Articles of Association trustees retire and, if eligible, will offer themself for re-appointment at the forthcoming Annual Retirement Meeting. There are two Trustees retiring this year Mr David Heal and Ms Judith Cooke. We thank them both for their service.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Objectives and Activities

The Wordsworth Trust has been keeping Wordsworth's memory alive at Dove Cottage since it was founded over 130 years ago.

During this time, the Wordsworth Trust has acquired many of the other historic buildings that neighbour Dove Cottage, secured the great majority of Wordsworth's manuscripts, established an archive, library and fine art collection dedicated to Romanticism and the cultural history of the Lake District, and created the Jerwood Centre, a conservation and research centre, so that these holdings can remain at Dove Cottage, one of the world's most important literary sites.

The Wordsworth Trust's purposes are set out in its Memorandum and Articles of Association, and can be summarised as:

1. to provide a living memorial to William Wordsworth and his contemporaries by looking after Dove Cottage and its environs, and by preserving and developing a permanent collection; and

2. to advance public knowledge and enjoyment of the works of Wordsworth and the literature and culture of the Romantic period (c. 1770-1850) through a wide range of public activities.

The Wordsworth Trust's aims are the same in their intent as these purposes. They provide public benefit through the advancement of education, heritage, culture and the arts, and thereby meet the definition of charitable purposes in the 2011 Charities Act.

Wordsworth wrote poetry 'to console the afflicted; to add sunshine to daylight by making the happy happier; to teach the young and the gracious of every age to see, to think and feel'. Our activities are inspired by this vision: of a world in which anyone, anywhere, can enrich their life through Wordsworth's ideas and philosophy, regardless of means or background. In carrying them out, we have therefore taken due regard of the Charity Commission's public benefit guidance.

Our activities, and the criteria that we use to measure their success, are reported in detail under 'Achievements and Performance'. While certain activities are aimed at specific beneficiary groups, most are open to anyone; they take place all year round, some are free of charge and in some instances, charges are waived for people with limited financial means.

Our Public Impact in Numbers

	12 months to 31 March 2025	12 months to 31 March 2024	Variance
General visits to Wordsworth Grasmere [i]	**27,004**	**27,708**	**-3%**
Participation in in-person activities			
Formal education (student-days)			
Secondary, primary and pre-school	5,391	6,327	-15%
Higher education – short courses	347	352	-1%
Higher education – other	-	13	-100%
Teacher development opportunities	26	10	160%
Total	**5,764**	**6,702**	**-14%**
Informal learning			
Targeted activities (for example, older / vulnerable adults)	1,057	1,104	-4%
Activities aimed at young people (excluding family activities)	94	43	119%
Events and activities for families [i]	2,872	2,350	22%
General community activities	594	939	-37%
Talks, poetry readings and other events (excluding family events)	4,623	5,401	-14%
Total	**9,240**	**9,837**	**-6%**
Participation in digital activities			
Formal education (student-days)	108	267	-60%
Informal learning [ii]	852	741	15%
Website users	210,146	178,667	18%
Viewings of videos on YouTube channel	55,573	60,813	-9%
Social media followers (as of 31 March 2024)	59,350	60,516	-2%
Total	**326,029**	**301,004**	**8%**

Research visits (counted in research-days)	**210**	**242**	**-13%**
Publications			
New titles published in the year	2	2	N/a
Publication sales	3,549	2,741	29%
Participants in vocational training (starting in year) [iii]	**14**	**17**	**-18%**
Volunteers [iv]	**32**	**43**	**-26%**

[i] Includes 671 family members taking part in discovery trails and other self-guided activities at Wordsworth Grasmere. These are therefore also included in our figure of 27,004 general admissions.

[ii] Attendances at digital events might be understated because it is only possible to count devices logged in, not the number of people using the device.

[iii] Excludes work experience placements.

[iv] People who did volunteer work on a regular basis and / or a sustained period of time.

Achievements and Performance

1. Overview of progress against strategy

2024/25 was another challenging year for the Wordsworth Trust, with visitor numbers to Wordsworth Grasmere down by 3% and remaining well below pre-pandemic levels. Despite rising costs we managed to control expenditure, due mainly to a continuing freeze on recruitment. Leaner staffing meant that we operated on 5-day opening for most of the year. More encouragingly, feedback from those who visited Wordsworth Grasmere was hugely positive. We were also greatly encouraged by the substantial increase in people taking part in our activities for young people and families, and by the successful launch of our Exclusive Experiences for high-end clients.

The challenges we faced highlighted the need for a complete review of our operating model. With funding from the National Lottery Heritage Fund we appointed consultants A Different View to undertake a full business review, which they completed in October 2024. Their findings gave us cause for hope, identifying a number of ways in which we could improve our long-term sustainability. Principally, this was through us adopting a more commercial mindset, making better use of our property assets and being bolder and more imaginative in our programming. Underpinning all of this was the need for a compelling vision to define our direction of travel over the next five years. We have already made significant progress in implementing the review's recommendations, but much more remains to be done.

2. Public benefit

a) Measuring our performance

We monitor our activities by beneficiary group, as shown in the table on page 2. As well as the statistical measures shown here, we talk to our beneficiaries and invite their feedback to ensure that we are meeting their needs and aspirations.

b) Wordsworth Grasmere

The number of visitors to Wordsworth Grasmere fell slightly compared to the previous year, but we continued to receive excellent feedback from those who visited. In addition to Dove Cottage, the Museum, the Garden–Orchard and Woodland, visitors enjoyed a varied programme of daily activities, including Live Poetry, Gallery Tours, Behind the Scenes Tours, Sketching, Loose Leaf Poetry and Noticing Nature.

The focus of our exhibitions programme in 2024 continued to be To the Lakes! which was updated with a new display of watercolours by Cumbrian-born artist John 'Warwick' Smith (1749-1831) and the loan of a major watercolour by Peter De Wint (1784-1849). Our Community Gallery hosted a number of co-curated exhibitions, including a display highlighting a new Dorothy Wordsworth walking app developed by Manchester University. Our Interns from Brigham Young University curated several online exhibitions, including 'Dora Wordsworth: Mistress of an Album' and 'The Illustrations of The Rime of the Ancient Mariner'.

Canadian artist Alex McKay created installations across our site using modern day Claude Mirrors, convex shaped pieces of darkened Perspex replicating similar handheld mirrors carried by tourists and artists in the Lakes 250 years ago. Alex and his partner, scholar Suzanne Matheson, also held a number of workshops for visiting groups. Poet Joanna Brown was commissioned to write a poem for the main galleries in the Museum. 'Ritual' responds to the presence (but invisibility) of people of colour in the Lakes at the time of the Wordsworths. Also added to the main galleries was an impressive painting of Grasmere by J.B. Pyne (1800-1870).

Wordsworth Grasmere continued to receive excellent media coverage during the year. In April Dove Cottage was the location for four days of filming for a major independent film due for release on Netflix in 2026. In September Channel 4 News filmed a feature discussing how people have shaped the landscape of the Lake District. We also benefited from our involvement in the 'Let's Go Culture' Campaign led by Cumbria Tourism, which generated a number of features on Instagram and TikTok.

c) Formal education

We achieved 5,319 school engagements in 2024/25, in line with our target but a 15% decrease on the previous year (which had been exceptional). Once again, engagements were split evenly between primary and secondary schools. We continued to work with freelance writers on our Real Live Writers programme for children age 5-16, and our after-school Drama Club for children aged 8–11 from Grasmere Primary School continued to thrive; their work this year focused on Wordsworth's poem 'Goody Blake and Harry Gill'. Our Shakespeare Project this year saw Roose School's Year 5 students performing 'As You Like It' at the Windermere Jetty Museum.

Participation in our higher education courses – online and in person - was on a par with last year. We continued to welcome students from universities across the UK and the USA, including a number of new clients.

d) Informal learning

Informal learning encompasses a broad range of activity, led by freelance writers and artists as well as our own team. Much of it is targeted at people with particular needs, for example those living with or caring for someone with dementia, people with long-term health conditions, those in remote rural communities, refugees and asylum seekers. Working in partnership is fundamental to the success of these activities, and our collaborators during the year included Cumbria Wildlife Trust, Artworks Art4All, Women's

Community Matters, Glenthorne Quaker Centre, the Bay Project Group, Trek Therapy and the Beacon Counselling Trust.

Our regular activities in communities across Cumbria expanded, with established writing groups in Shap, Allhallows and Kendal being joined by new groups in Barrow and Morecambe – the result of concerted efforts to work with a range of community partners in these locations.

e) Families and young people

Our target for family engagements this year was significantly exceeded, with a total of 2,872 engagements. This reflected our continued efforts to make Wordsworth Grasmere a family-friendly destination. Our ever-popular Twilight Tales sessions sold out, as did our Georgian Christmas Family Workshop. Looking beyond Grasmere, we visited many Cumbrian libraries over the course of the year, with our sessions for young children proving extremely popular.

Our writing groups for young people - Dove Cottage Young Poets and Untrodden Ways Poetry Club - continue to thrive. Both groups visited Wordsworth Grasmere during the course of the year for workshops with local poet Katie Hale.

f) Events

2024/25 saw a 14% decrease in attendance at talks, workshops and other events. This was due principally to there being a large one-off event in the previous year. Highlights of the events programme during the year included 'The Literary Arboretum', a day of tree-themed events led and funded by the University of Derby, three Romanticism-themed webinars exploring topics such as Dorothy Wordsworth's poetry and her Rydal journals, and a special webinar to mark the departure of Principal Curator and Head of Learning Jeff Cowton after 43 years' service to the Wordsworth Trust.

Beyond Grasmere, Keswick Mountain Festival screened our three short films recreating famous Romantic walks. In London our annual Wordsworth Lecture at the British Library attracted 142 people for a panel discussion of Lord Byron's significance 200 years after his death.

g) Contemporary Poetry

Poet Laureate Simon Armitage returned to Grasmere in September for his annual poetry reading, attracting 170 people. Through our continuing association with the Michael Marks Awards for Poetry Pamphlets we partnered in the Environmental Poet of the Year Award. Jane Burn, the 2023 Winner, gave a writing workshop and poetry reading at Wordsworth Grasmere, and we published the winning pamphlet for 2024, How to Save a River by Ben Verinder. In April we once again hosted the annual Poetry Business Competition Winners' Reading, featuring readings by Caroline Bracken and Jen Feroze.

'Go to the Poets', our bi-monthly series of contemporary readings and open mic events, featured Katie Hale, Imtiaz Dharker, Katrina Naomi, Amanda Dalton, Hannah Lowe and Ruth Padel. The open mic events offered the opportunity for a wide range of (mostly unpublished) poets from Cumbria and further afield to share their work. Our regular poetry groups for adults, Dove Cottage Poets and Discover Poetry, continued to run monthly.

h) Digital Activities

Our social media presence declined slightly in 2024/25, due mainly to a significant decrease in followers across our X / Twitter channels, which offset growth on other platforms. Our YouTube channel also saw a slight decline in viewers, although activity remains at a healthy level. Conversely, usage of our website increased significantly, the result of an investment in digital advertising.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

h) Other performance measures

Continuing our journey to becoming a more diverse and inclusive organisation, our Trustees and staff participated in an audit of all aspects of our work as part of a programme for the Cumbria Museum Consortium delivered by Anti Racist Cumbria. The audit will inform the creation of an anti-racism action plan in 2025/26.

In an era of climate change, we are mindful of our impact on the planet. In 2024/25 we commissioned an audit of the energy efficiency of our public buildings and sought advice on installing renewables in properties across our estate.

Our volunteers continue to enrich our work in many ways: giving costumed poetry readings, tending to our green spaces, documenting our collection and supporting guided walks.

With funding from the Rural England Prosperity Fund we invested in improved wayfinding and orientation signage, although due to planning constraints this proved to be more limited in scope than we had hoped.

Our collection benefited from a project funded by the National Manuscripts Conservation Trust, which enabled us to purchase new archival materials to store 12,000 of our manuscripts. We also welcomed two PhD students during the course of the year and hosted the Working with Archives Symposium in collaboration with the Northern Bridge Consortium. In early March we were pleased to host the annual Wordsworth Winter Conference and in July hosted the biennial Coleridge Conference.

We were delighted to continue our sponsorship of the Wordsworth Grasmere Prize for Literature and Poetry at the 2024 Lakeland Book of the Year Awards. This year's Prize was won by writer and poet Polly Atkin for her memoir Some of Us Just Fall.

Once again, we benefited from many generous gifts to our collection. 'These include a rediscovered portrait of Wordsworth by Mrs Aders (1842), generously donated by the W W Spooner Charitable Trust, and an 1849 painting of Grasmere by J.B Pyne, given by Stephen Wildman in memory of the Trust's first Director Robert Woof. Two gifts were made to mark the achievements of Jeff Cowton (Principal Curator): the Peter Crosthwaite archive of correspondence tracing the commercialisation of the Lake District in print during the late 18th and early 19th centuries, made possible by a grant from the Friends of the Nations' Libraries, and the 8th edition of Thomas West's Guide to the Lakes in Cumberland, Westmorland, and Lancashire (1802), gifted by Drummond Bone.

3. Acknowledgements

We gratefully acknowledge the support of a great many funding bodies and individuals who care as much as we do about celebrating Wordsworth's legacy.

Continued National Portfolio funding from Arts Council England provides a crucial underpinning for all our activities.

The business review and our strategy for financial resilience were made possible by the National Lottery Heritage Fund and players of the National Lottery.

The Garfield Weston Foundation generously supported our learning activities throughout the year, while Westmorland and Furness Council also provided crucial support for our activities and helped us via the Rural England Prosperity Fund. We are proud to have them, and Lancaster University and Brigham Young University, as our funding partners.

We thank the John R. Murray Charitable Trust, the Old Possum's Practical Trust, moynitrust, the Big Give Trust and St. John's College, Cambridge for supporting our curatorial and learning activities, and the W.W. Spooner Charitable Trust, the Friends of the Nation's Libraries, the National Manuscripts Conservation Trust and Stephen Wildman for helping us both to grow and to conserve our collection.

We also thank the many individuals whose generosity helped make our activities possible, not least Patricia Grodd & Michael Stone, Ed Baker, John & Clare Spedding, David McKitterick, Stephen Gill, and our many Patrons and Friends. Finaly we gratefully acknowledge the bequests left by Betty Bodsworth, Arthur Kincaid and Constance Parrish, all great supporters of the Wordsworth Trust.

Future Plans

2025/26 will see us complete the process of creating and implementing a new vision for the Wordsworth Trust to define our future direction. Other specific activities for 2025/26 include:

- Hosting a new, experimental exhibition, 'The Time Lab', working with artist Stacey Joy Rossouw.
- Delivering a programme of themed seasonal activities for adults and children.
- Engaging with schools and community groups throughout Cumbria.
- Working with Lancaster University and a range of local organisations on 'Walking for Wellbeing: Accelerating Cultural, Creative and Environmental Enrichment in Morecambe Bay'.
- Holding the annual Wordsworth Lecture at the British Library on the topic of 'Romantic Ecology Rebooted'.
- Investing in our estate to generate income and reduce our carbon footprint
- Through our new Programming Group developing a programme plan for 2026 onwards, with a focus on income generation
- Enhancing employee wellbeing by signing up to an Employee Assistance Programme
- Creating an Anti-Racism policy statement and action plan informed by our work with Anti Racist Cumbria
- Reviewing our policies and procedures as part of renewing our status as an Accredited museum

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

FINANCIAL REVIEW

1. Summary

Despite the years challenges, we were pleased to end the year with a surplus (including investment goals & interest) of £130,000. This is compared to a deficit of £30,000 in 2023/24.

Income from admissions for the year was £400,000 (2023-24 £362,000). This is a small improvement but not enough to compensate for increasing cost inflation, and national minimum wage increases. The cost-of-living problems seems to have reduced indoor visitor numbers across the Lake District.

This year's results included a generous one off donation of £506,000.

During 2024/25, we have seen improvements in investment income, but the value of our investments has fallen, particularly due to the world economic factors including Tariffs and wars in Ukraine and the middle east. We have seen an increase in property valuations.

The salary costs for the year amounted to £799,000 (2023-24 £863,000) showing a fall in costs despite pressure from wage inflation and helped by a recruitment freeze and total review of our staffing levels and rotas.

All cost headings have been under scrutiny and fortunately we had fixed or low inflation contracts on some utilities and insurance costs.

The current round of National Portfolio Organisation funding that we receive from Arts Council England as part of the Cumbria Museum Consortium was originally awarded to 31 March 2026. It was recently extended for a further year, and following the UK Governments recent Spending review, we are currently awaiting details of how to apply for a further one year extension, to 31 March 2028.

The performance of the trading subsidiary Dove Cottage Promotions Ltd (DCP) has remained constant, but it is still being impacted by the difficult trading conditions and poor visitor numbers. There is no doubt that discretionary spend is low and is being influenced by the cost-of-living crisis.

Consequently, Dove Cottage Promotions Ltd lost £14,282 in the year compared to a loss of £16,073 in 2023-24.

2. Investments

We own several properties in Town End, Grasmere (in the vicinity of Dove Cottage) as investment assets with the rental income being an important source of revenue. Capital appreciation on the properties helps sustain our long-term financial security. The properties are let to a mix of our staff and third parties and rents are assessed against market rates. One property is a guest house and is let on a commercial lease. Rental income for the year was £73,000 (2023-24: £85,000).

Following a review of the properties the Trustees decided to put How Foot Lodge up for sale in January 2025, the sale was completed in July 2025 for £1,000,000. The proceed were used to pay off the long-term Barclays Loan.

A revaluation of the investment properties was performed during summer 2025 resulting in an adjustment to increase the fair value of the properties by £121,699. The Trustees accepted this valuation as reflecting the current market but were aware that a change in the economic climate could result in a reduction in these valuations.

During 2024 the Trustees decided to follow good practice and review our investment advisors. The Trust sent out invitations for a competitive tender. Trustees, Seconded Experts and members of the Senior Management Team interviewed a number of investment advisors and recommended CCLA to be appointed as Investment Advisors to the Trust . Funds were transferred across during 2024/2025.

We have four discrete investment funds which are managed by CCLA: The Development Fund, the RS Woof Memorial Fund, which permanently endows the post of the Robert Woof Director, and the Catalyst Endowment Fund. A fourth fund has been added to the portfolio for the donation from the John R. Murray Charitable Trust and the Donation received in 2025. There are no ethical restrictions on any of the funds under management, but we have agreed the following statement on environmental, social and governance issues in investing.

"The Wordsworth Trust recognises the importance of responsible investing and that environmental, social and governance (ESG) issues can have substantial investment implications. The Trust requires its Investment Managers to have adopted a Responsible Investment policy, such as the United Nations Principles for Responsible Investment (UNPRI) and the UK Stewardship Code. The Trust also expects that, wherever possible, managers of third-party funds consider ESG issues to be an integral part of the investment process and that its own investment managers encourage managers of third-party funds in this endeavour.

The Development Fund comprises both a permanent endowment and a designated element. Due to the restrictions placed upon the entire Development Fund by the donor of the endowment element, both components of the fund must be treated as permanent endowment. The fund overall is invested on a total return basis and the managers have investment discretion to meet a target total return of CPI + 2%. The Trustees have invested this fund in the COIF Charities Ethical Investment Fund.

The Catalyst Endowment Fund is invested in the COIF Charities Ethical Investment Fund. It has a higher requirement for income than the Development Fund being set at 3.5%.

The purpose of the RS Woof Memorial Fund is to endow the position of the Robert Woof Director. To this end the objective of the fund is to maximise income while maintaining the capital value. This also is invested in the COIF Charities investment Fund.

The Property Improvement Fund was created following a donation from the John R Murray Charitable Trust. The purpose of the fund was for urgent property maintenance. This investment is held in the COIF Charities Deposit Fund. The 2025 Donation is also held in this fund. Although the capital value of the investments decreased over the year all our fixed asset investments are managed for the longer term and Trustees remain confident that although the short-term outlook is still uncertain the long-term outlook remains favourable.

3. Reserves

We maintain reserves to enable us to fulfil our charitable remit by providing for business continuity, security for our collection, and the maintenance of our properties in circumstances where our revenue requirements may not be covered by short-term income. The reserves are managed to offer the best return for the charity while remaining relatively liquid to meet our needs.

The Trustees periodically review their reserves policy as part of the risk management process, and they have identified several main reasons for holding reserves:

- To allow the financing of a controlled reduction in expenditure should extraordinary events beyond our control generate a long-term reduction in income streams.
- To provide short-term support in circumstances where a temporary interruption to income means it is not appropriate to lose the skills and knowledge of the staff team or to curtail our programme of events.
- To accommodate the fact that many of our major events such as exhibitions and conferences are planned, and therefore expenditure is committed, months, if not years, in advance while income from these events in terms of admissions is not received until after the event opening. This misalignment of income and expenditure is a main consideration in determining an adequate level of reserves.
- To provide support during the redevelopment of any part of the site which could lead to a loss in income.

The level of reserves therefore varies depending on the specific circumstances and cannot be expressed as an exact figure. However, after taking all of these factors into consideration the Trustees believe a free reserve (funds not tied to fixed assets, designated or restricted funds) of relatively liquid assets equivalent to the external income required to fund between three and six months' budgeted expenditure is appropriate.

At the end of the year our total funds are £21,451,000. Of this £2,964,000 are endowment funds and £6,414,000 are restricted funds which are not available for the general purposes of the charity. The Designated Development Fund of £2,764,000 must be treated as permanent endowment under the terms of the Endowment Development Fund as described in note 17 to the accounts. Of the other four designated funds, the Collection Assets Fund of £3,999,000 represents our heritage assets and cannot be realised without the sale of the collection. The designated Warren Collection Fund of £59,000 is held as cash or near cash and is available to spend at any time on the acquisition of heritage assets and the Property Improvement Fund set up from the donation in 2021-22 from the John R. Murray Charitable Trust amounts to £133,128 and is held in the CCLA Short Term Deposit Account. The donation during the year of £506.312 was also held in this account at year end. Investment properties held in the unrestricted funds totalled a further £6,109,317.

To purchase investment properties and fixed assets and to provide working capital, Trustees had taken out a long-term interest-only loan of £1,000,000. This loan was refinanced in January 2020 to a repayment loan with a term of five years and a repayment profile of 15 years. The amount outstanding on 31st March 2025 was £742,212 (31st March 2024: £815,820). This loan was eventually paid off on the 17th July 2025 for a value of £729,944 using the proceeds from the sale of How Foot.

4. Fundraising

The activities reported here are only achieved with the generous financial support of others, and fundraising is an on going activity. We currently employ 1.4 FTE fundraising staff members, and our fundraising costs also reflect the Director's involvement in the effort.

Fundraising activity is co-ordinated by the Development Manager, who reports quarterly to Trustees. Revenue fundraising is overseen by the Trustees' Fundraising Committee, to which the Development Manager also reports quarterly.

We engaged the services of a fundraising strategy consultant in the year. The consultant did not carry out any direct fundraising activity on our behalf.

We are registered with the Fundraising Regulator, and we give due consideration to its codes of practice, including the general principles of fairness, respect and being sensitive to the needs of people who may be in vulnerable circumstances. We explain how we take ethical considerations into account when soliciting and accepting donations in our Donations Policy. This is published on our website along with our Feedback Policy, which explains how we would respond to any complaints about our fundraising. We did not receive any such complaints during the year.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

1. Board of Trustees

The Board of Trustees is responsible for our overall management and strategic direction and comprises between 5 and 15 members. Board members come from a range of backgrounds including Wordsworth and Romantic scholars, museum professionals, educationalists and business people. In January 2019 the Board reviewed and then adopted the updated Articles of Association.

When filling vacancies, the Board reviews its existing skills to ensure it can draw on a range of relevant experience in fulfilling its obligations. It also seeks to ensure that the Board reflects the diversity of our beneficiaries. Trustees are appointed by the Board, and candidates are subject to a vetting process to verify their suitability as a charity trustee. We advertise to recruit new Trustees with appropriate qualifications, backgrounds and experience. Candidates are shortlisted and interviewed by the Nominations Committee, which makes recommendations to the Board as a whole.

On appointment, Trustees complete a register of interests and undertake an induction programme that includes familiarisation with our purposes and operation, our strategies and objectives. They receive copies of our main documents including financial statements and business plan and meet senior employees and other staff. There is ad hoc training for Trustees after appointment. There are job descriptions for the position of Trustee and the posts of Chair and Honorary Treasurer. Each Trustee retires from office at the third Annual Retirement Meeting following the commencement of their term of office. Retiring Trustees may be reappointed but those appointed before 1st April 2019 can serve for no more than twelve continuous years and those appointed on or after 1st April 2019 can serve for no more than nine continuous years.

The Trustees have no interest in the Trust's surplus or assets, receive no remuneration and must comply with the Trust's Conflict of Interest Policy.

To assist in the performance of its role, the Board has established several standing committees. Individual Trustees serve on a number of committees which consider specific matters in greater detail and make recommendations on those matters to the Board as a whole. The Board has reviewed its committee structure in July 2022 and agreed the following:

- Collection and Learning Committee - monitors the development, management and care of the permanent collection, and the public benefit the collection generates through the programme of exhibitions, learning and outreach.
- Visitor Experience Committee - monitors the performance of the commercial and visitor-facing operations of the Trust, including marketing.
- Estate Committee - monitors the plan for development and maintenance of Dove Cottage, its garden and all the other land and properties owned by the Trust.
- Finance and Audit Committee - oversees the financial strategy of the Trust and Dove Cottage Promotions Ltd, reviews financial performance against targets and monitors our legal obligations.
- Fundraising Committees - supports the work of the Development Office on specific fundraising campaigns and monitors the effectiveness of the fundraising strategy.
- Welfare, Diversity and Health and Safety - monitors the effectiveness of Trust policies in each of these areas.
- Investment Committee - monitors the performance of the investment managers, makes recommendations regarding their appointment and advises on investment strategy. The Investment Committee includes co-opted members with particular investment expertise.
- Nominations Committee - reviews the skills and diversity of the Board, develops succession plans for Trustees and key office holders and seeks to identify suitable candidates for the roles of Trustee, Chair, Vice Chair Treasurer and Director of the charity for consideration by the full Board.
- Remuneration Committee - makes recommendations regarding the salaries of the Robert Woof Director and the Senior Management Team and reviews strategic issues relating to pay and conditions across the organisation.

Two Trustees along with the Robert Woof Director form the board of the trading subsidiary, Dove Cottage Promotions Ltd.

The Board approves the annual plans and budgets against which our performance is assessed. Day-to-day management of the Trust is delegated to the Robert Woof Director and the senior management team (SMT). The Board met four times during 2024-25, to receive and review minutes from the standing committees and reports from the SMT.

2. Senior Management Team

The SMT provides the Board with departmental reports and quarterly management accounts for each meeting. The members of the SMT attend the Board meetings. The Director is responsible to the Board for the financial performance against annual budgets and for the charitable impact of the Trust. The SMT are the Key Management Personnel for the Trust.

Salaries for the SMT members are reviewed annually, usually at the same time as all other staff. As with all positions at the Trust SMT salaries are on occasion benchmarked against salaries in comparable organisations.

During the year to 31 March 2025 the SMT comprised:

The Robert Woof Director	Michael McGregor
Principal Curator and Head of Leaming	Jeff Cowton MBE (Resigned January 2025)
Development Manager	Mark Bains
Finance and Operations Director	Philip Stone
Head of Visitor Experience	Stephanie Byast

3. Risk Management

The Trustees keep the major risks to which the charity is exposed under review and seek to mitigate againstthose risks which could, if they occur, have a severe impact on our ability to achieve our strategic targets.
Where appropriate, insurance has been taken out. Despite this, Trustees are aware that any system of control can provide only reasonable and not absolute assurance against material loss or misstatement.

In the opinion of the Trustees, we have established resources and review systems, which under normal conditions should allow these risks to be mitigated to an acceptable level in day-to-day operations.

4. Principal advisors

Principal solicitors:
Bates Wells
10 Queen Street Place
London
EC4R 1BE

Principal bankers:
Barclays Bank plc
Leicester
LE87 2BB

Investment advisors:
CCLA (from May 2024)
One Angel Lane
London
EC4R 3AB

Registered auditor:
Armstrong Watson
James Watson House
Montgomery Way
Rosehill
Carlisle
CA1 2UU

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

DISCLOSURE OF INFORMATION TO AUDITOR

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

Armstrong Watson have indicated their willingness to be appointed for another term and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Professor Sir Drummond Bone
Chair of Trustees

Date: 18 October 2025

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2025

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WORDSWORTH TRUST

Opinion

We have audited the financial statements of The Wordsworth Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2025 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WORDSWORTH TRUST (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WORDSWORTH TRUST (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with Trustees and other management, and from our commercial knowledge and experience of the not for profit sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;

- tested journal entries to identify unusual transactions;

- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and

- investigated the rationale behind significant or unusual transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WORDSWORTH TRUST (CONTINUED)

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Karen Rae (Senior statutory auditor)

Armstrong Watson Audit Limited

Chartered Accountants & Stautory Auditors

Carlisle

Date: 29 October 2025

THE WORDSWORTH TRUST

(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2025

	Note	Endowment funds 2025 £000	Restricted funds 2025 £000	Unrestricted funds 2025 £000	Total funds 2025 £000	*As restated Total funds 2024 £000*
Income and endowments from:						
Donations and legacies	4	-	699	604	1,303	*667*
Charitable activities	5	-	-	432	432	*411*
Other trading activities	6	-	-	182	182	*180*
Investments	7	56	-	190	246	*210*
Other income	8	-	-	41	41	*20*
Total income and endowments		56	699	1,449	2,204	*1,488*
Expenditure on:						
Raising funds	9,10	5	-	501	506	*495*
Charitable activities		46	825	540	1,411	*1,430*
Total expenditure		51	825	1,041	1,917	*1,925*
Net income/(expenditure) before net (losses)/gains on investments		5	(126)	408	287	*(437)*
Net (losses)/gains on investments		(43)	-	(114)	(157)	*407*
Net movement in funds before other recognised gains/(losses)		(38)	(126)	294	130	*(30)*
Other recognised gains/(losses):						
Gains on revaluation of fixed assets		-	-	122	122	-
Net movement in funds		(38)	(126)	416	252	*(30)*

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

	Note	Endowment funds 2025 £000	Restricted funds 2025 £000	Unrestricted funds 2025 £000	Total funds 2025 £000	*As restated Total funds 2024 £000*
Reconciliation of funds:						
Total funds brought forward		**2,963**	**6,540**	**11,696**	**21,199**	*21,229*
Net movement in funds		**(38)**	**(126)**	**416**	**252**	*(30)*
Total funds carried forward		**2,925**	**6,414**	**12,112**	**21,451**	*21,199*

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 28 to 57 form part of these financial statements.

THE WORDSWORTH TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 03442086

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2025

	Note		2025 £000		*As restated 2024 £000*
Fixed assets					
Tangible assets	16		**7,563**		*7,615*
Heritage assets			**3,999**		*3,964*
Investments	19		**3,983**		*4,417*
Investment property	17		**6,109**		*5,988*
			21,654		*21,984*
Current assets					
Stocks	20	**43**		*32*	
Debtors	21	**178**		*108*	
Cash at bank and in hand		**534**		*49*	
		755		*189*	
Creditors: amounts falling due within one year	22	**(958)**		*(233)*	
Net current liabilities			**(203)**		*(44)*
Total assets less current liabilities			**21,451**		*21,940*
Creditors: amounts falling due after more than one year	23		**-**		*(741)*
Total net assets			**21,451**		*21,199*

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2025

	Note	2025 £000	*As restated 2024 £000*
Charity funds			
Endowment funds	25	**2,925**	*2,963*
Restricted funds	25	**6,414**	*6,540*
Unrestricted funds	25	**12,112**	*11,696*
Total funds		**21,451**	*21,199*

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....
Professor Sir Drummond Bone
Chair of Trustees

Date: 18 October 2025.

The notes on pages 28 to 57 form part of these financial statements.

THE WORDSWORTH TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 03442086

COMPANY BALANCE SHEET
AS AT 31 MARCH 2025

	Note		2025 £000		*As restated 2024 £000*
Fixed assets					
Tangible assets	16		**7,562**		*7,611*
Heritage assets			**3,999**		*3,964*
Investments	19		**3,998**		*4,432*
Investment property	17		**6,109**		*5,988*
			21,668		*21,995*
Current assets					
Debtors	21	**336**		*245*	
Cash at bank and in hand		**518**		*36*	
		854		*281*	
Creditors: amounts falling due within one year	22	**(947)**		*(226)*	
Net current liabilities / assets			**(93)**		*55*
Total assets less current liabilities			**21,575**		*22,050*
Creditors: amounts falling due after more than one year	23		**-**		*(741)*
Total net assets			**21,575**		*21,309*

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2025

	Note	2025 £000	*As restated 2024 £000*
Charity funds			
Endowment funds	25	**2,964**	*2,963*
Restricted funds	25	**7,491**	*6,540*
Unrestricted funds	25	**11,120**	*11,806*
Total funds		**21,575**	*21,309*

The Company's net movement in funds for the year was £266k (2024 - £(14k))

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....
Professor Sir Drummond Bone
Chair of Trustees

Date: 18 October 2025

The notes on pages 28 to 57 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	2025 £000	*2024 £000*
Cash flows from operating activities		
Net cash used in operating activities	**388**	*(276)*
Cash flows from investing activities		
Dividends and interests from investments	**243**	*125*
Rents from investment properties	**72**	*85*
Purchase of tangible fixed assets	**(247)**	*(57)*
Invested cash used for management charges	**-**	*20*
Investment income	**168**	-
Bank interest	**4**	-
Finance costs	**(16)**	-
Net cash provided by investing activities	**224**	**173**
Cash flows from financing activities		
Repayments of borrowing	**(73)**	*(74)*
Interest payable on loan	**(54)**	*(57)*
Net cash used in financing activities	**(127)**	**(131)**
Change in cash and cash equivalents in the year	**485**	**(234)**
Cash and cash equivalents at the beginning of the year	**49**	*283*
Cash and cash equivalents at the end of the year	**534**	*49*

The notes on pages 28 to 57 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1. General information

The Wordsworth Trust (the "Trust") is a registered charity and a company limited by guarantee and incorporated and domiciled in England and Wales. The registered address is Dove Cottage Grasmere, Cumbria, LA22 9SH.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Wordsworth Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The accounts are presented in Pounds Sterling and rounded to the nearest thousand pounds.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Going concern

The Trustees, having reviewed future financial forecasts and considered the difficult trading conditions following the coronavirus pandemic and the current cost of living crisis and the impact of these on the Trust, have a reasonable expectation that the Trust, supported by secured funding, has adequate resources to continue in operational existence for the foreseeable future, a period that is not less than twelve months from the date of signing the financial statements. Thus, on this basis, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Taxation

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.6 Intangible assets and amortisation

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Intangibles	-	over 3 years

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- between 12 and 50 years
Long-term leasehold property	- between 12 and 50 years
Plant and machinery	- over 15 years
Fixtures and fittings	- between 3 - 5 years

2.8 Heritage assets

Where heritage assets have been purchased, they are initially recognised at cost. After recognition, under the cost model, heritage assets are measured at cost less any accumulated depreciation and any accumulated impairment losses. Donated items have been valued at the Curator's best estimate of current value at the time of acquisition since 2010.

No depreciation is charged on heritage assets.

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2. Accounting policies (continued)

2.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.14 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.15 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year. The assets of the schemes are held seperately from those of the Trust in independently administered funds.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

3. Critical accounting estimates and areas of judgment

In applying the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Trustees' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Classification of investment properties
In assessing whether properties held should be classified as investment properties or tangible fixed assets, the Trustees have considered the motivations behind the continued ownership of such assets. In respect of certain properties classified as investment properties there are multiple motivations. In determining the classification of these properties the Trustees have made an assessment that, on balance, classifcation as investment property most accurately reflects the position.

Key sources of estimation uncertainty
The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Valuation of heritage assets
The methods undertaken to attribute a value to donated heritage assets is disclosed on page 28, The valuation is inherently an estimate. In performing the valuation, the Curator utilises a variety of factors to enhance the accuracy of the investment including using information provided by the donor on the purchase price of the donations, information regarding the valuations or sales price of the same or similar items and his own knowledge and awareness of the current market for such items.

Determining residual values and useful economic lives of property, plant and equipment
The charity depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes. Judgement is applied by management when determining the residual values for plant, machinery and equipment. When determining the residual value management aim to assess the amount that the Trust would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

4. Income from donations and legacies

	Restricted funds 2025 £000	Unrestricted funds 2025 £000	Total funds 2025 £000
Donations			
John Armitage	-	506	**506**
Arts Council England	329	-	**329**
Westmorland and Furness Council - Rural England Prosperity Fund	93	-	**93**
Garfield Weston Foundation	75	-	**75**
National Lottery Heritage Fund	58	-	**58**
New Collection Assets	-	35	**35**
Michael Marks Charitable Trust	28	-	**28**
Westmorland and Furness Council	28	-	**28**
Lancaster University	27	-	**27**
Patrons	-	17	**17**
Brigham Young University	14	-	**14**
Friends	-	11	**11**
Old Possum's Practical Trust	10	-	**10**
John R. Murray Trust Charitable Trust	7	-	**7**
Friends of the Nation's Libraries	6	-	**6**
Moynitrust	-	5	**5**
The Late Constance Parrish	-	5	**5**
Sir John Fisher Foundation	4	-	**4**
Big Give Trust	4	-	**4**
Helping Hands Access Fund	4	-	**4**
Big Give Trust	4	-	**4**
Patricia Grodd and Michael Stone	-	4	**4**
National Manuscript Conservation Trust	3	-	**3**
Small donations and legacies	5	21	**26**
Subtotal detailed disclosure	699	604	**1,303**
Total 2025	699	604	**1,303**

	Restricted funds 2024 £000	*Unrestricted funds 2024 £000*	*Total funds 2024 £000*
Donations	*495*	*172*	*667*

5. Income from charitable activities

	Unrestricted funds 2025 £000	Total funds 2025 £000
Admission fees	400	**400**
Short Course Programme	29	**29**
Publications	3	**3**
	432	**432**

	Unrestricted funds 2024 £000	*Total funds 2024 £000*
Admission fees	*362*	*362*
Short Course Programme	*46*	*46*
Publications	*3*	*3*
	411	*411*

6. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2025 £000	Total funds 2025 £000
Trading income	182	**182**

	Unrestricted funds 2024 £000	*Total funds 2024 £000*
Trading income	*180*	*180*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

7. Investment income

	Endowment funds 2025 £000	Unrestricted funds 2025 £000	Total funds 2025 £000
Rents receivable	-	73	**73**
Dividends receivable	56	117	**173**
	56	190	**246**

	Endowment funds 2024 £000	*Unrestricted funds 2024 £000*	*Total funds 2024 £000*
Rents receivable	-	*85*	*85*
Dividends receivable	*82*	*43*	*125*
	82	*128*	*210*

8. Other incoming resources

	Unrestricted funds 2025 £000	Total funds 2025 £000
Miscellaneous income	41	**41**

	Unrestricted funds 2024 £000	*Total funds 2024 £000*
Other	*20*	*20*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

9. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2025 £000	Total funds 2025 £000
Fundraising costs	83	**83**
Management of the let estate	71	**71**
Wages and salaries	44	**44**
Social security costs	62	**62**
Pension costs	34	**34**
	294	**294**

Costs of raising voluntary income (continued)

	Endowment funds 2024 £000	*Unrestricted funds 2024 £000*	*Total funds 2024 £000*
Fundraising costs	*7*	*181*	*188*
Management of the let estate	-	*93*	*93*
	7	*274*	*281*

Fundraising trading expenses

	Unrestricted funds 2025 £000	Total funds 2025 £000
Trading expenses	113	**113**
Trading expenses - wages and salaries	75	**75**
Trading expenses - NI	6	**6**
Trading expenses - pension costs	2	**2**
	196	**196**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

9. Expenditure on raising funds (continued)

Fundraising trading expenses (continued)

	Unrestricted funds 2024 £000	*Total funds 2024 £000*
Trading expenses	*111*	*111*
Trading expenses - wages and salaries	*78*	*78*
Trading expenses - NI	*5*	*5*
Trading expenses - pension costs	*2*	*2*
	196	*196*

10. Investment management costs

	Endowment funds 2025 £000	**Unrestricted funds 2025 £000**	**Total funds 2025 £000**
Investment management costs	5	11	**16**

	Endowment funds 2024 £000	*Unrestricted funds 2024 £000*	*Total funds 2024 £000*
Investment management costs	*16*	*2*	*18*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

11. Analysis of expenditure by activities

	Activities undertaken directly 2025 £000	Support costs 2025 £000	Total funds 2025 £000
Historic buildings	37	10	**47**
Visitor operations	460	245	**705**
Exhibitions and publications	30	22	**52**
Education	107	71	**178**
Contemporary literature	31	3	**34**
Collection	345	50	**395**
	1,010	401	**1,411**

	Activities undertaken directly 2024 £000	*Support costs 2024 £000*	*Total funds 2024 £000*
Historic buildings	*12*	*9*	*21*
Visitor operations	*538*	*279*	*817*
Exhibitions and publications	*32*	*23*	*55*
Education	*88*	*42*	*130*
Contemporary literature	*30*	*3*	*33*
Collection	*318*	*56*	*374*
	1,018	*412*	*1,430*

Of the above costs, £540k (2024 - £904k) was unrestricted, £825k (2024 - £522k) was restricted and £46k (2024 - £4k) was allocated to endowment funds. The split for the comparative figures for the summary by fund type is unknown and therefore not disclosed within the accounts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2025 £000	*Total funds 2024 £000*
Staff costs	**80**	-
Management	**149**	*260*
Finance	**90**	*90*
Information technology	**39**	*31*
Human resources	**10**	*1*
Governance	**33**	*30*
	401	*412*

12. Auditors' remuneration

	2025 £000	*2024 £000*
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**27**	*28*
Fees payable to the Company's auditor in respect of:		
Preparation of the statutory accounts	**4**	-

13. Staff costs

	Group 2025 £000	*Group 2024 £000*	Company 2025 £000	*Company 2024 £000*
Wages and salaries	**695**	*767*	**620**	*689*
Social security costs	**68**	*62*	**62**	*57*
Contribution to defined contribution pension schemes	**36**	*34*	**34**	*32*
	799	*863*	**716**	*778*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

13. Staff costs (continued)

The average number of persons employed by the Company during the year was as follows:

	Group 2025 No.	*Group 2024 No.*
Employees	**29**	*36*

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2025 No.	*Group 2024 No.*
In the band £60,001 - £70,000	**1**	*1*

14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2024 - £NIL)*.

During the year ended 31 March 2025, expenses totalling £7,270 were reimbursed or paid directly to 14 Trustees *(2024 - £2,932 to 13 Trustees)* of which £713 (2024: £136) was unpaid at the year end.

15. Intangible assets

Group and Company

	Patents £000
Cost	
At 1 April 2024	**7**
At 31 March 2025	**7**
Amortisation	
At 1 April 2024	**7**
At 31 March 2025	**7**
Net book value	
At 31 March 2025	**-**
At 31 March 2024	-

16. Tangible fixed assets

Group

	Jerwood Centre £000	Other freehold property £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
Cost or valuation					
At 1 April 2024	**3,442**	**5,683**	**1,595**	**22**	**10,742**
Additions	**-**	**36**	**210**	**-**	**246**
Disposals	**-**	**-**	**-**	**(4)**	**(4)**
At 31 March 2025	**3,442**	**5,719**	**1,805**	**18**	**10,984**
Depreciation					
At 1 April 2024	**1,914**	**577**	**617**	**19**	**3,127**
Charge for the year	**50**	**116**	**130**	**-**	**296**
On disposals	**-**	**-**	**-**	**(2)**	**(2)**
At 31 March 2025	**1,964**	**693**	**747**	**17**	**3,421**
Net book value					
At 31 March 2025	**1,478**	**5,026**	**1,058**	**1**	**7,563**
At 31 March 2024	*1,528*	*5,106*	*978*	*3*	*7,615*

16. Tangible fixed assets (continued)

Group (continued)

Company

	Jerwood Centre £000	Other freehold property £000	Plant and machinery £000	Total £000
Cost or valuation				
At 1 April 2024	**3,442**	**5,682**	**1,595**	**10,719**
Additions	**-**	**37**	**210**	**247**
At 31 March 2025	**3,442**	**5,719**	**1,805**	**10,966**
Depreciation				
At 1 April 2024	**1,914**	**577**	**617**	**3,108**
Charge for the year	**50**	**116**	**130**	**296**
At 31 March 2025	**1,964**	**693**	**747**	**3,404**
Net book value				
At 31 March 2025	**1,478**	**5,026**	**1,058**	**7,562**
At 31 March 2024	*1,528*	*5,105*	*978*	*7,611*

17. Investment property

Group and Company

	Freehold investment property £000
Valuation	
At 1 April 2024	**5,988**
Surplus on revaluation	**121**
At 31 March 2025	**6,109**

The 2025 valuations were made by Hackney & Leigh in May 2025, on an open market value for existing use basis. The properties that did not receive a revaluation by the professionals were assessed by the trustees.

18. Heritage assets

Dove Cottage, the home of William Wordsworth from 1799 to 1808, was acquired by the Trust in 1890 and is maintained as a visitor attraction 'for the eternal possession of those who love English poetry all over the world'.

The Trust acquires objects within the subject area: William Wordsworth and the Age of British Romanticism. To understand and interpret the context and significance of this subject, it is occasionally necessary to collect items before and after the accepted chronological framework for the Romantic period, 1750-1850. Priority areas for collecting are manuscripts, printed works, fine art and artefacts that advance the public knowledge and enjoyment of the works of William Wordsworth and the literature and culture of this period.

The collection of manuscripts (30,000+) includes material of very great significance, drawing researchers and academics world-wide, and includes verse and prose manuscripts of William and Dorothy Wordsworth, Samuel Taylor Coleridge, Thomas De Quincey, and many others. The collection is considered the greatest collection by an author now housed in the place where the greatest works were written.

The collection of books and pamphlets (numbering approx. 14,500 titles) include the following themes:

- A portion of Wordsworth's own library of books which he owned at Dove Cottage and Rydal Mount, and a good numbr of titles that belonged to Coleridge or Southey. Some of these volumes have been annotated by Wordsworth or Coleridge.
- A near complete copy of first and lifetime editions of printed books by Wordsworth and leading Romantic writers, including Coleridge, Southey, Keats and Shelley. In addition, early editions by their well and lesser known contemporaries covering the span of Romantic literature.
- Guides, illustrated works and travel literature based on the Lake District from around 1750 to the present day.
- Magazines and periodicals from the period 1750-1850.
- Critical and reference works and published letters of all the major figures of the period, as well as general works on Romantic literature and art.

18. Heritage assets Continued

The collection of fine art (13,000+ items) encompasses portraits of the major figures and family members, as well as the development of the interpretation of landscape from the 18th century to the present day and includes:

- Paintings and drawings of William and Dorothy Wordsworth and families, Coleridge, De Quincey and others of the period.
- Paintings, drawings and prints of Lake District themes, including interpretation of landscape and aspects of cultural and working life.
- Prints of the earliest views of the Lake District from the 1750s onwards o A significant collection of c19th century photographs along the themes of portraits and landscape.

A collection of artefacts (c.600 items) that relate to Wordsworth and his family and aspects of Lake District life and history incorporating items that reflect life in a typical Grasmere cottage of the period (c.1800), and includes furniture and utensils (including spinning wheels) relating to the social history of the period.

Items purchased for the collection are valued at cost. Donated items have been valued at the Curator's best estimate of current value at the time of acquisition since 2010. It is the responsibility of the Trust to preserve and conserve collection items for the benefit of the nation and due to their nature they are expected to have a long life. Depreciation is therefore not charged on collection items which are capitalised since this is deemed to be immaterial. Impairment reviews are carried out annually.

Preservation and Management

Expenditure which in the Trustees view is required to preserve or prevent further deterioration of individual items is recoghised in the Statement of Financial Activities when incurred

The Trust complies with PAS 197:2009, the BSI and Collections Trust's Code of practice for cultural collections management, works to SPECTRUM: the UK Museum Collections Management Standard and maintains a full catalogue of collection items including a description, the condition of the item, here it is kept and acquisition information.

The Trust has digitised much of its manuscript and fine art collections. These collections are variously available online either on the Trust's own website or by subscription to educational establishments on the AM Digital website. All newly acquired works of art are digitised as part of the cataloguing process.

The Trust actively encourages public engagement with the collection. Within the Jerwood Centre adjacent to the museum the Trust runs a research room where bona fide researchers may view original material. There is a programme of events throughout the year, aimed at audiences of all ages. and a variety of backgrounds; monthly talks on site, workshops, specialist day courses and conferences. University academics and groups of students spend several days learning about the meaning of manuscripts and then create interpretative projects for wider audiences; several thousand school children visit the site each year and learn from resources developed from the collection, Outreach activities take facsimiles of our collections into the communities of Cumbria.
The Trust has a long term purpose, and holds and builds the permanent collection in relation to its stated objectives. The Trust accepts the principle that, except for sound curatorial reasons, there is a strong presumption against the disposal of any items in the museum's collection.

Items may be removed from the collection for the following reasons:

i. duplication within the collection;
ii. falling outside the collecting area of the Trust;
iii. being wrongly accessioned;
iv. a better copy being received;
v. poor condition.

18 Heritage assets Continued

Proposals to remove an item or items from the collection are the responsibility of the Curator, and will be presented for approval to the Collections Committee, followed by the full Board of Trustees.

Disposals

Decisions to dispose of objects will not be made with the principal aim of generating funds. Any monies received by the Trust from the disposal of items will be applied for the benefit of the collection. This will normally mean the purchase of further acquisitions but in exceptional cases improvements relating to the care of collection may be justifiable. Where an object has been donated or purchased with external funding, any conditions relating to its disposal will always be adhered to.

Once a decision to dispose of an item has been taken, priority will be given to retaining the item in the public domain, unless it is to be destroyed. It will therefore be offered in the first instance, by exchange, gift or sale directly to other accredited museums likely to be interested in its acquisition.

Group and Company

Assets recognised at cost

	Heritage assets 2025 £000	Total 2025 £000
Carrying value at 1 April 2024	3,964	**3,964**
Additions	35	**35**
	3,999	**3,999**

Analysis of heritage asset transactions

Group

	2025 £000	2024 £000	2023 £000	2022 £000	2021 £000
Purchases					
Donations	35	128	69	54	5
Total additions	35	128	69	54	5

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

19. Fixed asset investments

Group	Listed investments £000
Cost or valuation	
At 1 April 2024	**4,417**
Additions	**167**
Disposals	**(428)**
Revaluations	**(173)**
At 31 March 2025	**3,983**
Net book value	
At 31 March 2025	**3,983**
At 31 March 2024	*4,417*

Company	Investments in subsidiary companies £000	Listed investments £000	Total £000
Cost or valuation			
At 1 April 2024	**15**	**4,417**	**4,432**
Additions	**-**	**167**	**167**
Disposals	**-**	**(428)**	**(428)**
Revaluations	**-**	**(173)**	**(173)**
At 31 March 2025	**15**	**3,983**	**3,998**
Net book value			
At 31 March 2025	**15**	**3,983**	**3,998**
At 31 March 2024	*15*	*4,417*	*4,432*

19. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Class of shares	Holding	Included in consolidation
Dove Cottage Promotions Limited	02091130	Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £000	Expenditure £000	Profit/(Loss) £000	Net assets £000
Dove Cottage Promotions Limited	182	(196)	(14)	(110)

20. Stocks

	Group 2025 £000	*Group 2024 £000*
Goods for resale	**43**	*32*

21. Debtors

	Group 2025 £000	*Group 2024 £000*	Company 2025 £000	*Company 2024 £000*
Due within one year				
Trade debtors	**13**	*16*	**13**	*16*
Amounts owed by group undertakings	**-**	-	**163**	*145*
Prepayments and accrued income	**165**	*92*	**160**	*84*
	178	*108*	**336**	*245*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

22. Creditors: Amounts falling due within one year

	Group 2025 £000	*Group 2024 £000*	**Company 2025 £000**	*Company 2024 £000*
Bank loans	**742**	*74*	**742**	*74*
Trade creditors	**126**	*34*	**123**	*32*
Other taxation and social security	**12**	*15*	**11**	*13*
Pension fund loan payable	**4**	-	**4**	-
Other creditors	**1**	*8*	**1**	*8*
Accruals and deferred income	**73**	*102*	**66**	*99*
	958	*233*	**947**	*226*

The full balance of the bank loan is included within current liabilities, the loan was repaid shortly after the year end.

23. Creditors: Amounts falling due after more than one year

	Group 2025 £000	*Group 2024 £000*	**Company 2025 £000**	*Company 2024 £000*
Bank loans	**-**	*741*	**-**	*741*

24. Prior year adjustments

The accounts have been restated to correct a transfer in the prior year totalling £251,000 through a restricted capital fund which should have been transferred through the unrestricted general fund instead.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

25. Statement of funds

Statement of funds - current year

	As restated Balance at 1 April 2024 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2025 £000
Unrestricted funds						
Designated funds						
Warren Collection Fund	59	-	-	-	-	59
Collection Assets Fund	3,964	35	-	-	-	3,999
Designated Development Fund	1,058	99	(99)	-	(130)	928
Designated Property Improvement Fund	393	12	(273)	-	-	132
	5,474	146	(372)	-	(130)	5,118
General funds						
General Funds	909	1,303	(669)	95	16	1,654
Revaluation reserve	5,313	-	-	(95)	122	5,340
	6,222	1,303	(669)	-	138	6,994
Total Unrestricted funds	11,696	1,449	(1,041)	-	8	12,112

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

25. Statement of funds (continued)

	As restated Balance at 1 April 2024 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2025 £000
Endowment funds						
Endowment Development Fund	1,836	-	-	-	-	1,836
RS Woof Memorial Fund	254	17	(17)	-	(8)	246
Catalyst Endowment Fund	873	39	(34)	-	(35)	843
	2,963	56	(51)	-	(43)	2,925
Restricted funds						
Income funds	67	276	(256)	-	-	87
Acquisition funds	2	-	-	-	-	2
Reimagining Wordsworth - capital	5,087	-	(194)	-	-	4,893
Reimagining Wordsworth - delivery	10	-	-	-	-	10
Capital funds	1,374	94	(46)	-	-	1,422
Art Council Funding	-	329	(329)	-	-	-
	6,540	699	(825)	-	-	6,414
Total of funds	21,199	2,204	(1,917)	-	(35)	21,451

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

25. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2023 £000	*Income £000*	*Expenditure £000*	*As restated Transfers in/out £000*	*Gains/ (Losses) £000*	*Balance at 31 March 2024 £000*
Unrestricted funds						
Designated funds						
Warren Collection Fund	*59*	-	-	-	-	*59*
Collection Assets Fund	*3,836*	*128*	-	-	-	*3,964*
Designated Development Fund	*983*	*16*	*(2)*	*22*	*39*	*1,058*
Designated Property Improvement Fund	*644*	*25*	-	*(276)*	-	*393*
	5,522	*169*	*(2)*	*(254)*	*39*	*5,474*
General funds						
General Funds	*990*	*741*	*(1,318)*	*316*	*180*	*909*
Revaluation reserve	*5,195*	-	-	-	*118*	*5,313*
	6,185	*741*	*(1,318)*	*316*	*298*	*6,222*
Total Unrestricted funds	*11,707*	*910*	*(1,320)*	*62*	*337*	*11,696*

25. Statement of funds (continued)

Statement of funds - prior year (continued)

	Balance at 1 April 2023 £000	*Income £000*	*Expenditure £000*	*As restated Transfers in/out £000*	*Gains/ (Losses) £000*	*Balance at 31 March 2024 £000*
Endowment funds						
Endowment Development Fund	*1,708*	*46*	*(10)*	*36*	*56*	*1,836*
RS Woof Memorial Fund	*251*	*15*	*(4)*	*(8)*	-	*254*
Catalyst Endowment Fund	*822*	*22*	*(13)*	*28*	*14*	*873*
	2,781	*83*	*(27)*	*56*	*70*	*2,963*
Restricted funds						
Income funds	*21*	*495*	*(335)*	*(114)*	-	*67*
Acquisition funds	*2*	-	-	-	-	*2*
Reimagining Wordsworth - capital	*5,284*	-	*(197)*	-	-	*5,087*
Reimagining Wordsworth - delivery	*10*	-	-	-	-	*10*
Capital funds	*1,424*	-	*(46)*	*(4)*	-	*1,374*
	6,741	*495*	*(578)*	*(118)*	-	*6,540*
Total of funds	*21,229*	*1,488*	*(1,925)*	-	*407*	*21,199*

25. Statement of funds (continued)

The Revaluation Reserve has arisen on the valuation of investments and properties shown in the Investment Property and Fixed Asset notes above.

The Warren Fund has been designated by the Trustees for the purchase of books, manuscripts and fine arts. The fund comprises the balance of an unrestricted legacy received during 2000.

The Collection Assets Fund represents the amount of heritage assets capitalised. This fund consists of a mixture of both restricted and unrestricted amounts, an allocation of which is not possible.

In 2015 the Trustees designated funds to the Reimagining Wordsworth project to develop the Town End site. Supported by the National Lottery Heritage Fund the development phase ran from January 2016 to January 2018. In March 2018 the National Lottery Heritage Fund announced support for the delivery phase started in May 2018 and was completed in 2021-22. Fundraising secured the remaining funding and this income was split between designated and restricted funds. National Lottery Heritage Fund income for both the deyelopment and the delivery phase of the project was treated as restricted income.

The Trustees have designated a proportion of the donation in 2021-22 from John R. Murray Charitable Trust to support the improvement of the wider estate.

The Designated Development Fund has been established by the Trust to provide an income that will contribute towards the Trust's core running expenses. The intention is to maintain an income generating fund. Exceptionally, the fund is expendable in the event of a 75% majority decision by the Trustees. The terms of the contract under which the Endowment Development Fund was established require that the Designated Development Fund be operated as an endowment, the result of a breach being that the amount given to establish the Endowment Development Fund will be repayable. However, these conditions do not directly apply to the Designated Development Fund, and so it continues to be disclosed as a designated fund within unrestricted funds.

The Endowment Development Fund was established by the Trust in order to build up a portfolio of investments to provide an alternative source of income. On 1st January 2013 the fund became permanent endowment. The full amount given to establish the fund is repayable in the event of a default. As a result of the financial pressures in 2020-21 due to the global pandemic and consequent lockdown the Trust received in principle permission from the body which financed the Endowment Development Fund to release its restrictions on the fund to allow the Trust to draw down some of the capital in these exceptional circumstances if required.

The RS Woof Memorial Fund is an endowment fund for the purposes of endowing the post of the Robert Woof Director of the Trust.

The Catalyst Endowment Fund is an endowment fund established with the aid of Arts Council England Catalyst Funding to support the general operating costs of the Trust. In 2020-21. the Arts Council England has given the Trust permission to draw down some of this funding should it need to do so to remain financially viable. The Trust must put in place a plan to replace any funding used.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

26. Summary of funds

Summary of funds - current year

	As restated Balance at 1 April 2024 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2025 £000
Designated funds	**5,474**	**146**	**(372)**	**-**	**(130)**	**5,118**
General funds	**6,222**	**1,303**	**(669)**	**-**	**138**	**6,994**
Endowment funds	**2,963**	**56**	**(51)**	**-**	**(43)**	**2,925**
Restricted funds	**6,540**	**699**	**(825)**	**-**	**-**	**6,414**
	21,199	**2,204**	**(1,917)**	**-**	**(35)**	**21,451**

Summary of funds - prior year

	Balance at 1 April 2023 £000	*Income £000*	*Expenditure £000*	*As restated Transfers in/out £000*	*Gains/ (Losses) £000*	*Balance at 31 March 2024 £000*
Designated funds	*5,522*	*169*	*(2)*	*(254)*	*39*	*5,474*
General funds	*6,185*	*741*	*(1,318)*	*316*	*298*	*6,222*
Endowment funds	*2,781*	*83*	*(27)*	*56*	*70*	*2,963*
Restricted funds	*6,741*	*495*	*(578)*	*(118)*	-	*6,540*
	21,229	*1,488*	*(1,925)*	-	*407*	*21,199*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

27. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Endowment funds 2025 £000	Restricted funds 2025 £000	Unrestricted funds 2025 £000	Total funds 2025 £000
Tangible fixed assets	-	6,334	1,229	**7,563**
Fixed asset investments	2,925	-	1,058	**3,983**
Investment property	-	-	6,109	**6,109**
Heritage assets	-	-	3,999	**3,999**
Current assets	-	80	675	**755**
Creditors due within one year	-	-	(958)	**(958)**
Total	2,925	6,414	12,112	**21,451**

Analysis of net assets between funds - prior year

	Endowment funds 2024 £000	*As restated Restricted funds 2024 £000*	*As restated Unrestricted funds 2024 £000*	*Total funds 2024 £000*
Tangible fixed assets	-	*6,473*	*1,142*	*7,615*
Fixed asset investments	*2,963*	-	*1,454*	*4,417*
Investment property	-	-	*5,988*	*5,988*
Heritage assets	-	-	*3,964*	*3,964*
Current assets	-	*67*	*122*	*189*
Creditors due within one year	-	-	*(233)*	*(233)*
Creditors due in more than one year	-	-	*(741)*	*(741)*
Total	*2,963*	*6,540*	*11,696*	*21,199*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

28. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2025 £000	*Group 2024 £000*
Net income/expenditure for the year (as per Statement of Financial Activities)	**130**	*(30)*
Adjustments for:		
Depreciation	**296**	*287*
Gains/losses on revaluation of investment properties	**-**	*(118)*
Gains/(losses) on investments	**157**	*(286)*
Dividends, interests and rents from investments	**(240)**	*(209)*
Decrease/(increase) in stocks	**(11)**	*7*
Increase in debtors	**(69)**	*(38)*
Increase in creditors	**57**	*36*
Investment management costs	**-**	*18*
Interest payable on loan	**54**	*57*
Finance costs	**16**	-
Bank interest	**(4)**	-
Net cash provided by/(used in) operating activities	**386**	*(276)*

29. Analysis of cash and cash equivalents

	Group 2025 £000	*Group 2024 £000*
Cash in hand	**534**	*49*
Total cash and cash equivalents	**534**	*49*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

30. Analysis of changes in net debt

	At 1 April 2024 £000	Cash flows £000	Other non-cash changes £000	At 31 March 2025 £000
Cash at bank and in hand	49	485	-	534
Debt due within 1 year	(74)	69	(741)	(746)
Debt due after 1 year	(741)	-	741	-
	(766)	554	-	(212)

31. Capital commitments

	Group 2025 £000	*Group 2024 £000*	Company 2025 £000	*Company 2024 £000*
Contracted for but not provided in these financial statements				
Against orders which have been placed	-	*38*	-	*38*

32. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £36,000 (2024 - £33,676). At the balance sheet date £2,651 was receivable due to overpayment and £3,681 was payable (2024 - £5,626 payable) to the fund at the balance sheet date and is included in creditors.

33. Related party transactions

The Wordsworth Trust has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Wordsworth Trust at 31 March 2025.

THE WORDSWORTH TRUST

England & Wales - Charity number 1066184

Accounts

The Wordsworth Trust

Trustees' report and consolidated financial statements
Registered charity number 1066184
Registered company number 03442086
For the year to 31 March 2024

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Trustees' Annual Report

The Trustees are pleased to present their report together with the audited consolidated financial statements for the year ended 31 March 2024. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Companies Act 2006, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland FRS 102.

The Wordsworth Trust is registered with the Charity Commission, registration number 1066184, and is a company limited by guarantee, registration number 03442086. The charitable company is governed by its Memorandum and Articles of Association. The Trust was incorporated on 30 September 1997 and the registered address is Dove Cottage, Grasmere, Cumbria, LA22 9SH. The Trustees' Annual Report also contains the information required under the Companies Act 2006 for a Directors' Report.

The Trust is honoured to have as Royal Patron, His Majesty The King.

The Honorary President of the Trust during the year was The Rt Hon Lord Smith of Finsbury PC.

Chair	Professor Sir Drummond Bone
Hon. Treasurer	Gesa Blackmore ACA, CPA
The Robert Woof Director	Michael McGregor
Company Secretary	Philip Stone

Trustees who served during the year

Professor Sir Drummond Bone
Professor Simon Bainbridge
Ms Gesa Blackmore ACA, CPA
Professor Donna Chambers (appointed 20th July 2023)
Dr Amy Concannon
Ms Judith Cooke
Dr Paul Davies
Dr Anna Fleming
Mr David Heal
Mr Jonathan Johnson OBE (appointed 20th July 2023)
Professor David McKitterick
Ms Lisa Peter
Tim Robertson
Ms Anne Young

The Trustees are the members of the charitable company and act as Directors for the purposes of company law. In the event of the charitable company being wound up, the guarantee of each member is limited to £1.

In accordance with the Articles of Association trustees retire and, if eligible, will offer themself for re-appointment at the forthcoming Annual Retirement Meeting. There are no trustees retiring this year.

Trustees' annual report *(continued)*

Objectives and Activities

The Wordsworth Trust has been keeping Wordsworth's memory alive at Dove Cottage since it was founded over 130 years ago.

During this time, the Wordsworth Trust has acquired many of the other historic buildings that neighbour Dove Cottage, secured the great majority of Wordsworth's manuscripts, established an archive, library and fine art collection dedicated to Romanticism and the cultural history of the Lake District, and created the Jerwood Centre, a conservation and research centre, so that these holdings can remain at Dove Cottage, one of the world's most important literary sites.

The Wordsworth Trust's purposes are set out in its Memorandum and Articles of Association, and can be summarised as:

1. to provide a living memorial to William Wordsworth and his contemporaries by looking after Dove Cottage and its environs, and by preserving and developing a permanent collection; and

2. to advance public knowledge and enjoyment of the works of Wordsworth and the literature and culture of the Romantic period (*c.*1770–1850) through a wide range of public activities.

The Wordsworth Trust's aims are the same in their intent as these purposes. They provide public benefit through the advancement of education, heritage, culture and the arts, and thereby meet the definition of 'charitable purposes' in the 2011 Charities Act.

Wordsworth wrote poetry 'to console the afflicted; to add sunshine to daylight by making the happy happier; to teach the young and the gracious of every age to see, to think and feel'. Our activities are inspired by this vision: of a world in which anyone, anywhere, can enrich their life through Wordsworth's ideas and philosophy, regardless of means or background. In carrying them out, we have therefore taken due regard of the Charity Commission's public benefit guidance.

Our activities, and the criteria that we use to measure their success, are reported in detail under 'Achievements and Performance'. While certain activities are aimed at specific beneficiary groups, most are open to anyone; they take place all year round, some are free of charge and in some instances, charges are waived for people with limited financial means.

Our Public Impact in Numbers

	12 months to 31 March 2024	12 months to 31 March 2023	Variance
General visits to Wordsworth Grasmere	**27,708**	**25,492**	**9%**
Participation in activities for young people in formal education (counted in student-days)			
Secondary, primary and pre-school	6,327	4,883	30%
Higher education – short courses	352	457	-23%
Higher education – other	13	194	-93%
Teacher development opportunities	10	33	-70%
Total	**6,702**	**5,567**	**20%**
Participation in informal learning activities			
Activities aimed at elderly / vulnerable adults	1,104	638	73%
Activities aimed at young people (excluding family activities)	43	313	-86%
Events and activities for families[i]	2,350	2,055	14%
Activities for general audiences	939	802	17%
Talks, poetry readings and other events (excluding family events)[ii]	5,401	2,233	142%
Total	**9,837**	**6,041**	**63%**
Participation in digital activities			
Formal education	267	43	521%
Informal learning[ii]	741	1,320	-44%
Website (unique views)	163,328	180,917	-10%
Views of videos on YouTube channel[iii]	60,813	81,057	-25%
Social media followers (as of 31 March 2023)	60,516	57,514	5%
Total	**285,665**	**320,851**	**-11%**
Research visits (counted in research-days)	**242**	**150**	**61%**
Publications			
New titles published in year	2	4	-50%
Publication sales	2,741	2,868	-4%
Participants in vocational training (starting in year)[iii]	**17**	**9**	**89%**
Volunteers[iv]	**43**	**14**	**207%**

[i] Includes 421 family members taking part in self-guided activities at Wordsworth Grasmere. These are therefore also included in the figure of 27,708 general visits.
[ii] Attendances at digital events might be understated because it is only possible to count devices logged in, not the number of people using each device.
[iii] Excludes work experience placements.
[iv] People who did volunteer work on a regular basis and / or for a sustained period of time.

Achievements and Performance

1. Overview of progress against strategy

2023/24 proved to be another challenging year for the Wordsworth Trust, and for the cultural sector as a whole, with income stagnating and costs increasing. Visitor numbers to Wordsworth Grasmere increased by 9%, but remained well below pre-pandemic levels. International visitors continued to be slow to return and domestic markets were affected by high inflation, leading to an increased cost of living.

Controlling costs, including putting a freeze on recruitment, meant that we were unable to adopt our usual 7-day opening for much of the year.
More encouragingly, feedback from those who did visit Wordsworth Grasmere continued to be overwhelmingly positive. We were also greatly encouraged by the substantial increase in people taking part in our formal and informal learning activities. Clearly, people continue to find meaning and inspiration in the lives and works of William and Dorothy Wordsworth. Further endorsement came through us being named Small Visitor Attraction of the Year at the 2023 Cumbria Tourism Awards, and being shortlisted for the Association for Historic Interpretation Awards.

Three years on from the completion of our 'Reimagining Wordsworth' project and faced with multiple challenges, the Trustees recognised the need for a fundamental review of our operating model. Following a successful application to the National Lottery Heritage Fund (principal funder of 'Reimagining Wordsworth') we appointed consultants to undertake a full business review, which will be completed in 2024.

In the meantime, we explored ways to make ourselves more financially sustainable. We successfully trialled bespoke, exclusive experiences for high-spending visitors, and will look to launch these in 2024. We continued to invest in our estate, with a view to generating more income to support our charitable activities. We also sought to increase our contributed income and received a boost in January 2024 with the news that the Arts Council England have asked us to rebid to extend its funding of National Portfolio organisations from 3 to 4 years.

2. Public benefit

a) Measuring our performance

We monitor our activities by beneficiary group, as shown in the table on page 3. As well as the statistical measures shown here, we talk to our beneficiaries and invite their feedback to ensure that we are meeting their needs and aspirations.

b) Wordsworth Grasmere

We continued to welcome visitors to Wordsworth Grasmere, and saw numbers increase for the second year in succession following our re-opening in May 2021. In addition to Dove Cottage, the Museum, the Garden–Orchard and Woodland, visitors enjoyed a varied programme of daily activities, including Live Poetry, Gallery Tours, Behind the Scenes Tours,

Sketching, Loose Leaf Poetry and Noticing Nature. Our Make and Play sessions were popular during the summer holidays, as were the Sensory Superhero Packs in our Sensory Garden.

The focus of our exhibitions programme in 2023 was *To the Lakes!*, which encouraged our 21st-century visitors to put themselves in the shoes (and the clothes) of the intrepid early tourists. The exhibition was accompanied by a 28-page souvenir booklet, and supplemented by a rich programme of events and activities. Highlights included a sell-out performances of James Plumptre's 1798 play *The Lakers* at Theatre by the Lake in Keswick, and a series of walks re-creating important Romantic literary adventures. A specially commissioned film of each walk was shown at the 2023 Kendal Mountain Festival.

Our Community Gallery played host to a range of co-curated displays, including an artistic response to *To the Lakes!* by members of Equal Arts, commissioned responses to Wordsworth's *Guide to the Lakes* by local artists Rema Grace, Finn Beames and Sally Ann Staunton, an interpretation of Charles Fletcher's manuscript tour of the Lakes by Curating for Change Trainee (and local resident) Will Clark, and a touring exhibition of the notebooks of the scientist and poet Sir Humphry Davy, a collaboration with the Davy Notebook Project.

Our trainees and interns curated several online exhibitions during the year, with subjects including the poet Susanna Blamire, the significance of Dove Cottage's Garden–Orchard and a celebration of the long-standing creative partnership between the Wordsworth Trust and the Parkhill Poets of Allerdale COSC, a social and day care centre for adults with physical disabilities.

Wordsworth Grasmere proved to be a popular location for press and media visits. We welcomed TV crews from Dubai and France, the latter for a documentary by French rock climber and mountaineer Catherine Destivelle (who joined one of the above-mentioned literary walks). Sikh Influencer Harjinder Kukreja, who has 4 million followers across social platforms, visited in April. Wordsworth Grasmere also featured in an episode of *Matt Baker: Christmas Travels with Mum & Dad* which aired on Channel 4 in December.

c) Formal education

In 2023/24 we achieved 6,327 school engagements, a 30% increase on the previous year and the second highest figure in the past 10 years. Engagements were split evenly between primary and secondary level, which is unusual as museums often struggle to engage with secondary school pupils. We also focused on increasing our engagement with schools based in the Levelling Up areas of Barrow-in-Furness and Copeland, with the result that we exceeded our target in these areas by more than 50%. Our after-school Drama Club for children aged 8–11 from Grasmere Primary School continued to go from strength to strength; their work this year culminated in a performance of 'Sparkles of Light', based on Wordsworth's 'To a Butterfly' poems.

Participation in our higher education courses was 23% down on 2022/23, reflecting the cyclical nature of this programme. In June we launched our new university short course offer, and during the year welcomed to Wordsworth Grasmere universities and colleges from the UK and North America. We also delivered a livestreamed workshop for college students in Kolkata. For many, the experience was profound. One professor commented: 'Every student without exception, I believe, was transformed by the weekend.'

d) Informal learning

Participation in our informal activities increased significantly this year. In part this was due to our focused efforts in the Morecambe Bay area. Regular groups have been established in Morecambe and Barrow and we collaborated with The Well (based in Barrow) to welcome to Grasmere a group of men recovering from narcotic or alcohol addiction. The centre head wrote: 'The men came back literally "buzzing" with excitement and enthusiasm for the time they had experienced with you'. At the 2023 Morecambe Poetry Festival, 12 of our young writers were included in the Festival anthology.

Informal learning encompasses a broad range of activity, led by freelance writers and artists as well as our own team. Much of it is targeted at people with particular needs, for example those living with or caring for someone with dementia, people with long-term health conditions, those in remote rural communities, refugees and asylum seekers. Working in partnership is fundamental to the success of these activities, and our collaborators during the year included Cumbria Wildlife Trust, Artworks–Art4All, Women's Community Matters and Glenthorne Quaker Centre. In September we welcomed staff of the Liverpool-based Beacon Counselling Trust for a two-day workshop. The Beacon Trust supports over 3,000 people a year in north west England in the areas of suicide bereavement and gambling addiction. Feedback was overwhelmingly positive: 'For us the whole day was perfect and a very therapeutic and valuable part of the aftercare we are receiving'.

One of our most successful collaborations of 2022/23 was *Refuge from the Ravens – Wordsworth rewritten by homeless Britain*, a project originated by Zwiebelfish CIC. We were delighted to see this given a new lease of life in the form of an exhibition at the Houses of Parliament in May. This was made possible by Tim Farron, MP for Westmorland and Lonsdale, who sponsored the exhibition and hosted a reception.

Our regular activities in communities across Cumbria included 'Tales from the Tea Room' – 'one of the cultural highlights of our move to North Cumbria' – 'What are Words Worth?', 'Writing for Pleasure' and 'Living Letters'. We continued to support writers' groups in Shap and Allhallows.

e) Families and young people

We were pleased to see attendance at activities for families increase by 14%, a reflection of our efforts to make Wordsworth Grasmere a family-friendly destination. Our ever-popular Twilight Tales sessions sold out, as did our Georgian Christmas Family Workshop, with wreath making, clog dancing, pomander making and poetry writing. Looking beyond Grasmere, we visited many Cumbrian libraries over the course of the year, with our 'Rucksack of Rhymes', 'Busy Bees' and 'Welcoming Spring' sessions for young children proving extremely popular.

The Dove Cottage Young Poets, a group of 14–21-year-olds mentored by published poet Katie Hale, visited Wordsworth Grasmere and wrote poems that respond to our collection. A film of the poets reading their work will feature in the Museum. Two of the poets were also invited to perform with the Brewery Poets in Kendal.

Poets from Untrodden Ways, our school students' poetry group based in Barrow, also visited Wordsworth Grasmere and participated in a creative writing workshop.

f) Events

2023/4 saw a significant increase in attendance at talks, workshops and other events, with numbers more than doubling to 5,400. At Wordsworth Grasmere, we hosted a 3-day wood engraving course led by leading experts Chris Daunt and Carole Thirlaway, and a Poetry & Paint Weekend run by artist Alison Critchlow. Our monthly Romanticism talks covered an impressive range of topics and included collaborations with the British Association of Romantic Studies (exploring the life and work of Humphry Davy) and the University of Derby (examining the relationship between trees, tourism, and biodiversity in the Lake District in the early 19th century).

In partnership with Grasmere Village Hall, we hosted two events during the year: 'The Dreamtime Fellrunner', a theatrical performance by poet and fellrunner Julie Carter, and a launch event (with Granta Books) for *All Before Me: A Search for Belonging in Wordsworth's Lake District* by our former Education Manager Esther Rutter. Beyond Grasmere our annual Wordsworth Lecture at the British Library – the first since the pandemic - attracted 155 people for a discussion and celebration of 'Coleridge at 250'.

g) Contemporary Poetry

Poet Laureate Simon Armitage returned to Grasmere in September for his annual, sell-out poetry reading, attracting 182 guests. Through our continuing association with the Michael Marks Awards for Poetry Pamphlets we partnered on the Environmental Poet of the Year Award. Linda France, the 2022 winner, gave a writing workshop and poetry reading, and we published the winning pamphlet for 2023, *A Thousand Miles from the Sea* by Jane Burn.

'Go to the Poets', our bi-monthly series of contemporary readings and open mic events, featured Liz Berry, Rachel Long, Nick Makoha, Amy Acre, Victoria Kennefick and Gillian Clarke. After her 2020 residency was postponed due to Covid, Suji Kwock Kim finally joined us as Poet in Residence in June, reading, writing, researching and running workshops. In March we once again hosted the annual Poetry Business Competition Winners' Reading, featuring Laurie Bolger and Doreen Gurrey.

Our regular poetry groups for adults, Dove Cottage Poets and Discover Poetry, continued to run monthly. Dove Cottage Poets also featured in the exhibition *Dredged* by artist Jocelyn McGregor at Windermere Jetty Museum. Their accompanying pamphlet, *Voices of Windermere*, was launched at Wordsworth Grasmere.

h) New media

Our social media presence continued to grow, with a 5% increase in followers. However, digital engagement overall declined by 11%, as many more people engaged in person with our informal learning activities.

h) Other performance measures

Continuing our journey to becoming a more diverse and inclusive organisation, our senior management team began participating in an anti-racism programme for the Cumbria Museum Consortium delivered by Anti Racist Cumbria.

In an era of climate change, we are increasingly mindful of our impact on the planet. Actions to reduce the carbon footprint of our buildings are detailed elsewhere. At an individual level, several of our staff qualified as Carbon Literacy Trainers and ran a Carbon Literacy Training session for all staff, which resulted in people making individual pledges to reduce their carbon footprint.

We increased significantly our number of volunteers in 2023/24 and they enriched our work in many ways: giving costumed poetry readings, tending to Dove Cottage Garden-Orchard, documenting our collection, acting (in *The Lakers*) and supporting guided walks. As a partner in the Cumbria Museum Consortium, we also helped to deliver 'Helping Hands' a Cumbria-wide project to increase and diversify cultural volunteering that concluded in 2024.

Once again, we benefited from many generous gifts to our collection. 'These included 12 superb drawings by the Cumbrian artist John 'Warwick' Smith, received from an anonymous donor under the Acceptance in Lieu scheme. Nicholas and Cecilia Powell gifted a sketchbook of drawings by Sir George Beaumont in memory of Tony Reavell. Through Professor Paul Betz we acquired a copy of *The Early Letters of William and Dorothy Wordsworth* annotated by Mary Moorman, biographer of Wordsworth and former Chair of the Wordsworth Trust. The manuscript, 'Some Observations and Directions in Practice' (referencing Wordsworth's father) was the gift of Dr William Zachs. The descendants of Wordsworth's landlord John Benson donated the Benson / Bore collection of manuscripts, which has been on loan to the Wordsworth Trust since 1993. Through the continued generosity of the W.W. Spooner Charitable Trust, we acquired important drawings by David Cox, Edward Dayes, William Green and several other artists.

We were partners in a project led by Lancaster University, 'Addressing the Histories and Legacies of Colonialism in Romantic-period Literary House Museums: Dove Cottage and Beyond'. This explored the ways in which we interpret our collection and the stories that we share with our visitors.

We were delighted to continue our sponsorship of the Wordsworth Grasmere Prize for Literature and Poetry at the 2023 Lakeland Book of the Year Awards. This year's Prize was won by poet Hannah Hodgson for her collection *163 Days*.

3. Acknowledgements

We gratefully acknowledge the support of a great many funding bodies and individuals who care as much as we do about celebrating Wordsworth's legacy. National Portfolio funding from Arts Council England provides a crucial underpinning for all our activities, and our ongoing strategy for financial resilience is being made possible by the National Lottery Heritage Fund and players of the National Lottery. We thank Westmorland and Furness Council, for supporting us as a Strategic Cultural Partner and through the Rural England Prosperity Fund, and our other two funding partners: Lancaster University and Brigham Young University. The John R. Murray Charitable Trust, the Sir John Fisher Foundation and the Wyfold Charitable Trust have each enabled us to achieve our purposes at a financially challenging time, and Cumbria Local Enterprise Partnership has helped us to explore ways of looking after our collection in a more environmentally sustainable way. We thank Bill Zachs and Malcolm & Nicole Thorogood for their tremendous support for our work; and we thank our Patrons, our Friends and our many other supporters, including all those who responded to our Big Give Arts for Impact appeal in March and made it so successful.

Future Plans

Following completion of the business review, we will create a new vision for the Wordsworth Trust and implement a plan to ensure our future sustainability. The extension of Arts Council National Portfolio funding to 2027 offers us the security to sustain programmes that fulfil Wordsworth's wish for his own poetry – that it 'live and do good'. Increasingly, our work will focus on ways in which being creative and engaging with nature can enhance people's wellbeing.

Wordsworth was also arguably the first environmental poet. Mindful of our responsibility to the environment we will continue to improve the energy efficiency of our estate and will programme events and activities that promote environmental awareness and individual responsibility.

Specific activities for 2024/25 include:

- Presenting a programme of exhibitions including a continuation of *To the Lakes!* and several co-curated displays in the Museum.
- Commissioning artists to respond to our place and our collection.
- Engaging with schools and community groups throughout Cumbria.
- Continuing our work with Anti Racist Cumbria, undertaking an audit of different areas of our operations and producing an action plan.
- Holding the annual Wordsworth Lecture at the British Library, marking the 200th anniversary of the death of Lord Byron.
- Launching a programme of bespoke, exclusive experiences.
- Launching a new guidebook for Wordsworth Grasmere.

Financial Review

1. Summary

The net (expenditure)/income for the year, including investment gains and losses, was £(32,000) *(2022-23: £1,122,000 net expenditure)*.

Income from admission for the year was £360,000 (2022-23 £295,000). This is a significant improvement but does not reach the levels estimated during the Reimagining Wordsworth project. Covid, cost of living and possibly the fall in foreign visitors have contributed to the disappointing levels.

During 2023/24, we have seen improvements in investment income and an increase in property valuations.

The salary costs for the year amounted to £862,000 (2022-23 £949,000) showing a fall in costs despite pressure from wage inflation and helped by a recruitment freeze.

All cost headings have been under scrutiny and fortunately we had fixed or low inflation contracts on utilities and insurance costs.

The National Portfolio Organisation grant we receive from Arts Council England as part of the Cumbria Museum Consortium was renewed with effect from 1 April 2018 for four years and was then extended to 31 March 2023 as part of the Arts Council's Covid recovery measures. Following a rigorous application process we were delighted to have been awarded a further National Portfolio Organisation grant which will run to 31st March 2026.

The performance of the trading subsidiary Dove Cottage Promotions Ltd (DCP) has improved but it is still being impacted by the difficult trading conditions. There is no doubt that discretionary spend is low and is being influenced by the cost of living crisis.

Increases in admissions have clearly had a positive influence on the performance of the Café and Shop.

Consequently, Dove Cottage Promotions Ltd lost £16,000 in the year compared to a profit of £37,000 in 2022-23. The 2022-23 accounts included a write-off of an underlying company balance and the trading loss was £33,000.

2. Investments

We own several properties in Town End, Grasmere (in the vicinity of Dove Cottage) as investment assets with the rental income being an important source of revenue. Capital appreciation on the properties helps sustain our long-term financial security. The properties are let to a mix of our staff and third parties and rents are assessed against market rates. One property is a guest house and is let on a commercial lease. Rental income for the year was £85,000 *(2022-23: £90,000).*

A review of the properties will result in an expected increase in revenue in 2024-25 with external renters being advertised and pursued. A revaluation of the investment properties was performed during summer 2024 resulting in an adjustment to increase the fair value of the properties by £118,000. The Trustees accepted this valuation as reflecting the current market but were aware that a change in the economic climate could result in a reduction in these valuations.

We have four discrete investment funds which are managed by Cazenove Capital Management (the wealth management arm of Schroder plc): the Development Fund, the RS Woof Memorial Fund, which permanently endows the post of the Robert Woof Director, and the Catalyst Endowment Fund, which is held in the balance sheet under cash at bank. A fourth fund has been added to the portfolio for the donation from the John R. Murray Charitable Trust. There are no ethical restrictions on any of the funds under management, but we have agreed the following statement on environmental, social and governance issues in investing.

"The Wordsworth Trust recognises the importance of responsible investing and also that environmental, social and governance (ESG) issues can have substantial investment implications. The Trust requires its Investment Managers to have adopted a Responsible Investment policy, such as the United Nations Principles for Responsible Investment (UNPRI) and the UK Stewardship Code. The Trust also expects that, wherever possible, managers of third-party funds consider ESG issues to be an integral part of the investment process and that its own investment managers encourage managers of third party funds in this endeavour."

The Development Fund comprises both a permanent endowment and a designated element. Due to the restrictions placed upon the entire Development Fund by the donor of the endowment element, both components of the fund must be treated as permanent endowment. The fund overall is invested on a total return basis and the managers have investment discretion to meet a target total return of CPI + 2%.

Trustees plan to allocate at least £50,000 p.a. on a regular basis in order to aid planning within the organisation. The Trustees have the right to take up to 5% to help cash flow in difficult trading conditions, this option was taken. During the year we drew down £87,890.

The Catalyst Endowment Fund is invested with a prudent approach to risk, to maximise income consistent with maintaining the real value of the capital. There has been a slight shift in this approach since 2020-21 towards increasing the capital value. It has a higher requirement for income than the Development Fund being set at 3.5%.

The purpose of the RS Woof Memorial Fund is to endow the position of the Robert Woof Director. To this end the objective of the fund is to maximise income while maintaining the capital value.

The Property Improvement Fund was created following a donation from the John R Murray Charitable Trust. The purpose of the fund was for urgent property maintenance. The balance was to be used supporting reserves. Due to the difficult trading performance the Trustees agreed to redesignate the fund, reducing the fund from £700,000 to £450,000. At the end of 2023-24 only £393,000 of this fund remains. £102,643 has been spent on property from the original fund.

Although the capital value of the investments decreased over the year all our fixed asset investments are managed for the longer term and Trustees remain confident that although the short-term outlook is still uncertain the long-term outlook remains favourable. There have been some small increases in values since the end of March.

Following a competitive tender in line with our investment policy our Trustees appointed new investment managers from June 2024, details of which are:

CCLA
One Angel Lane
London
EC4R 3AB

3. Reserves

We maintain reserves to enable us to fulfil our charitable remit by providing for business continuity, security for our collection, and the maintenance of our properties in circumstances where our revenue requirements may not be covered by short-term income. The reserves are managed to offer the best return for the charity while remaining relatively liquid to meet our needs.

The Trustees periodically review their reserves policy as part of the risk management process, and they have identified several main reasons for holding reserves:

- To allow the financing of a controlled reduction in expenditure should extraordinary events beyond our control generate a long-term reduction in income streams.
- To provide short-term support in circumstances where a temporary interruption to income means it is not appropriate to lose the skills and knowledge of the staff team or to curtail our programme of events.
- To accommodate the fact that many of our major events such as exhibitions and conferences are planned, and therefore expenditure is committed, months, if not years, in advance while income from these events in terms of admissions is not received until after the event opening. This misalignment of income and expenditure is a main consideration in determining an adequate level of reserves.
- To provide support during the redevelopment of any part of the site which could lead to a loss in income.

The level of reserves therefore varies depending on the specific circumstances and cannot be expressed as an exact figure. However, after taking all of these factors into consideration the Trustees believe a free reserve (funds not tied to fixed assets, designated or restricted funds) of relatively liquid assets equivalent to the external income required to fund between three and six months' budgeted expenditure is appropriate.

At the end of the year our total funds are £21,199,000. Of this £2,963,000 are endowment funds and £6,751,000 are restricted funds which are not available for the general purposes of the charity. The Designated Development Fund of £1,058,000 must be treated as permanent endowment under the terms of the Endowment Development Fund as described in note 17 to the accounts. Of the other four designated funds, the Collection Assets Fund of £3,964,000, represents our heritage assets and cannot be realised without the sale of the collection. The designated Warren Collection Fund of £59,000 is held as cash or near cash and is available to spend at any time on the acquisition of heritage assets and the Property Improvement Fund set up from the donation in 2021-22 from the John R. Murray Charitable Trust amounts to £393,000. Investment properties held in the unrestricted funds totalled a further £5,988,000. To purchase investment properties and fixed assets and to provide working capital, Trustees had taken out a long-term interest-only loan of £1,000,000. This loan was refinanced in January 2020 to a repayment loan with a term of five years and a repayment profile of 15 years. The amount outstanding at 31st March 2024 was £815,820 *(31st March 2023: £889,428)*.

4. Fundraising

The activities reported here are only achieved with the generous financial support of others, and fundraising is an ongoing activity. We currently employ 1.4 FTE fundraising staff members, and our fundraising costs also reflect the Director's involvement in the effort.

Fundraising activity is co-ordinated by the Development Manager, who reports quarterly to Trustees. Revenue fundraising is overseen by the Trustees' Fundraising Committee, to which the Development Manager also reports quarterly.

We are registered with the Fundraising Regulator, and we give due consideration to its codes of practice, including the general principles of fairness, respect and being sensitive to the needs of people who may be in vulnerable circumstances. We explain how we take ethical considerations into account when soliciting and accepting donations in our Donations Policy. This is published on our website along with our Feedback Policy, which explains how we would respond to any complaints about our fundraising. We did not receive any such complaints during the year.

We engaged the services of a fundraising strategy consultant towards the end of the year. The consultant's work does not involve applying for, or appealing for donations on our behalf, and no fees were incurred during the year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

1. Board of Trustees

The Board of Trustees is responsible for our overall management and strategic direction and comprises between 5 and 15 members. Board members come from a range of backgrounds including Wordsworth and Romantic scholars, museum professionals, educationalists and business people. In January 2019 the Board reviewed and then adopted the updated Articles of Association.

When filling vacancies, the Board reviews its existing skills to ensure it can draw on a range of relevant experience in fulfilling its obligations. It also seeks to ensure that the Board reflects the diversity of our beneficiaries. Trustees are appointed by the Board, and candidates are subject to a vetting process to verify their suitability as a charity trustee. We advertise to recruit new Trustees

with appropriate qualifications, backgrounds and experience. Candidates are shortlisted and interviewed by the Nominations Committee, which makes recommendations to the Board as a whole.

On appointment, Trustees complete a register of interests and undertake an induction programme that includes familiarisation with our purposes and operation, our strategies and objectives. They receive copies of our main documents including financial statements and business plan and meet senior employees and other staff. There is ad hoc training for Trustees after appointment. There are job descriptions for the position of Trustee and the posts of Chair and Honorary Treasurer.

Each Trustee retires from office at the third Annual Retirement Meeting following the commencement of their term of office. Retiring Trustees may be reappointed but those appointed before 1st April 2019 can serve for no more than twelve continuous years and those appointed on or after 1st April 2019 can serve for no more than nine continuous years.

The Trustees have no interest in the Trust's surplus or assets, receive no remuneration and must comply with the Trust's Conflict of Interest Policy.

To assist in the performance of its role, the Board has established several standing committees. Individual Trustees serve on a number of committees which consider specific matters in greater detail and make recommendations on those matters to the Board as a whole. The Board has reviewed its committee structure in July 2022 and agreed the following:

- Collection and Learning Committee – monitors the development, management and care of the permanent collection, and the public benefit the collection generates through the programme of exhibitions, learning and outreach.
- Visitor Experience Committee – monitors the performance of the commercial and visitor-facing operations of the Trust, including marketing.
- Estate Committee – monitors the plan for development and maintenance of Dove Cottage, its garden and all the other land and properties owned by the Trust.
- Finance and Audit Committee – oversees the financial strategy of the Trust and Dove Cottage Promotions Ltd, reviews financial performance against targets and monitors our legal obligations.
- Fundraising Committees – supports the work of the Development Office on specific fundraising campaigns and monitors the effectiveness of the fundraising strategy.
- Welfare, Diversity and Health and Safety – monitors the effectiveness of Trust policies in each of these areas.
- Investment Committee – monitors the performance of the investment managers, makes recommendations regarding their appointment and advises on investment strategy. The Investment Committee includes co-opted members with particular investment expertise.
- Nominations Committee – reviews the skills and diversity of the Board, develops succession plans for Trustees and key office holders and seeks to identify suitable candidates for the roles of Trustee, Chair, Vice Chair Treasurer and Director of the charity for consideration by the full Board.
- Remuneration Committee – makes recommendations regarding the salaries of the Robert Woof Director and the Senior Management Team and reviews strategic issues relating to pay and conditions across the organisation.

Two Trustees along with the Robert Woof Director form the board of the trading subsidiary, Dove Cottage Promotions Ltd.

Trustees' annual report *(continued)*

Structure, governance and management *(continued)*

The Board approves the annual plans and budgets against which our performance is assessed. Day-to-day management of the Trust is delegated to the Robert Woof Director and the senior management team (SMT). The Board met four times during 2023-24, to receive and review minutes from the standing committees and reports from the SMT.

2. Senior Management Team

The SMT provides the Board with departmental reports and quarterly management accounts for each meeting. The members of the SMT attend the Board meetings. The Director is responsible to the Board for the financial performance against annual budgets and for the charitable impact of the Trust. The SMT are the Key Management Personnel for the Trust.

Salaries for the SMT members are reviewed annually, usually at the same time as all other staff. As with all positions at the Trust SMT salaries are on occasion benchmarked against salaries in comparable organisations.

During the year to 31 March 2024 the SMT comprised:

The Robert Woof Director	Michael McGregor
Principal Curator and Head of Learning	Jeff Cowton MBE
Development Manager	Mark Bains
Finance and Operations Director	Philip Stone
Head of Visitor Experience	Stephanie Byast

3. Risk Management

The Trustees keep the major risks to which the charity is exposed under review and seek to mitigate against those risks which could, if they occur, have a severe impact on our ability to achieve our strategic targets. Where appropriate, insurance has been taken out. Despite this, Trustees are aware that any system of control can provide only reasonable and not absolute assurance against material loss or misstatement.

In the opinion of the Trustees, we have established resources and review systems, which under normal conditions should allow these risks to be mitigated to an acceptable level in day-to-day operations. The Trustees have identified the following as being the main risks to which the charity is exposed:

Trustees' annual report *(continued)*

Structure, governance and management *(continued)*

Risk category	Type of risk	Mitigation
Financial	Adequacy of cash reserves in the current economic downturn and slow recovery after COVID, and re-branding	Tight cost-control and careful review of cash flow budgets, with a decision to sell a property and pay off a long-term loan, significantly helping cash flow pressure.
Environmental	Significant downturn in visitor numbers.	External review of the visitor offer and marketing to keep the offer attractive and relevant.
Funding	The loss of support from a major funding agreement on expiry, in particular the National Portfolio Organisation grant from the Arts Council which runs to 31st March 2026.	Communication with grant giving bodies. Monitoring to ensure delivery on existing funding agreements, achieving targets and outcomes. Adequate preparation and resource to ensure detailed and imaginative bids are developed. Development of fundraising strategy.
Funding	Loss of public confidence in fund raising activity.	Registration with the Fundraising Regulator. Adherence to established codes of practice.
Governance	Failure to follow good governance practice.	Nominations Committee. Trustee induction and identification of training needs. Conflict of interest policy. Approved strategy, operating plan and annual budgets. Job descriptions.
Health and Safety	Failure to comply with Health & Safety and safeguarding obligations.	Regular review of Health and Safety Policies. Review of Safeguarding Policy and training for all staff. Review of all incidents by Management Committee. Insurance
Operational	Major damage or destruction of Dove Cottage.	Intruder and fire alarm systems were improved as part of Reimagining Wordsworth project. Improvements have been made to the stability of Dove Cottage including a reduction in risk from water damage, a new heating system and roof and general repairs to the fabric of the building.
Operational	Theft of, environmental or accidental damage to collection assets or damage as a result of repeated use.	Collection stored in locations with BMS to BS5454 and Government Indemnity Scheme standards built into the new museum. Monitoring of statutory regulations. Insurance.
Financial	Poor financial management and/or control or breach of financial trust.	Policies codified in the Financial Control Manual. Insurance. Pre-employment checks. Trustee reporting and audit.
Personnel	Inability to retain and recruit key staff.	Review salary and benefit packages. Staff appraisal system. Provide a comfortable working environment with a positive organisational culture. Offer of accommodation for staff.
Regulatory	Failure to comply with external regulations.	Monitor regulations and changes to them. Staff training. Collection management policies. Insurance cover.
Cyber Security	Protect the devices we use, and the services we access from theft or damage. Prevent unauthorised access to the information we store.	Full review has taken place this year with our computer software provider, with changes to a number of procedures. A Cyber Essentials audit is planned. Cyber Insurance is now in place.

Trustees' annual report *(continued)*

Structure, governance and management *(continued)*

5. Principal advisors

Principal solicitors:
Bates Wells
10 Queen Street Place
London
EC4R 1BE

Principal bankers:
Barclays Bank plc
Leicester
LE87 2BB

Investment advisors:
Cazenove Capital (until April 2024)
1 London Wall Place
London
EC2Y 5AU

Registered auditor:
RSM UK Audit LLP
Bluebell House
Brian Johnson Way
Preston
PR2 5PE

DISCLOSURE OF INFORMATION TO AUDITOR

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

RSM UK Audit LLP have indicated their willingness to be appointed for another term and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

By order of the board.

Professor Sir Drummond Bone
Chair of Trustees

19 October 2024

Registered company number 03442086
Registered charity number 1066184

Statement of responsibilities of the Trustees of The Wordsworth Trust in respect of the Trustees' Annual Report and the financial statements

The Trustees (who are also directors of The Wordsworth Trust for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the strategic report and directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to the auditors

In so far as the Trustees are aware at the time of approving the Trustees' Annual Report:

- there is no relevant information, being information needed by the auditor in preparing their report, of which the auditor is unaware; and
- the Trustees, having made enquiries of fellow Trustees and having taken all the steps they are obliged to take as a trustee in order to make themselves aware of any relevant audit information, have established that the auditor is aware of that information.

By order of the board.

Professor Sir Drummond Bone
Chair of Trustees

19 October 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WORDSWORTH TRUST

Opinion

We have audited the financial statements of The Wordsworth Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives

rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in

accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operates in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The group audit engagement team identified the risk of management override of controls and revenue cut off as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgements and estimates. Our testing in respect of revenue cut off included substantive tests of detail.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

K Musgrave.

KAREN MUSGRAVE (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Bluebell House
Brian Johnson Way
Preston
PR2 5PE

Date 6/11/24.

Consolidated statement of financial activities (incorporating income & expenditure account)

for the year ended 31 March 2024

		Unrestricted funds		Endowment funds			Total	Total
		Unrestricted funds	Designated Development Fund	Development Fund	Other Endowment Funds	Restricted funds	2023-24	2022-23
	Notes	£000	£000	£000	£000	£000	£000	£000
Income and endowments from:								
Donations and legacies	3	171	1	-	-	495	667	603
Charitable activities								
Admission fees and sales	4	411	-	-	-	-	411	331
Other trading activities								
Book and gift shop sales	5	180	-	-	-	-	180	170
Investments	6	112	16	46	36	-	210	189
Other		20	-	-	-	-	20	69
Total income		894	17	46	36	495	1,488	1,362
Expenditure on:								
Raising funds								
Fundraising costs		181	-	-	7	-	188	161
Book and gift shop costs		196	-	-	-	-	196	196
Investment management costs			2	10	6	-	18	20
Management costs of the let estate		93		-	-	-	93	90
Charitable activities:								
Custodianship		337	-	-	2	56	395	408
Access and learning		511	-	-	2	522	1,035	1,059
Total expenditure	7	1,318	2	10	17	578	1,925	1,934
		(424)	15	36	19	(83)	(437)	(572)
Net (losses)/gains on investments		298	39	56	14	-	407	(550)
Net (expenditure)/income		(126)	54	92	33	(83)	(30)	(1,122)
Transfers between funds	8	(211)	21	36	21	133	-	-
Net movements in funds		(337)	75	128	54	50	(30)	(1,122)
Reconciliation of funds:								
Total funds bf at 1 April 2023		10,724	983	1,708	1,073	6,741	21,229	22,351
Total funds cf at 31 March 2024		10,387	1,058	1,836	1,127	6,791	21,199	21,229

The notes on pages 25 to 47 form a part of these financial statements.

The net income and resulting net movement in funds arise from continuing operations.

The charitable company has no recognised gains or losses other than the net movement of funds for the period.

There is no material difference between the reported results and the historical results of the charitable company.

Balance Sheet
at 31 March 2024

	Notes	Group		Charitable company	
		31 March 2024 £000	31 March 2023 £000	**31 March 2024 £000**	31 March 2023 £000
Fixed assets					
Tangible assets	9	**7,615**	7,845	**7,611**	7,844
Heritage assets	10	**3,964**	3,836	**3,964**	3,836
Investment property	11	**5,988**	5,870	**5,988**	5,870
Investments	12	**4,417**	4,299	**4,432**	4,314
Total fixed assets		**21,984**	21,850	**21,995**	21,864
Current assets					
Stocks	13	**32**	39	**-**	-
Debtors	14	**108**	70	**245**	217
Cash at bank and in hand		**49**	283	**36**	247
Total current assets		**189**	392	**281**	464
Creditors: Amounts falling due within one year	15	**(233)**	(197)	**(226)**	(190)
Net current assets		**(44)**	195	**55**	274
Total assets less current liabilities		**21,940**	22,045	**22,050**	22,138
Creditors: Amounts falling due after more than one year	16	**(741)**	(816)	**(741)**	(816)
Total net assets		**21,199**	21,229	**21,309**	21,322
The funds of the charity					
Undesignated funds:					
General funds	17	**658**	990	**768**	1,083
Revaluation reserve	17	**5,313**	5,195	**5,313**	5,195
		5,971	6,185	**6,081**	6,278
Designated funds:					
Warren Collection Fund	17	**59**	59	**59**	59
Collection Assets Fund	17	**3,964**	3,836	**3,964**	3,836
Designated Development Fund	17	**1,058**	983	**1,058**	983
Designated Property Improvement Fund	17	**393**	644	**393**	644
Total unrestricted funds		**11,445**	11,707	**11,555**	11,800
Restricted funds:	17	**6,791**	6,741	**6,791**	6,741
Endowment funds:					
Endowment Development Fund	17	**1,836**	1,708	**1,836**	1,708
RS Woof Memorial Fund	17	**254**	251	**254**	251
Catalyst Endowment Fund	17	**873**	822	**873**	822
Total charity funds		**21,199**	21,229	**21,309**	21,322

As permitted by s408 of the Companies Act 2006, the charitable company has not presented its own statement of financial activities and related notes as it prepares group accounts.

The charitable company has made a deficit of £16k in the year to 31 March 2024 (£1,159k deficit in the year to 31 March 2023).

These financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Approved by the board of Trustees on 19 October 2024 and signed on its behalf by:

Professor Sir Drummond Bone
Chair of Trustees

Registered company number 03442086 Registered charity number 1066184

Consolidated statement of cash flows

For the year to 31 March 2024

	2023-24 £000	2022-23 £000
Cash flows from operating activities		
Net cash provided by operating activities	**(276)**	(528)
Cash flows from investing activities		
Dividends and interest allocated to income	**125**	99
Rents from investment properties	**85**	90
Purchase of fixed assets	**(57)**	(41)
Net transfer to fixed asset investments	**-**	(559)
Invested cash used for management charges	**20**	(3)
Proceeds from sales of assets	**-**	-
Net cash used in investing activities	**173**	(414)
Cash flows from financing activities		
Repayments of borrowing	**(74)**	(73)
Interest payable on loan	**(57)**	(35)
Cash used in financing activities	**(131)**	(108)
Change in cash and cash equivalents in the period:	**(234)**	(1,050)
Cash and cash equivalents at start of year	**283**	1,333
Cash and cash equivalents at end of year	**49**	283
Reconciliation of net income to net cash used in operating activities		
Net (expenditure)/income	**(30)**	(1,122)
Adjustments for:		
Depreciation	**287**	285
Losses/(gains) on investments	**(286)**	230
Losses/(Gains) on revaluation of investment properties	**(118)**	320
Dividends and interest	**(124)**	(99)
Rent on investment properties	**(85)**	(90)
Interest payable on loan	**57**	35
Gifts in kind	**-**	(69)
Receipts of endowment	**-**	-
Investment management costs	**18**	21
Decrease(Increase) in stocks	**7**	(2)
(Increase)/decrease in debtors	**(38)**	(4)
Increase/(decrease) in creditors	**36**	(33)
Net cash provided by operating activities	**(276)**	(528)

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the group's financial statements.

Basis of preparation

The Wordsworth Trust (the "Trust") is a registered charity and a company limited by guarantee and incorporated and domiciled in England and Wales.

These group and parent company financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the Trust's governing document, the Companies Act 2006, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland FRS102. The presentation currency of these financial statements is sterling.

The parent company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Statement of Financial Activities or cash flow statement or with related notes is included; and
- Key Management Personnel compensation has not been included a second time as they are included for the group

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The Wordsworth Trust meets the definition of a public benefit entity under FRS 102.

Measurement convention

The financial statements are prepared on the historical cost basis except for investment property that is stated at fair value.

Basis of consolidation

These consolidated financial statements consolidate the results of the Trust and its wholly owned subsidiary undertaking, Dove Cottage Promotions Limited (registered number 02091130), on a line-by-line basis.

These accounts are made up to 31 March 2024 and are based on the accounts of the subsidiary undertaking which are coterminous with those of the Trust.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

Going concern

The Trustees, having reviewed future financial forecasts and considered the difficult trading conditions following the coronavirus pandemic and the current cost of living crisis and the impact of these on the Trust, have a reasonable expectation that the Trust, supported by secured funding, has adequate resources to continue in operational existence for the foreseeable future, a period that is not less than twelve months from the date of signing the financial statements. Thus, on this basis, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes *(continued)*

1 Accounting policies *(continued)*

Related party transactions

Transactions with those subsidiary undertakings whose voting rights are 100% controlled within the group are not disclosed, as provided for in FRS 102, section 33. Transactions with other parties are detailed in note 21.

Fixed asset investments

Fixed asset investments are included at the quoted mid-market price ruling at the balance sheet date. Realised and unrealised gains and losses on investments are shown in the Statement of Financial Activities and represent the change in market value from the beginning of the year.

Unquoted investments are included at the share capital value.

Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the Statement of Financial Activities in the period that they arise; and

ii. no depreciation is provided in respect of investment properties applying the fair value model.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Property	-	between thirty two and fifty years
Plant	-	fifteen years
Museum fittings	-	twelve years
Motor vehicles	-	four years
Fixtures, fittings and equipment	-	between three and five years
Intangible assets	-	three years

Fixed assets purchased below £500 are not capitalised.

Heritage assets

Items purchased for the collection are valued at cost. Donated items have been valued at the Curator's best estimate of current value at the time of acquisition since 2010. It is the responsibility of the Trust to preserve and conserve Collection items for the benefit of the nation and due to their nature they are expected to have a long life. Depreciation is therefore not charged on collection items which are capitalised since this is deemed to be immaterial. Impairment reviews are carried out annually.

Stocks

Stocks consist of purchased goods for resale and are stated at the lower of cost and estimated selling price less costs to complete and sell.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Notes *(continued)*

1 Accounting policies *(continued)*

Creditors

Creditors are recognised where the Trust has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount due to settle the obligation can be reasonably measured or estimated. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Income

All income is recognised once the Trust has entitlement to the resources, it is probable that the resources will be received and the monetary value can be measured with sufficient reliability.

Donations and grants

Income from donations and grants is credited to the Statement of Financial Activities when receivable. Where such income is received in advance the income is deferred until the Trust becomes entitled to the resources. Legacies are recognised on an accruals basis to the extent that the Trust has been notified that it is a beneficiary and there is a clear indication of the amounts involved.

Government grants

Government grants are recognised in income when received or, for grants that specify performance conditions, when received or receivable when there is a reasonable assurance that the grant conditions will be met and the grants will be received. A grant received before the recognition criteria are satisfied is recognised as a liability.

Income from charitable activities

Income from admissions to Dove Cottage and Museum and for charitable activities undertaken by the Trust is recognised when receivable. Related gift aid is also accounted for on a receivable basis.

Book and gift shop sales

Trading income from the book and gift shop operated by the Trust's trading subsidiary represents the value of goods sold net of VAT and this is recognised at the point of sale.

Investment income

Investment income and gains of the Development Fund are split between the Designated and Endowment funds based on the opening value of their investments. Investment income generated on restricted funds remains restricted.

Rents and interest are included when receivable at an amount which includes any tax recoverable from HMRC.

Expenditure

Expenses are accounted for on an accruals basis.

Direct charitable expenditure includes the direct costs of the activities. Support costs are also incurred to enable the Trust to provide these activities. Where such costs relate to more than one functional cost category, they have been apportioned as a percentage of staff time employed on the relevant activity.

Pension costs

The Trust contributes to the defined contribution pension schemes of some employees. The assets of the schemes are held separately from those of the Trust in independently administered funds. The amount charged in the Statement of Financial Activities represents the contributions payable to the schemes in respect of the accounting period.

Notes *(continued)*

1 Accounting policies *(continued)*

Fund accounting

Funds held by the Trust are either:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objectives at the discretion of the Trustees.

Designated funds – these are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

Designated Development Fund – a designated unrestricted fund shown separately from the Endowment Development Fund, since it is expendable in the event of a 75% majority decision by the Trustees. However this fund must be treated as if it were an endowment fund, otherwise the whole of the Endowment Development Fund becomes repayable.

Designated Property Improvement Fund – a designated unrestricted fund created to support the improvement of the wider estate.

Restricted funds – these are funds that can only be used for restricted purposes within the objects of the Trust. Restrictions arise when specified by the donor or when funds are raised for a restricted purpose.

Endowment Development Fund – a permanent endowment fund created to provide an additional income stream for the Trust.

R S Woof Memorial Fund – a permanent endowment fund to be used to endow the post of the Robert Woof Director of the Trust.

Catalyst Endowment Fund – supported by Arts Council England, this is a restricted endowment fund established to support the general operating costs of the Trust.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Where a grant or donation is received to fund a capital item or where an asset is donated, if there is an obligation relating to the future use or retention of the relevant asset, the balance relating to that asset is held within restricted funds as long as that restriction exists. Where there is no such restriction, the restricted income relating to the purchase of capital items is transferred to unrestricted funds in the Statement of Financial Activities.

Taxation

The Wordsworth Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge has arisen in the year.

For Dove Cottage Promotions Limited tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Irrecoverable VAT

Irrecoverable VAT is accounted for in the expenditure category under which the cost is incurred.

Notes *(continued)*

1 Accounting policies *(continued)*

Critical accounting judgements and key sources of estimation uncertainty

In applying the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Trustees' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical accounting judgements
The critical accounting judgements that the Trustees have made in the process of applying the charity's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

- **Classification of investment properties**

In assessing whether properties held should be classified as investment properties or tangible fixed assets, the Trustees have considered the motivations behind the continued ownership of such assets. In respect of certain properties classified as investment properties there are multiple motivations. In determining the classification of these properties the Trustees have made an assessment that, on balance, classification as investment property most accurately reflects the position.

Key sources of estimation uncertainty
The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Valuation of heritage assets**

The methods undertaken to attribute a value to donated heritage assets is disclosed on page 28. The valuation is inherently an estimate. In performing the valuation, the Curator utilises a variety of factors to enhance the accuracy of the investment including using information provided by the donor on the purchase price of the donations, information regarding the valuations or sales price of the same or similar items and his own knowledge and awareness of the current market for such items.

- **Determining residual values and useful economic lives of property, plant and equipment**

The charity depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes. Judgement is applied by management when determining the residual values for plant, machinery and equipment. When determining the residual value management aim to assess the amount that the Trust would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

Notes *(continued)*

2 Statement of Financial Activities comparative figures

The Charities SORP requires comparative figures to be presented for every figure given in the statement of financial activities. Consolidated figures for the year ended 31 March 2023 are given below.

		Unrestricted funds		Endowment funds			Total	Total
		Unrestricted funds	Designated Development Fund	Development Fund	Other Endowment Funds	Restricted funds	2022-23	2021-22
		£000	£000	£000	£000	£000	£000	£000
	Notes							
Income and endowments from:								
Donations and legacies	*3*	192	1	-	-	410	603	2,309
Charitable activities								
Admission fees and sales	*4*	331	-	-	-	-	331	211
Other trading activities								
Book and gift shop sales	*5*	170	-	-	-	-	170	127
Investments	*6*	92	24	41	32	-	189	169
Other		69	-	-	-	-	69	108
Total income		854	25	41	32	410	1,362	2,924
Expenditure on:								
Raising funds								
Fundraising costs		154	-	-	7	-	161	161
Book and gift shop costs		196	-	-	-	-	196	152
Investment management costs		2	5	8	5	-	20	18
Management costs of the let estate		90	-	-	-	-	90	100
Charitable activities:								
Custodianship		350	-	-	2	56	408	491
Access and learning		454	-	-	3	602	1,059	1,185
Total expenditure	*7*	1,246	5	8	17	658	1,934	2,107
		(392)	20	33	15	(248)	(572)	817
Net (losses)/gains on investments		(339)	(51)	(88)	(72)	-	(550)	1,842
Net (expenditure)/income		(731)	(31)	(55)	(57)	(248)	(1,122)	2,659
Transfers between funds	*8*	82	(24)	(39)	(19)	-	-	
Net movements in funds		(649)	(55)	(94)	(76)	(248)	(1,122)	2659
Reconciliation of funds:								
Total funds brought forward at 1 April 2022		11,373	1,038	1,802	1,149	6,989	22,351	19,692
Total funds carried forward at 31 March 2023		10,724	983	1,708	1,073	6,741	21,229	22,351

Notes *(continued)*

3 Donations and legacies

	Unrestricted funds	Designated Development Fund	Restricted funds	2023-24	2022-23
	£000	£000	£000	£000	£000
Arts Council England (NPO Grant)	-	-	329	329	329
Watercolours – accepted in lieu of inheritance tax by HMRC and allocated to Wordsworth Trust	98	-	-	98	-
W.W. Spooner Charitable Trust	10	-	-	10	45
Westmorland and Furness (strategic cultural partnership)	-	-	18	18	-
Westmoreland and Furness (culture recovery support fund)	-	-	22	22	-
Arts Council England (Culture Recovery Fund)	-	-	-	-	36
South Lakeland District Council	-	-	-	-	18
Michael Marks Charitable Trust	-	-	25	25	24
Lancaster University	-	-	20	20	20
National Lottery Heritage Fund	-	-	23	23	-
Cecilia and Nicholas Powell	13	-	-	13	11
Friends of the National Libraries	-	-	-	-	11
Westmorland and Furness (NPO grant)	-	-	10	10	10
Rothermere Foundation	-	-	-	-	10
Sir John Fisher Foundation	-	-	7	7	10
University of Leeds	-	-	-	-	9
Social Enterprise Academy / NCHF	-	-	10	10	-
Brigham Young University	-	-	14	14	-
Cumbria Local Enterprise Partnership	-	-	10	10	-
Joanna Tracher	5	-	-	5	-
Wyfold Charitable Trust	5	-	-	5	-
Dr William Zachs	4	-	-	4	-
John R Murray Charitable Trust	-	-	7	7	-
Tom and Blaine Wells	-	-	-	-	8
Northern Powerhouse Internationalisation Fund	-	-	-	-	5
Patricia Grodd and Michael Stone	-	-	-	-	4
The Estate of the late Lady Chorley	-	-	-	-	3
The Estate of the late Nina Drucker	-	-	-	-	3
Friends	12	-	-	12	12
Patrons	15	-	-	15	17
Gift Aid and others (£2,000 or below)	9	1	-	10	18
	171	1	495	667	603

Notes *(continued)*

4 Income from charitable activities

	2023-24 £000	2022-23 £000
Admission fees	362	295
Short course programme	46	36
Publications	3	2
Less sales to subsidiary	-	(2)
Profit on sale of fixed asset	-	-
	411	331

5 Commercial trading activity income

The charitable company has one trading subsidiary, Dove Cottage Promotions Limited, a company incorporated in England and Wales (company registration number 02091130). The charitable company owns the entire share capital of this company being 15,000 £1 ordinary shares. Dove Cottage Promotions Limited operated a book and gift shop and a café throughout the year.

A summary of the trading result of Dove Cottage Promotions Limited is shown below. Audited financial statements for the year ended 31 March 2023 are filed with the Registrar of Companies. A Gift Aid donation of the taxable profit of £Nil (*2021-22: £Nil*) was made to The Wordsworth Trust.

	2023-24 £000	2022-23 £000
Turnover	180	170
Cost of sales	(84)	(79)
Gross profit	96	91
Administrative expenses	(112)	(124)
Exceptional income	-	70
Operating (loss) / profit	(16)	37
Tax	-	-
(loss) / profit on ordinary activities after taxation	(16)	37
Gift aid payment	-	-
Retained (loss) / profit for the year after payment of gift aid	(16)	37

The aggregate of the assets, liabilities and funds was:

	31 March 2024 £000	31 March 2023 £000
Assets	56	79
Liabilities	(151)	(158)
Funds	(95)	(79)

Notes *(continued)*

6 Investment income

Group

	2023-24 £000	2022-23 £000
Dividends receivable	125	99
Rents receivable	85	90
	210	189

7 Analysis of expenditure

Group

		Direct costs £000	Support costs £000	2023-24 £000	2022-23 £000
Fundraising costs		116	72	188	161
Book and gift shop costs	Cost of sales	83	-	83	79
	Other	113	-	113	117
Investment management costs		18	-	18	20
Management of the let estate		73	20	93	90
		403	92	495	467
Cost of charitable activities					
Custodianship					
Historic buildings		12	9	21	48
Collection		318	56	374	360
		330	65	395	408
Access and learning					
Visitor operations		538	278	816	823
Exhibitions and publications		32	23	55	58
Education		88	43	131	141
Contemporary literature		30	3	33	37
		688	347	1,035	1,059
Total cost of charitable activities		1,018	412	1,430	1,467
Total expenditure		1,421	504	1,925	1,934

Notes *(continued)*

7 Analysis of expenditure *(continued)*

Allocation of support costs

	Fundraising	Management of let estate	Charitable activities	2023-24	2022-23
	£000	£000	£000	£000	£000
Management	**46**	**12**	**260**	**318**	300
Finance	**16**	**4**	**90**	**110**	88
Information technology	**6**	**2**	**31**	**39**	38
Human resources	**-**	**-**	**1**	**1**	14
Governance	**5**	**1**	**30**	**36**	27
	73	**19**	**412**	**504**	467

Support costs are allocated in line with salary costs based on an estimate of the actual time spent, which Trustees believe is consistent with the use of the resources. The cost allocation includes an element of judgement and the Trustees have had to consider the cost benefit of detailed calculations and record keeping. Therefore the support costs shown are a best estimate of the costs that have been so allocated.

The following costs are included in the management and administrative costs of The Wordsworth Trust and Dove Cottage Promotions Limited:

	Group		Charitable company	
	2023-24	2022-23	2023-24	2022-23
	£000	£000	£000	£000
Audit fees	**28**	25	**25**	23
Depreciation on owned fixed assets	**287**	285	**287**	285

Notes *(continued)*

7 Analysis of expenditure *(continued)*

Staff numbers and costs

The average number of staff employed during the year (excluding directors who are Trustees) was 36 (*2022-23: 39*). The Trust employs a number of seasonal and part-time staff; the average number of full-time equivalent employees was 31 (*2022-23: 34*).

The total staff costs for the group were as follows:

	2023-24 £000	2022-23 £000
Wages and salaries	**766**	833
Employers' social security costs	**62**	76
Employers' pension contributions	**34**	40
Group total	**862**	949

One member of staff received emoluments totalling more than £60,000 for the year *(2022-23: One)*.

The Trust contributes to the defined contribution pension schemes for most employees. All eligible staff are enrolled into a qualifying defined contribution pension scheme. The pension charge for the year represents contributions payable by the Trust to the pension schemes and amounted to £33,676 (*2022-23: £40,216*). At the end of the year £5,626 in contributions was outstanding (*2022-23: £8,254*).

Day-to-day management of the Trust is delegated to the Senior Management Team (SMT). The employee benefits of the SMT, including employer pension contributions and employers' social security costs for the year, were £245,831 (*2022-23: £259,135*). The salary costs of SMT are allocated on a time spent basis across the restricted and unrestricted funds.

No goodwill payments in compensation for loss of employment on dismissal were made in the year.

The Trustees received no remuneration during the year. Travel and subsistence expenses of £2,932 *(2022-23: £6,724)* were paid to or on behalf of 13 trustees (*2022-23: 13*) during the year of which £136 *(2022-23: £296)* was unpaid at the year end. Nothing was paid in relation to travel and subsistence for the Trust's President *(2022-23: Nil)*.

Interest payable

	2023-24 £000	2022-23 £000
On bank loans and overdrafts	**57**	35

Notes *(continued)*

8 Transfers between funds

Transfers into unrestricted funds during the year comprised:

	2023-24 £000
Investment income transferred from the Designated Development Fund	21
Investment income transferred from the Endowment Development Fund	36
Investment income transferred from the Catalyst Endowment Fund	21
Investment income transferred from the Restricted Property Fund	133
Total transfers	211

On 8 November 2014 Trustees passed a resolution in accordance with Regulation 3(2) of the Charities (Total Return) Regulations 2013 to invest the Endowment Development Fund on a total return basis.

The baseline value of the gift component of the fund was set as the value when the fund became permanent endowment in accordance with the agreement with the donor, the National Lottery Heritage Fund, on 1 January 2013. The balance of investment gains, investment losses, investment income and transfers to the general fund since this date represent the closing balance of unapplied total return.

At the same time in exercise of the power of investment in the Trust's Articles of Association Trustees also resolved to invest the Designated Development Fund on the same basis.

Adopting a power of total return allows the Trustees to invest permanently endowed funds to maximise total return and to apply an appropriate portion of the unapplied total return to income each year. Until a decision is made to transfer a portion of unapplied total return to income, the unapplied total return remains invested as part of the permanent endowment. The power allows the Trustees to decide in each year how much of the unapplied total return is transferred to income funds and so available for expenditure. Having considered their obligations under the duty of even-handedness, the Trustees made a transfer of a total of £87,890 *(2022-23: £65,000)* unapplied total return from both elements of the Development Fund to unrestricted income funds.

In making this decision the Trustees have taken account of the investment climate, the return on investment for the year and the income needs of the charity. The Trustees have taken advice from their Investment Sub-Committee and the Investment Managers, Cazenove Capital Management Ltd, as to the sustainability of the investment fund after making this transfer.

Notes *(continued)*

8 Transfers between funds *(continued)*

	Investment fund £000	Unapplied total return £000	Total £000
Opening value of the Endowment Development Fund			
Gift component	1,261	-	**1,261**
Unapplied total return	-	447	**447**
Total	1,261	447	**1,708**
Movements during the year			
Investment return: dividends and interest	-	46	**46**
Investment return: realised and unrealised gains/(losses)	-	138	**138**
Transfer	-	-	**-**
Investment management charges	-	(10)	**(10)**
Total	-	174	**174**
Unapplied total return allocated to income	-	(46)	**(46)**
Net movement during the year	-	128	**128**
Closing value at 31 March 2024			
Gift component	1,261	-	**1,261**
Unapplied total return	-	575	**575**
Total	1,261	575	**1,836**

	Investment fund £000	Unapplied total return £000	Total £000
Opening value of the Designated Development Fund			
Gift component	715	-	**715**
Unapplied total return	-	268	**268**
Total	715	268	**983**
Movements during the year			
Investment return: dividends and interest	-	16	**16**
Investment return: realised and unrealised gains	-	76	**76**
Transfer	-	-	**-**
Investment management charges	-	(2)	**(2)**
Donations received	1	-	**1**
Total	1	90	**91**
Unapplied total return allocated to income	-	(16)	**(16)**
Net movement during the year	1	74	**75**
Closing value at 31 March 2024			
Gift component	716	-	**716**
Unapplied total return	-	342	**342**
Total	716	342	**1,058**

Notes *(continued)*

9 Tangible fixed assets

Group	Jerwood Centre	Other freehold property	Intangible assets	Fixtures, fittings, equipment and motor vehicles	Total
	£000	£000	£000	£000	£000
Cost					
At 1 April 2023	3,442	5,640	7	1,603	10,692
Additions	-	43	-	14	57
Disposals/write off	-	-	-	-	-
At 31 March 2023	3,442	5,683	7	1,617	10,749
Depreciation					
At 1 April 2023	1,864	463	6	514	2,847
Charge for the year	50	114	1	122	287
Disposals/write off	-	-	-	-	-
At 31 March 2024	1,914	577	7	636	3,134
Net book value					
At 31 March 2024	**1,528**	**5,106**	**0**	**981**	**7,615**
At 31 March 2023	1,578	5,177	1	1,089	7,845

The total of non-depreciable assets included in other freehold property at the year end was £279,204 *(2022-23: £279,204)*.

Under the terms of the National Lottery Heritage Fund grant to support the Reimagining Wordsworth project the National Lottery Heritage Fund has taken a charge over the four properties owned by the Trust which were the main focus of the project. In 2020-21 prior to the transfer of the redevelopment costs the net book value of the properties covered by the charge was £832,783 with the redevelopment costs and net of depreciation at the year end this is £4,653,226 *(2022-23: £4,750,419)*.

Notes *(continued)*

9 Tangible fixed assets *(continued)*

Charitable Company	Jerwood Centre	Other Freehold property	Intangible assets	Fixtures, fittings, equipment and motor vehicles	Total
	£000	£000	£000	£000	£000
Cost					
At 1 April 2023	3,442	5,640	7	1,583	10,672
Additions	-	42	-	12	54
Disposals/write off	-	-	-	-	-
At 31 March 2024	3,442	5,682	7	1,595	10,726
Depreciation					
At 1 April 2023	1,864	463	6	495	2,828
Charge for year	50	114	1	122	287
Disposals/write off	-	-	-	-	-
At 31 March 2024	1,914	577	7	617	3,115
Net book value					
At 31 March 2024	**1,528**	**5,105**	**0**	**978**	**7,611**
At 31 March 2023	1,578	5,177	1	1,088	7,844

10 Heritage assets

Dove Cottage, the home of William Wordsworth from 1799 to 1808, was acquired by the Trust in 1890 and is maintained as a visitor attraction 'for the eternal possession of those who love English poetry all over the world'.

The Trust acquires objects within the subject area: William Wordsworth and the Age of British Romanticism. To understand and interpret the context and significance of this subject, it is occasionally necessary to collect items before and after the accepted chronological framework for the Romantic period, 1750-1850. Priority areas for collecting are manuscripts, printed works, fine art and artefacts that advance the public knowledge and enjoyment of the works of William Wordsworth and the literature and culture of this period.

- The collection of manuscripts (30,000+) includes material of very great significance, drawing researchers and academics world-wide, and includes verse and prose manuscripts of William and Dorothy Wordsworth, Samuel Taylor Coleridge, Thomas De Quincey, and many others. The collection is considered the greatest collection by an author now housed in the place where the greatest works were written.

- The collection of books and pamphlets (numbering approx. 14,500 titles) include the following themes:
  - A portion of Wordsworth's own library of books which he owned at Dove Cottage and Rydal Mount, and a good number of titles that belonged to Coleridge or Southey. Some of these volumes have been annotated by Wordsworth or Coleridge.
  - A near complete copy of first and lifetime editions of printed books by Wordsworth and leading Romantic writers, including Coleridge, Southey, Keats and Shelley. In addition, early editions by their well and lesser known contemporaries covering the span of Romantic literature.
  - Guides, illustrated works and travel literature based on the Lake District from around 1750 to the present day.

Notes *(continued)*

10 Heritage assets *(continued)*

- Magazines and periodicals from the period 1750-1850.
- Critical and reference works and published letters of all the major figures of the period, as well as general works on Romantic literature and art.

- The collection of fine art (13,000+ items) encompasses portraits of the major figures and family members, as well as the development of the interpretation of landscape from the 18th century to the present day and includes:

  - Paintings and drawings of William and Dorothy Wordsworth and families, Coleridge, De Quincey and others of the period.
  - Paintings, drawings and prints of Lake District themes, including interpretation of landscape and aspects of cultural and working life.
  - Prints of the earliest views of the Lake District from the 1750s onwards.
  - A significant collection of c19th century photographs along the themes of portraits and landscape.

- A collection of artefacts (c.600 items) that relate to Wordsworth and his family and aspects of Lake District life and history incorporating items that reflect life in a typical Grasmere cottage of the period (c.1800), and includes furniture and utensils (including spinning wheels) relating to the social history of the period.

Items purchased for the collection are valued at cost. Donated items have been valued at the Curator's best estimate of current value at the time of acquisition since 2010. It is the responsibility of the Trust to preserve and conserve collection items for the benefit of the nation and due to their nature they are expected to have a long life. Depreciation is therefore not charged on collection items which are capitalised since this is deemed to be immaterial. Impairment reviews are carried out annually.

Preservation and Management

Expenditure which in the Trustees view is required to preserve or prevent further deterioration of individual items is recognised in the Statement of Financial Activities when incurred.

The Trust complies with PAS 197:2009, the BSI and Collections Trust's *Code of practice for cultural collections management,* works to SPECTRUM: the UK Museum Collections Management Standard and maintains a full catalogue of collection items including a description, the condition of the item, where it is kept and acquisition information.

The Trust has digitised much of its manuscript and fine art collections. These collections are variously available online either on the Trust's own website or by subscription to educational establishments on the AM Digital website. All newly acquired works of art are digitised as part of the cataloguing process.

The Trust actively encourages public engagement with the collection. Within the Jerwood Centre adjacent to the museum the Trust runs a research room where bona fide researchers may view original material. There is a programme of events throughout the year, aimed at audiences of all ages and a variety of backgrounds; monthly talks on site, workshops, specialist day courses and conferences. University academics and groups of students spend several days learning about the meaning of manuscripts and then create interpretative projects for wider audiences; several thousand school children visit the site each year and learn from resources developed from the collection. Outreach activities take facsimiles of our collections into the communities of Cumbria.

Notes *(continued)*

10 Heritage assets *(continued)*

Disposal

The Trust has a long term purpose, and holds and builds the permanent collection in relation to its stated objectives. The Trust accepts the principle that, except for sound curatorial reasons, there is a strong presumption against the disposal of any items in the museum's collection.

Items may be removed from the collection for the following reasons:

i. duplication within the collection;
ii. falling outside the collecting area of the Trust;
iii. being wrongly accessioned;
iv. a better copy being received;
v. poor condition.

Proposals to remove an item or items from the collection are the responsibility of the Curator, and will be presented for approval to the Collections Committee, followed by the full Board of Trustees.

Decisions to dispose of objects will not be made with the principal aim of generating funds. Any monies received by the Trust from the disposal of items will be applied for the benefit of the collection. This will normally mean the purchase of further acquisitions but in exceptional cases improvements relating to the care of collection may be justifiable. Where an object has been donated or purchased with external funding, any conditions relating to its disposal will always be adhered to.

Once a decision to dispose of an item has been taken, priority will be given to retaining the item in the public domain, unless it is to be destroyed. It will therefore be offered in the first instance, by exchange, gift or sale directly to other accredited museums likely to be interested in its acquisition.

	2023-24	2022-23
	£000	£000
Opening value of Heritage Assets		
Purchases	**2,790**	2,790
Donations at valuation	**783**	714
Transfer from Investment Property	**263**	263
Total	**3,836**	3,767
Acquisitions during the period		
Purchases	**-**	-
Donations at valuation	**128**	69
Total	**128**	69
Closing value of Heritage Assets		
Purchases	**2,790**	2,790
Donations at valuation	**911**	783
Transfer from Investment Property	**263**	263
Total	**3,964**	3,836

Donated items are valued on acquisition based on evidence from a recognised source if received with the donation or at the Curator's best estimate of current value at the time of acquisition.

			Year to 31 March		
Five year financial summary of heritage asset transactions	**2024** **£000**	2023 £000	2022 £000	2021 £000	2020 £000
Purchases	**-**	-	-	-	1
Donations	**128**	69	54	5	68
Total acquisitions	**128**	69	54	5	69

There have been no disposals in the last five years.

Notes *(continued)*

11 Investment property – UK

Group and charitable company	**31 March 2024 £000**	31 March 2023 £000
Brought forward	**5,870**	6,190
Increase/(decrease) on revaluation	**118**	(320)
Carried forward	**5,988**	5,870

A re-valuation of a selection of the investment properties was performed by Mr D. Hackney FRICS during summer 2024 resulting in an adjustment to increase the fair value of the properties by £118,000.

12 Fixed asset investments

	Group 31 March 2024 £000	Group 31 March 2023 £000	**Charitable company 31 March 2024 £000**	Charitable company 31 March 2023 £000
Ordinary £1 shares in Dove Cottage Promotions Limited	**-**	-	**15**	15
Development Fund investments	**2,894**	2,691	**2,894**	2,691
RS Woof Memorial Fund investments	**254**	251	**254**	251
Catalyst Endowment Fund investments	**876**	822	**876**	822
Property Development Fund investments	**393**	535	**393**	535
	4,417	4,299	**4,432**	4,314

Group and charitable company	Development Fund £000	RS Woof Memorial Fund £000	Catalyst Endowment £000	Property Development £000	**Totals £000**
Opening market value	2,691	251	822	535	**4,299**
Additions	595	-	164	13	**772**
Disposals	(678)	-	(170)	(173)	**(1,021)**
Net investment profits	238	2	42	8	**290**
Closing market value	2,846	253	858	383	**4,340**
Cash on deposit	44	1	16	7	**68**
Accrued income	4	-	2	3	**9**
	2,894	254	876	393	**4,417**

All investments other than the subsidiary are listed on the London Stock Exchange. Investments in the following funds exceeded 5% of the total portfolio at 31 March 2024:

M&G Investment Management Global Dividend Fund
Troy Asset Management Trojan Fund
Troy Asset Management Trojan Income Fund
Vanguard S&P 500 Exchange Traded Fund

13 Stocks

Group	**31 March 2024 £000**	31 March 2023 £000
Goods held for resale	**32**	39

Notes *(continued)*

14 Debtors: amounts falling due within one year

	Group 31 March 2024 £000	Group 31 March 2023 £000	Charitable company 31 March 2024 £000	Charitable company 31 March 2023 £000
Trade debtors	16	10	16	8
Other taxes and social security	-	-	-	-
Prepayments	32	30	24	28
Accrued income	60	30	60	30
Amounts owed by subsidiary undertaking	-	-	145	151
	108	70	245	217

15 Creditors: amounts falling due within one year

	Group 31 March 2024 £000	Group 31 March 2023 £000	Charitable company 31 March 2024 £000	Charitable company 31 March 2023 £000
Trade creditors	34	34	32	31
Other taxes and social security	15	17	13	15
Other creditors	8	10	8	10
Bank loan	74	74	74	74
Accruals	102	62	99	60
	233	197	226	190

16 Creditors: amounts falling due after more than one year

		Group 31 March 2024 £000	Group 31 March 2023 £000	Charitable company 31 March 2024 £000	Charitable company 31 March 2023 £000
Bank loan	- due between 2 and 5 years	295	295	295	295
	- due after 5 years	446	521	446	521
		741	816	741	816

The interest only bank loan from 2015 was refinanced in January 2020. The new loan is on a capital and interest repayment basis with a term of five years, a repayment profile of fifteen years and an original capital repayment holiday of 12 months which was extended to 18 months. Capital repayments have been made since October 2021. Interest is charged at the base rate plus 1.65%. The loan is secured on four investment properties owned by the Trust. The amount outstanding represents 39% *(2023: 43%)* of the value of the properties charged.

Notes *(continued)*

17 Reconciliation of movement in funds

Group	Funds at 1 April 2023	Income	Expenditure	Transfers /investment (losses)/gains	Funds at 31 March 2024
	£000	£000	£000	£000	£000
Unrestricted funds:					
General funds	**990**	741	(1318)	245	**658**
Revaluation reserve	**5,195**	-	-	118	**5,313**
Warren Collection Fund	**59**	-	-	-	**59**
Collection Assets Fund	**3,836**	128	-	-	**3,964**
Designated Development Fund	**983**	16	(2)	61	**1,058**
Designated Property Improvement Fund	**644**	25	-	(276)	**393**
Restricted funds:					
Income funds	**21**	495	(335)	(114)	**67**
Acquisition funds	**2**	-	-	-	**2**
Reimagining Wordsworth – capital	**5,284**	-	(197)	-	**5,087**
Reimagining Wordsworth - delivery	**10**	-	-	-	**10**
Capital funds	**1,424**	-	(46)	247	**1625**
Endowment funds:					
Endowment Development Fund	**1,708**	46	(10)	92	**1,836**
RS Woof Memorial Fund	**251**	15	(4)	(8)	**254**
Catalyst Endowment Fund	**822**	22	(13)	42	**873**
	21,229	1,488	(1,925)	407	**21,199**

The Revaluation Reserve has arisen on the valuation of investments and properties shown in notes 11 and 12.

The Warren Fund has been designated by the Trustees for the purchase of books, manuscripts and fine arts. The fund comprises the balance of an unrestricted legacy received during 2000.

The Collection Assets Fund represents the amount of heritage assets capitalised. This fund consists of a mixture of both restricted and unrestricted amounts, an allocation of which is not possible.

In 2015 the Trustees designated funds to the Reimagining Wordsworth project to develop the Town End site. Supported by the National Lottery Heritage Fund the development phase ran from January 2016 to January 2018. In March 2018 the National Lottery Heritage Fund announced support for the delivery phase started in May 2018 and was completed in 2021-22. Fundraising secured the remaining funding and this income was split between designated and restricted funds. National Lottery Heritage Fund income for both the development and the delivery phase of the project was treated as restricted income.

The Trustees have designated a proportion of the donation in 2021-22 from John R. Murray Charitable Trust to support the improvement of the wider estate.

The Designated Development Fund has been established by the Trust to provide an income that will contribute towards the Trust's core running expenses. The intention is to maintain an income generating fund. Exceptionally, the fund is expendable in the event of a 75% majority decision by the Trustees. The terms of the contract under which the Endowment Development Fund was established require that the Designated Development Fund be operated as an endowment, the result of a breach being that the amount given to establish the Endowment Development Fund will be repayable. However, these conditions do not directly apply to the Designated Development Fund, and so it continues to be disclosed as a designated fund within unrestricted funds.

The Endowment Development Fund was established by the Trust in order to build up a portfolio of investments to provide an alternative source of income. On 1st January 2013 the fund became permanent endowment. The full amount given to establish the fund is repayable in the event of a default. As a result of the financial pressures in 2020-21 due to the global pandemic and consequent lockdown the Trust received in principle permission from the body which financed the Endowment Development Fund to release its restrictions on the fund to allow the Trust to draw down some of the capital in these exceptional circumstances if required.

The RS Woof Memorial Fund is an endowment fund for the purposes of endowing the post of the Robert Woof Director of the Trust.

Notes *(continued)*

The Catalyst Endowment Fund is an endowment fund established with the aid of Arts Council England Catalyst Funding to support the general operating costs of the Trust. In 2020-21 the Arts Council England has given the Trust permission to draw down some of this funding should it need to do so to remain financially viable. The Trust must put in place a plan to replace any funding used.

18 Analysis of net assets between funds

	Unrestricted funds		Endowment funds			
Group	Unrestricted funds	Designated Development Fund	Development Fund	Other endowment funds	Restricted funds	Total funds
	£000	£000	£000	£000	£000	£000
Fund balances at 31 March 2024 represented by:						
Fixed assets	11,415	1,058	1,836	1,127	6,548	**21,984**
Current assets	233	-	-	-	(44)	**189**
Current liabilities	(233)	-	-	-	-	**(233)**
Creditors falling due after one year	(741)	-	-	-	-	**(741)**
	10,674	1,058	1,836	1,127	6,504	**21,199**
Fund balances at 31 March 2023 represented by:						
Fixed assets	11,381	983	1,708	1,073	6,705	**21,850**
Current assets	356	-	-	-	36	**392**
Current liabilities	(197)	-	-	-	-	**(197)**
Creditors falling due after one year	(816)	-	-	-	-	**(816)**
	10,724	**983**	**1,708**	**1,073**	**6,741**	**21,229**

In the opinion of the trustees, the group's assets are sufficient to fulfil the obligations of the group.

	Unrestricted Funds		Endowment Funds			
Charitable company	Unrestricted funds	Designated Development Fund	Development Fund	Other endowment funds	Restricted funds	Total funds
	£000	£000	£000	£000	£000	£000
Fund balances at 31 March 2024 represented by:						
Fixed assets	11,470	1,058	1,836	1,127	6,504	**21,995**
Current assets	245	-	-	-	-	**245**
Current liabilities	(190)	-	-	-	-	**(190)**
Creditors falling due after one year	(741)	-	-	-	-	**(741)**
	10,784	1,058	1,836	1,127	6,504	**21,309**
Fund balances at 31 March 2023 represented by:						
Fixed assets	11,395	983	1,708	1,073	6,705	**21,864**
Current assets	428	-	-	-	36	**464**
Current liabilities	(190)	-	-	-	-	**(190)**
Creditors falling due after one year	(816)	-	-	-	-	**(816)**
	10,817	983	1,708	1,073	6,741	**21,322**

19 Share capital

The charitable company is limited by guarantee and as such, has no share capital. In the event of the charitable company being wound up, the guarantee of each member is limited to £1.

Notes *(continued)*

20 Capital commitments

Capital commitments at the end of the financial year for which no provision has been made are as follows:

	31 March 2024	31 March 2023
	£000	£000
Authorised but not committed	**-**	-
Against which orders have been placed	**38**	38

The capital commitments noted represent the contractual relationships with a contractor involved in the delivery phase of the Reimagining Wordsworth project.

21 Related party transactions

In aggregate Trustees, co-opted committee members, the President and members of the SMT made donations totalling £4,535 during the year *(2023: £2,500)*. This can be split as follows:

	2023-24	2022-23
Unrestricted	**3,935**	1,900
Restricted	**600**	600
In kind	**-**	-
Total donations	**4,535**	2,500

22 Financial instruments

	Group 31 March 2024 £000	Group 31 March 2023 £000	Charitable company 31 March 2024 £000	Charitable company 31 March 2023 £000
Financial assets at amortised cost	**76**	40	**221**	189
Financial liabilities at amortised cost	**959**	996	**954**	991

Financial assets represent trade debtors, accrued income and amounts owed by the subsidiary undertaking. Financial liabilities represent trade and other creditors, accruals and the bank loan.

Notes *(continued)*

23 Consolidated analysis of changes in net debt

	Note	Group 1 April 2023	Cash flow	Other non cash movements	31 March 2024	Charitable company 1 April 2023	Cash flow	Other non cash movements	31 March 2024
		£000	£000	£000	£000	£000	£000	£000	£000
Cash at bank and in hand		283	(234)	-	49	247	(211)	-	36
Bank loan	15	(74)	75	(75)	(74)	(74)	75	(75)	(74)
Debt due within one year		(74)	75	(75)	(74)	(74)	75	(75)	(74)
Bank loans	16	(816)	-	75	(741)	(816)	-	75	(741)
Debt due after more than one year		(816)	-	75	(741)	(816)	-	75	(741)
Total net debt		**(607)**	**(159)**	**-**	**(766)**	**(643)**	**(136)**	**-**	**(779)**

THE WORDSWORTH TRUST

England & Wales - Charity number 1066184

Accounts

The Wordsworth Trust

Trustees' report and consolidated financial statements

Registered charity number 1066184

Registered company number 03442086

For the year to 31 March 2023

wordsworth
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Trustees' Annual Report

The Trustees are pleased to present their report together with the audited consolidated financial statements for the year ended 31 March 2023. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Companies Act 2006, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

The Wordsworth Trust is registered with the Charity Commission, registration number 1066184, and is a company limited by guarantee, registration number 03442086. The charitable company is governed by its Memorandum and Articles of Association. The Trust was incorporated on 30 September 1997 and the registered address is Dove Cottage, Grasmere, Cumbria, LA22 9SH. The Trustees' Annual Report also contains the information required under the Companies Act 2006 for a Directors' Report.

The Trust is honoured to have as Royal Patron, His Royal Highness the former Prince of Wales.

The Honorary President of the Trust during the year was The Rt Hon Lord Smith of Finsbury PC.

Chair	Professor Sir Drummond Bone
Hon. Treasurer	Gesa Blackmore ACA, CPA
The Robert Woof Director	Michael McGregor
Company Secretary	Philip Stone (appointed 1st June 2023)
	Amanda Pickup FCA (retired 1st June 2023)

Trustees who served during the year

Professor Sir Drummond Bone
Professor Simon Bainbridge
Ms Gesa Blackmore (previously Brinkmann) ACA, CPA
Professor Donna Chambers (appointed 20th July 2023)
Dr Amy Concannon
Mrs Mary Chuck (retired 24th April 2022)
Ms Judith Cooke
Dr Paul Davies
Dr Anna Fleming
Mrs Johanna Goode (retired 31st January 2023)
Mr David Heal
Mr Jonathan Johnson OBE (appointed 20th July 2023)
Professor David McKitterick
Ms Lisa Peter (appointed 20th July 2022)
Tim Robertson
Ms Anne Young (appointed 20th July 2022)

The Trustees are the members of the charitable company and act as Directors for the purposes of company law. In the event of the charitable company being wound up, the guarantee of each member is limited to £1.

In accordance with the Articles of Association trustees retire and, if eligible, will offer themself for re-appointment at the forthcoming Annual Retirement Meeting. There are no trustees retiring this year.

Trustees' annual report *(continued)*

Objectives and Activities

The Wordsworth Trust has been keeping Wordsworth's memory alive at Dove Cottage since it was founded over 130 years ago.

During this time, the Wordsworth Trust has acquired many of the other historic buildings that neighbour Dove Cottage, secured the great majority of Wordsworth's manuscripts, established an archive, library and fine art collection dedicated to Romanticism and the cultural history of the Lake District, and created the Jerwood Centre, a conservation and research centre, so that these holdings can remain at Dove Cottage, one of the world's most important literary sites.

In 2019, the Wordsworth Trust began a major transformation of its site, previously known as 'Dove Cottage and the Wordsworth Museum'. The project was completed in May 2021 when the site reopened with a new brand, 'Wordsworth Grasmere'.

The Wordsworth Trust's purposes are set out in its Memorandum and Articles of Association, and can be summarised as:

1. to provide a living memorial to William Wordsworth and his contemporaries by looking after Dove Cottage and its environs, and by preserving and developing a permanent collection; and

2. to advance public knowledge and enjoyment of the works of Wordsworth and the literature and culture of the Romantic period (*c.*1770–1850) through a wide range of public activities.

The Wordsworth Trust's aims are the same in their intent as these purposes. They provide public benefit through the advancement of education, heritage, culture and the arts, and thereby meet the definition of 'charitable purposes' in the 2011 Charities Act.

Wordsworth wrote poetry 'to console the afflicted; to add sunshine to daylight by making the happy happier; to teach the young and the gracious of every age to see, to think and feel'. Our activities are inspired by this vision: of a world in which anyone, anywhere, can enrich their life through Wordsworth's ideas and philosophy, regardless of means or background. In carrying them out, we have therefore taken due regard of the Charity Commission's public benefit guidance.

Our activities, and the criteria that we use to measure their success, are reported in detail under 'Achievements and Performance'. While certain activities are aimed at specific beneficiary groups, most are open to anyone; they take place all year round, some are free of charge and in some instances, charges are waived for people with limited financial means.

Trustees' annual report *(continued)*

Our public impact in numbers

	12 months to 31 March 2023	12 months to 31 March 2022	Variance
General visits to Wordsworth Grasmere	**25,492**	**17,471**	**46%**
Participation in activities for young people in formal education (counted in student-days)			
Secondary, primary and pre-school	4,883	4,733	3%
Higher education – short courses	457	55	731%
Higher education – other	194	30	547%
Teacher development opportunities	33	28	18%
Total	**5,567**	**4,846**	**15%**
Participation in informal learning activities			
Activities aimed at elderly / vulnerable adults	638	388	64%
Activities aimed at young people (excluding family activities)	313	176	78%
Events and activities for families [i]	2,055	1,384	48%
Activities for general audiences	802	537	49%
Talks, poetry readings and other events (excluding family events) [ii]	2,233	1,878	19%
Total	**6,041**	**4,363**	**38%**
Participation in digital activities			
Formal education	43	174	-75%
Informal learning [ii]	1,320	2,321	-43%
Website (unique views)	180,917	206,812	-13%
Views of videos on YouTube channel [iii]	81,057	107,277	-24%
Social media followers (as of 31 March 2023)	57,514	54,302	6%
Total	**320,851**	**370,886**	**-13%**
Research visits (counted in research-days)	**150**	**121**	**24%**
Publications			
New titles published in year	**4**	**-**	**n/a**
Publication sales	**2,868**	**1,632**	**76%**
Participants in vocational training (starting in year) [iv]	**9**	**8**	**13%**
Volunteers [v]	**14**	**19**	**-26%**

[i] Includes 183 family members taking part in self guided activities at Wordsworth Grasmere. These are therefore also included in the figure of 25,492 general visits.
[ii] Attendances at digital events might be understated because it is only possible to count devices logged in, not the number of people using the device.
[iii] In previous years included all online videos.
[iv] Excludes work experience placements.
[v] People who did volunteer work on a regular basis and / or a sustained period of time.

Trustees' annual report *(continued)*

Achievements and Performance

1. Overview of progress against strategy

2022/23 represented the first full year of opening Wordsworth Grasmere following the removal of remaining Covid restrictions by the UK Government. Like many organisations in the cultural sector, we found it to be a challenging year. Physical Covid barriers had disappeared, but many people remained cautious about visiting indoor attractions. A significant reduction in overseas visitors to the UK also affected attendance, as did the cost of living crisis. Although visitor numbers increased by 46%, this was from a very low base in the previous year, when we operated at much reduced capacity. In common with most attractions nationally, visitor numbers and income remained well-below pre-pandemic levels.

Also, like many employers, we faced the challenge of recruiting in a tight labour market, which meant that we were unable to adopt our usual 7-day opening for much of the year. Early research into post-Covid visitor behaviour suggested that there has been a shift in the way that people consume culture; what is not clear is whether this is a temporary blip or a paradigm shift.

On a more positive note, feedback from those who did visit Wordsworth Grasmere was overwhelmingly positive. One visitor described it as 'one of the best museum experiences in my life'. Further endorsement came through us winning or being shortlisted in a number of national and regional awards.

Recognising that we need to prepare for the eventual recovery of the international travel market, we hosted the Visit Britain India team at Wordsworth Grasmere in collaboration with Cumbria Tourism. We also secured funding from the Department for International Trade, enabling us to attend Destination Britain North America in Washington D.C.

With our main 'resource engine' stuttering we explored new ways of generating income to support our charitable activities. We secured funding from the National Lottery Heritage Fund's Steps to Sustainability programme, which gave us access to specialist expertise, peer networks and seed funding to develop new ideas. On the basis that luxury markets have held up well in the recession, we explored the development of bespoke, exclusive experiences to promote to high-spending visitors. Acutely conscious also of the cost of living crisis, we introduced an additional ticket concession in the form of a seniors rate.

More positively, we were finally able to host an official opening of Wordsworth Grasmere in June. This provided a welcome opportunity to renew acquaintance with our supporters in person rather than on screen. Importantly, it also gave us the opportunity to thank publicly the many organisations and individuals who made the Reimagining Wordsworth project, and the creation of Wordsworth Grasmere, possible. A highlight of the occasion was a reading by one of our Dove Cottage Young Poets, celebrating the continuum of creativity from Wordsworth to the poets of the present day.

Another cause for celebration was the Cumbria Museum Consortium's successful application to Arts Council England for National Portfolio funding for the period 2023–2026. Given that the Arts Council received a record number of applications, it was particularly pleasing that we were successful, enabling us to continue the activities through which we enrich the lives of people of all ages, throughout Cumbria and beyond.

To mark HM The Queen's Platinum Jubilee, we planted a yew tree as our contribution to the Queen's Green Canopy project, and gave Dove Cottage a purple makeover as part of 'The Light District', an Initiative of South Lakeland District Council. Following the sad passing of HM the Queen in September, Wordsworth Grasmere closed on the day of her funeral as a mark of respect.

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

2. Public benefit

a) Measuring our performance

We monitor our activities by beneficiary group, as shown in the table on page 3. As well as the statistical measures shown here, we talk to our beneficiaries and invite their feedback to ensure that we are meeting their needs and aspirations. This year, we created a new Community Panel of local advisors, to help us make informed decisions about our programme.

b) Wordsworth Grasmere

As reported in our overview, this was the first full year of opening for Wordsworth Grasmere. We continued to animate the site with volunteers giving costumed poetry readings, and added to our already rich programme of daily activities. Gallery Tours, Behind the Scenes Tours, Sketching and Loose Leaf Poetry were supplemented by Noticing Nature, which combined a woodland walk with poetry readings and creative writing.

A highlight of our exhibitions programme was 'Refuge from the Ravens – Wordsworth rewritten by homeless Britain'. A project originated by Zwiebelfish CIC, Refuge from the Ravens featured the work of people with experience of homelessness, and other vulnerable people, responding to Wordsworth and Coleridge's seminal 1798 volume *Lyrical Ballads* in poetry, art and song.

In early 2023 our attention turned to the early visitors to the Lake District. The exhibition 'To the Lakes!' encouraged 21st century visitors to put themselves in the shoes (and the clothes) of these intrepid early tourists, exploring how the tourist experience changed dramatically during Wordsworth's lifetime – partly due to the increasing popularity of his poetry.

Our Community Gallery played host to a number of exhibitions during the year. In 'Custodians of Nature', artists from Prism Arts, inspired by Dorothy and William Wordsworth's love of nature, invited us to consider the question: 'are you responsible custodians of nature?' Over the summer we displayed an interpretative dance piece inspired by Wordsworth's poem 'The Solitary Reaper'. It was created by Anansi Theatre Company, a Midlands-based team of creative women of colour.

A joint project with Leeds University, 'Experiments in Land and Society', resulted in the re-interpretation and re-landscaping of several outdoor spaces on site, as well as a visitor map of the Garden-Orchard and successful programmes with schools and communities.

Wordsworth Grasmere continued to be a popular location for press and media visits, with comedians to the fore during the year. Lucy Porter and Sarah Kendall visited in June and Susan Calman in July, the latter filming 'Susan Calman's Grand Day Out', which was broadcast on Channel 5 in December.

Also in December we held our Grasmere Residents Afternoon, an annual celebration of William and Dorothy Wordsworth's arrival at Dove Cottage. It was the first year since 2018 that this event was held in Dove Cottage.

c) Formal education

Rebuilding relationships with schools post-lockdown was a major focus of our work and we managed to maintain our high level of engagement, seeing an increase of 3% in student days. Whilst site-based visits were slower to return, a number of Cumbrian schools took up our offer of a free outreach session in conjunction with their visit to Wordsworth Grasmere, enabling the education team to build stronger relationships with the children.

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

An increasing focus of our work with schools is the environment and the impact of climate change. For example, we ran a number of sessions on the topic of biodiversity, linked to the 'Experiments in Land and Society' project. Children took part in a range of activities inspired by the Wordsworths' writings, including the creation of biodiverse outdoor spaces at their schools.

2022/23 saw us welcome back to Wordsworth Grasmere many universities and colleges from the UK and North America, following a pandemic-induced hiatus. This resulted in a seven-fold increase in student days. For many, the experience was profound, offering, fresh perspectives and moments of revelation: 'I came in expecting adventure. Embracing a break from the world. I hoped for clarity, wanted compassion and art … I expected it… but I didn't expect to receive it all tenfold…'.

d) Informal learning

'Informal learning' encompasses a broad range of activity, led by freelance writers and artists as well as our own team. Much of it is targeted at people with particular needs, for example those living with or caring for someone with dementia, people with long-term health conditions, those in remote rural communities, refugees and asylum seekers.

Participation in our informal activities in 2022/23 was 39% higher than the previous year, due to us being able to run more in-person sessions for young people, families and older adults. Activities included 'What are Words Worth' and 'Poetry Tea Party' reading groups. writers groups and 'Poetry & Paint' workshops. These took place throughout Cumbria, from Burgh-by Sands in the north to Kendal in the south, from Maryport in the west to Shap in the east.

We also welcomed people from further afield. For example, Tyneside-based Equal Arts came to Grasmere for a 3-day exploration of Wordsworth Grasmere and our Thomas Bewick collection. Subsequently, they were invited to respond to a selection of watercolours in our collection, linked to the 'To the Lakes!' exhibition.

As with formal education, our informal learning also linked to 'Experiments in Land and Society', with workshops in villages of the Northern Fells exploring biodiversity through the changing names and habitats of species, eliciting creative responses to the Wordsworths' writings. 'Living Letters' and 'Poetry & Paint' sessions, outreach discussions with students, talks and visits, all demonstrated how effectively we can use our collection off as well as on site.

In February we hosted our third residential with refugees and asylum seekers – this time from Afghanistan – in partnership with the Children's Society and the Glenthorne Quaker Centre. One participant commented: 'Basically, it helped me to remember that 'Let nature be your teacher … It is the best moments of my life'. We also delivered several 'Warm Spot' community initiatives and piloted a project with the Beacon Counselling Trust, a charity that supports people with gambling related harms and those bereaved by suicide.

e) Families and young people

Our continuing efforts to make Wordsworth Grasmere a family-friendly destination for families and young people were rewarded with a 64% increase in attendances at onsite and offsite activities. Our new Dove Cottage Wendy House (complete with fabric wood panelling) has been a welcome addition to our Learning Space and has proved a big hit with our younger patrons. Also popular were our Make and Play sessions, and new Sensory Superhero Packs. Our Learning Space also played host to a new After School Drama Club, working with young performers from Grasmere Primary School on a short play based on Wordsworth's poem 'Lucy Gray'.

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

Dove Cottage Young Poets, a group of 14–21 year-olds mentored by a published poet, performed at the 2022 Kendal Poetry Festival and Elizabeth Reid was the Festival's Young Poet in Residence. The Young Poets also produced a pamphlet of their work which was distributed to festival goers. The Untrodden Ways Poetry Club (for 11–14 year-olds in Barrow and the Furness area) continued successfully following its move to Dowdales School in Dalton-in-Furness. Both Dove Cottage Young Poets and Untrodden Ways visited Dove Cottage in July and enjoyed a day of writing, walking and sharing ideas.

We visited many libraries over the course of the year with our 'Rucksack of Rhymes' sessions and Trees Craft and Poetry activity. We ran three Twilight Tales sessions in October and our Georgian Christmas Family Workshop, with wreath making, clog dancing, pomander making and poetry writing was very positively received.

f) Events

Continuing the positive trend, we saw a 19% increase in audiences for our events with more than 2,000 attendances during the year.

We continued with 'Go to the poets…', our monthly online contemporary poetry reading hosted by poet Kim Moore, which featured a diverse mix of new and established voices from the UK and abroad. Our audience was also international, with people joining us from the USA, India and elsewhere. In March we hosted the Poetry Business International Book and Pamphlet Competition Winners Reading, showcasing both the 2021 and 2022 winners. Our monthly Romanticism talks covered an impressive range of topics, including disability and Romantic women writers, the Romantic ridiculous, the Wordsworths and gardening, and the Wordsworths and India.

Our regular poetry groups for adults, Dove Cottage Poets and Discover Poetry, continued to run monthly online, with the former moving to a hybrid format. A highlight for Dove Cottage poets was a workshop and joint reading with our poet in residence Rommi Smith in September. Other events included a guided walk with geologist Tom Garner to coincide with GeoWeek, and an all-day writing workshop on Gardens, Mosses and Manuscripts with local author Karen Lloyd.

g) Contemporary Poetry

The Poet Laureate, Simon Armitage, returned to Grasmere for his first large-scale in-person reading since 2019. Simon's work also featured in *The Poets at Dove Cottage,* an anthology of work by former Poets in Residence and regular readers at the Wordsworth Trust, which was published by the Poetry Business. We once again supported the Kendal Poetry Festival, running workshops for children and young people. We also deepened our association with the Michael Marks Awards for Poetry Pamphlets, partnering on a new Environmental Poet of the Year Award and publishing the winning pamphlet.

After a two-year delay due to Covid, Dr Rommi Smith joined us as our Poet in Residence, reading, writing, researching and running a number of highly popular schools workshops. Work created by Rommi during her residency included a re-reading of *'I wandered lonely as a cloud'* – and Dorothy Wordsworth's journal entry about the subject – in the context of liberation narratives.

h) Digital Activities

Our social media presence continues to grow, with a 6% increase in followers. However, digital engagement overall declined by 13%, as we delivered more of our events in person following the removal of Covid restrictions.

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

The website benefited from new videos promoting our activities for schools and students, and the 'Wordsworth and Romanticism' blog, under the careful direction of Lynn Shepherd, continues to grow as a digital repository of Romantic scholarship.

h) Other performance measures

Once again we benefited from many generous gifts to our collection. These included watercolours, drawings and prints by Anthony Vandyke Copley Fielding, Julius Caesar Ibbetson, James Burrell Smith, William Green, Ferdinand Becker, Lady Mary Lowther and John Pearson (gifts of the W.W. Spooner Charitable Trust), and watercolours by John 'Warwick' Smith (gift of Dr Cecilia and Nicholas Powell), and Richard Hills (Estate of Nina Drucker). From the Friends of the National Libraries (items from the Blavatnik Honresfield collection) we received Wordsworth's, *Poems, in Two Volumes*. (1807) and 'A Letter to a Friend of Burns' (1816). A number of works of art, and a letter from the artist Benjamin Robert Haydon, have been deposited with us by Charles Nugent.

We have also been given a remarkable database created by Martin and Jean Norgate that relates to places, people and events of the Lake District. More unusually we were given a T-shirt relating to a fundraising music gig for the Wordsworth Trust in 1978 at which the late Wilko Johnson (formerly of Dr Feelgood) shared the bill with Motorhead.

Utilising the generous grant from the John R Murray Charitable Trust, we continued to implement a plan to improve the condition of our properties. The immediate priority has been roof repairs, but we are also looking to improving the energy efficiency of our properties and reduce our carbon footprint. Regarding the latter, funding from the Murray family was supplemented by a grant from Cumbria LEP's 'Innovating for Success' programme. This will help us to reduce our carbon footprint by optimising the building management system in the Jerwood Centre and exploring renewable energy opportunities across our site.

We worked with online volunteers to create a comprehensive transcription of Dorothy Wordsworth's Commonplace book (1820–36), which contains copies of verse and letters, descriptions and recipes largely in Dorothy's hand.

We were partners in a bid submitted by Lancaster University for a Research Network grant for 'Addressing the Histories and Legacies of Colonialism in Romantic-period Literary House Museums: Dove Cottage and Beyond'.

We welcomed two early career academics to the site: Anna Burton University of Derby, researched Wordsworth's interest in the planting of trees, and how that relates to current practices. Connie Hamilton researched Wordsworth's influence on Jamaican poetry. Both were sponsored by the British Association of Romantic Studies (BARS).

Recognising the importance of mental health in the workplace, especially post-Covid, we created the post of Mental Health First Aider, a shared role that will signpost staff to further help and resources.

We were delighted to sponsor the Wordsworth Grasmere Prize for Literature and Poetry at the 2022 Lakeland Book of the Year Awards. The Prize was won by Dawn Robertson for *Cumbria: A Book of Days*.

Trustees' annual report *(continued)*

3. Acknowledgements

Many funding bodies and individuals help us to ensure that Wordsworth's poetry can continue, in his own words, to 'live and do good'. Many of the activities described here are made possible with National Portfolio funding from Arts Council England; we also thank the Arts Council for supporting us through the pandemic via the Culture Recovery Fund, which continued in the first part of the year. We thank South Lakeland District Council for continuing to fund us as a Strategic Cultural Partner, and the Michael Marks Charitable Trust, the Sir John Fisher Foundation, the Rothermere Foundation, Cumbria County Council, Tom & Blaine Wells, and Patricia Grodd & Michael Stone for the support that they give us in numerous ways. The W.W. Spooner Charitable Trust continued to help us to develop our fine art collection, and to maintain a photographic record of new acquisitions.

We are delighted that a new five-year agreement with Lancaster University has been signed. Since 2012 we have been funded by the University to deliver courses and workshops for students in the Department of English Literature and Creative Writing, and to collaborate with Romanticism specialists on exhibitions and events.

We are hugely grateful to Dee Fawcett for her beautiful work on our new Dove Cottage Wendy House and the costumes for our 'To the Lakes!' exhibition.

Future Plans

With the renewal of Arts Council National Portfolio funding we will continue to fulfil Wordsworth's wish for his own poetry - that it 'live and do good' - through a range of public activities that feature a diverse mix of voices and perspectives. The philosopher John Stuart Mill famously wrote that Wordsworth 's poetry was 'a medicine for my state of mind', and our work will increasingly explore the links between poetry, the landscape and wellbeing. Wordsworth was also arguably the first environmental poet. Through our activities and our actions we will share his passionate exhortation 'let nature be your teacher' and seek to further reduce our carbon footprint in line with the goal to make Cumbria carbon neutral by 2037.

Specific objectives for 2023/24 include:

- Presenting a programme of exhibitions including a continuation of *'To the Lakes!',*
- Working with Lancaster University and the University of Leicester to lead a review into how literary house museums can best tell their stories in a post-colonial world. Participating in the Wild Escape, a nationwide wide biodiversity project and the largest collaboration between UK museums.
- Relaunching the annual Wordsworth Lecture at the British Library after a three-year hiatus.
- Continue to play our part in the 'Helping Hands' project led by the Cumbria Museum Consortium, creating inclusive volunteering opportunities across Cumbria's cultural sector.
- As part of the Cumbria Museum Consortium, working with Anti Racist Cumbria on an anti-racism programme for trustees and staff.
- Acting on the findings of an energy review of the Jerwood Centre to reduce our carbon footprint, and continuing to address the maintenance needs of our properties.

Trustees' annual report *(continued)*

Financial Review

1. Summary

The net (expenditure)/income for the year, including investment gains and losses, was £(1,122,000) *(2021-22: £2,659,000 net income)*.

For the first year since 2018 the whole site has been open all year following closures because of the Reimagining Wordsworth project and then the pandemic.

Although we have had good press and television coverage and some successful exhibitions there remains a stark contrast between the current situation and our expectations for post-Reimagining Wordsworth visitor numbers and revenue. The results for 2022-23 are disappointing and we are working hard to ensure that there will be an upturn in fortunes in 2023-24.

Income from admissions in the year was £295,000 *(2021-22: £196,000)* which though much improved on 2021-22 still reflects the impact of the pandemic. We are yet to see the return of overseas groups. UK residents are starting to holiday abroad again, and the cost-of-living crisis may be influencing the discretionary spend of those visitors who do come to the Lake District. On a more positive note satisfaction with the visit remains high. In 2023-24 for the short term we have reduced our opening hours to control costs, but have continued to invest in marketing to domestic and overseas markets in anticipation of an eventual recovery in consumer confidence. We have also begun to develop new income streams to ensure that we do not become too dependent on a single source of income.

Salary costs for the year amounted to £906,000 *(2021-22: £949,000).* In April 2022 there was a benchmarking review of staff salaries which resulted in all staff receiving increases of between 2% and 15.5% along with the implementation of the increase to the national living wage. Members of the Senior Management Team received a back dated pay award of 3% in February 2022 which covered the period April 2020 to March 2023.

The impact of inflation is being felt across the board and whilst we have been shielded from the worst of the increases in utility costs as some of the accounts are in long term contracts there has still been a rise of almost 19% in the year. This has had a particular impact on the trading company, Dove Cottage Promotions Ltd.

Once again, we have been supported generously in 2022-23 by the government, receiving the final tranche of money from the Arts Council Culture Recovery Fund specifically to support our operations through the pandemic.

The National Portfolio Organisation grant we receive from Arts Council England as part of the Cumbria Museum Consortium was renewed with effect from 1 April 2018 for four years and was then extended to 31 March 2023 as part of the Arts Council's Covid recovery measures. Following a rigorous application process we were delighted to have been awarded a further National Portfolio Organisation grant which will run to 31st March 2026.

Trustees' annual report *(continued)*

Financial review *(continued)*

Expenditure against other restricted funds includes depreciation of £46,000 on the Jerwood Centre and £197,000 on Reimagining Wordsworth assets.

The performance of the trading subsidiary Dove Cottage Promotions Ltd (DCP) has also been severely impacted by the difficult trading conditions in 2022-23. Although now fully operational it was difficult to recruit specialist hospitality staff. This affected both the range of the offer and the margins as most products had to be bought in. It also restricted DCP's ability to develop the hospitality offer. In addition, there is the impact of inflation on the cost of sales and the café has seen an extremely large increase in electricity costs. On the retail side the shop in the museum reported good trading figures for the number of visitors. However it needs that extra input of customers to flourish. During the year the Trustees approved the write-off of part of the inter-company balance between the Trust and DCP which had built up through the closure periods arising from the Reimagining Wordsworth project and the pandemic. This write-off amounted to £70,000. Consequently, there was a profit in the year of £37,000 *(2021-22: Loss £31,000).* Without this write-off there would have been a loss of £33,000.

2. Investments

We own several properties in Town End, Grasmere (in the vicinity of Dove Cottage) as investment assets with the rental income being an important source of revenue. Capital appreciation on the properties helps sustain our long-term financial security. The properties are let to a mix of our staff and third parties and rents are assessed against market rates. One property is a guest house and is let on a commercial lease. Rental income for the year was £90,000 *(2021-22: £72,000).* Rental income increased on the previous year as occupancy levels increased. However we still have properties undergoing refurbishment; these should become available for rent in 2023-24 resulting in a further increase in rental income. A revaluation of the investment properties was performed during summer 2023 resulting in an adjustment to reduce the fair value of the properties by £320,000. The Trustees accepted this valuation as reflecting the current market but were aware that a change in the economic climate could result in a reduction in these valuations.

We have five discrete investment funds which are managed by Cazenove Capital Management (the wealth management arm of Schroder plc): the Development Fund, the RS Woof Memorial Fund, which permanently endows the post of the Robert Woof Director, the Catalyst Endowment Fund and the Reserve Fund, which is held in the balance sheet under cash at bank. A fifth fund has been added to the portfolio for the donation from the John R. Murray Charitable Trust. There are no ethical restrictions on any of the funds under management, but we have agreed the following statement on environmental, social and governance issues in investing.

"The Wordsworth Trust recognises the importance of responsible investing and also that environmental, social and governance (ESG) issues can have substantial investment implications. The Trust requires its Investment Managers to have adopted a Responsible Investment policy, such as the United Nations Principles for Responsible Investment (UNPRI) and the UK Stewardship Code. The Trust also expects that, wherever possible, managers of third-party funds consider ESG issues to be an integral part of the investment process and that its own investment managers encourage managers of third party funds in this endeavour."

Trustees' annual report *(continued)*

Financial review *(continued)*

The Development Fund comprises both a permanent endowment and a designated element. Due to the restrictions placed upon the entire Development Fund by the donor of the endowment element, both components of the fund must be treated as permanent endowment. The fund overall is invested on a total return basis and the managers have investment discretion to meet a target total return of CPI + 2%.

Trustees plan to allocate at least £50,000 per year on a regular basis from the entire fund to income in order to aid planning within the organisation. In 2022-23 they decided to allocate £16,250 per quarter. In making this allocation Trustees have sought the opinion of the investment manager and considered the impact on both current and future beneficiaries. At 31 March 2023 the unapplied total return amounted to £447,000 *(31 March 2022: £541,000)* in the Endowment Development Fund and £268,000 *(31 March 2022: £324,000)* in the designated element of the Fund. Over the year the FTSE-100 Total Return Index has risen 2.9%. The Development Fund generated a total return of -3.0% against a target of 12.1% (CPI + 2% for the year to 31 March 2023) and a benchmark of -1.0%. £109,144 of the Development Fund is invested in a responsible multi-asset fund and this generated a return in the year of -2.2% *(2021-22: 8.9%).*

The Catalyst Endowment Fund is invested with a prudent approach to risk, to maximise income consistent with maintaining the real value of the capital. There has been a slight shift in this approach since 2020-21 towards increasing the capital value. It has a higher requirement for income than the Development Fund being set at 3.5%. The fund saw a decrease in value of £46,922 *(2021-22: increase £60,207)* over the year and generated a return of -3.0% *(2021-22: 9.6%).* In 2020-21 Arts Council England agreed in principle to allow us to access the funding they provided for the Catalyst Endowment Fund (2012-2015) to support us through the Covid crisis with the condition that we plan to reinvest the money in the future. We have not made use of this agreement in principle.

The purpose of the RS Woof Memorial Fund is to endow the position of the Robert Woof Director. To this end the objective of the fund is to maximise income while maintaining the capital value. It has a more defensive mandate, but over the year saw a decrease of £29,078 *(2021-22: increase £18,819)* in capital value while generating a return of -7.0% *(2021-22: 10.9%)*.

In 2021-22 a new fund, the Property Improvement Fund, had been set up with £700,000 of the £1,000,000 donation from the John R. Murray Charitable Trust, the balance being used to support reserves. At 31st March 2022 the donation was being held in the Reserve Fund but during the year was transferred into two discrete funds with 30% being put into in cash and 70% into investments with a medium term outlook. At 31st March 2023 the combined balance was £723,200 of which £535,593 was being held in investments and £187,607 being held in cash. The Property Improvement Fund element stood at £644,511 and was held across the two portfolios. The investments have generated a return of -3.5%. £28,000 has been drawn down in the year to fund property improvements and £225,000 has been drawn down to support running costs.

The Reserve Fund investment was held as cash on deposit, representing cash reserves. During 2022-23, £116,000 was needed from this fund to support our cash requirements which has reduced the balance on this fund to nil.

Although the capital value of the investments decreased over the year all our fixed asset investments are managed for the longer term and Trustees remain confident that although the short-term outlook is still uncertain the long-term outlook remains favourable. There have been some small increases in values since the end of March.

Trustees' annual report *(continued)*

Financial review *(continued)*

The results of our trading subsidiary, Dove Cottage Promotions Limited, which runs a book and gift shop and a cafe, are summarised in note 5 to the accounts. The difficult trading conditions in 2022-23 resulted in a trading loss of £33,000 *(2021-22: Loss £31,000)* however the accounts show a profit of £37,000 which reflects the impact of the write off of the inter-company balance with the Trust. Margins however were comparable to previous years. The company has not made a gift aid payment to the Trust for this year *(2021-22: Nil)*.

3. Reserves

We maintain reserves to enable us to fulfil our charitable remit by providing for business continuity, security for our collection, and the maintenance of our properties in circumstances where our revenue requirements may not be covered by short-term income. The reserves are managed to offer the best return for the charity while remaining relatively liquid to meet our needs.

The Trustees periodically review their reserves policy as part of the risk management process, and they have identified several main reasons for holding reserves:

- To allow the financing of a controlled reduction in expenditure should extraordinary events beyond our control generate a long-term reduction in income streams.
- To provide short-term support in circumstances where a temporary interruption to income means it is not appropriate to lose the skills and knowledge of the staff team or to curtail our programme of events.
- To accommodate the fact that many of our major events such as exhibitions and conferences are planned, and therefore expenditure is committed, months, if not years, in advance while income from these events in terms of admissions is not received until after the event opening. This misalignment of income and expenditure is a main consideration in determining an adequate level of reserves.
- To provide support during the redevelopment of any part of the site which could lead to a loss in income.

The level of reserves therefore varies depending on the specific circumstances and cannot be expressed as an exact figure. However, after taking all of these factors into consideration the Trustees believe a free reserve (funds not tied to fixed assets, designated or restricted funds) of relatively liquid assets equivalent to the external income required to fund between three and six months' budgeted expenditure is appropriate.

At the end of the year our total funds are £21,229,000. Of this £2,781,000 are endowment funds and £6,741,000 are restricted funds which are not available for the general purposes of the charity. The Designated Development Fund of £983,000 must be treated as permanent endowment under the terms of the Endowment Development Fund as described in note 17 to the accounts. Of the other four designated funds, the Collection Assets Fund of £3,836,000, represents our heritage assets and cannot be realised with the sale of the collection. The designated Warren Collection Fund of £59,000 is held as cash or near cash and is available to spend at any time on the acquisition of heritage assets and the Property Improvement Fund set up from the donation in 2021-22 from the John R. Murray Charitable Trust amounts to £644,000. Investment properties held in the unrestricted funds totalled a further £5,870,000. To purchase investment properties and fixed assets and to provide working capital, Trustees had taken out a long-term interest-only loan of £1,000,000. This loan was refinanced in January 2020 to a repayment loan with a term of five years and a repayment profile of 15 years. The amount outstanding at 31st March 2023 was £889,428 *(31st March 2022: £963,036)*.

Trustees' annual report *(continued)*

Financial review *(continued)*

The Trustees have reviewed the method of calculation of free reserves in line with guidance produced by the Charity Commission (including reflecting an allocation of the tangible fixed assets and investment properties we hold). They consider period end free reserves to be £91,000 *(2021-22: £412,000).* The Trustees believe between three and six months' budgeted expenditure is an acceptable measure for the level of free reserves. Based on expenditure in the year 2022-23 three months expenditure would be around £375,000.

In 2021-22 we received the donation from the John R. Murray Charitable Trust, £700,000 of which the Trustees designated as a Property Improvement Fund with £300,000 going to general reserves. 2022-23 has been another challenging year and as a consequence free reserves have fallen considerably. The Trustees are looking to boost reserves in the medium term through a combination of fundraising, cost saving and a review of the Trust's operating model.

4. Fundraising

The activities reported here are only achieved with the generous financial support of many institutions and individuals, and fundraising is an ongoing activity. We currently employ 1.4 FTE fundraising staff members, and our fundraising costs also reflect the Director's involvement in the effort.

Fundraising activity is overseen by the Development Manager, who reports quarterly to Trustees.

We are registered with the Fundraising Regulator, and we give due consideration to its codes of practice, including the general principles of fairness, respect and being sensitive to people who may be in vulnerable circumstances. This year we carried out our regular 3-year review of our Donations Policy, which explains how we take ethical considerations into account when soliciting and accepting donations. The Donations Policy is published on our website, as is our Feedback Policy, which explains how we would respond to any complaints about our fundraising. We did not receive any such complaints, and nor did we use any fundraising consultants or agencies, during the year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

1. Board of Trustees

The Board of Trustees is responsible for our overall management and strategic direction and comprises between 5 and 15 members. Board members come from a range of backgrounds including Wordsworth and Romantic scholars, museum professionals, educationalists and business people. In January 2019 the Board reviewed and then adopted the updated Articles of Association.

When filling vacancies, the Board reviews its existing skills to ensure it can draw on a range of relevant experience in fulfilling its obligations. It also seeks to ensure that the Board reflects the diversity of our beneficiaries. Trustees are appointed by the Board, and candidates are subject to a vetting process to verify their suitability as a charity trustee. We advertise to recruit new Trustees with appropriate qualifications, backgrounds and experience. Candidates are shortlisted and interviewed by the Nominations Committee, which makes recommendations to the Board as a whole.

On appointment, Trustees complete a register of interests and undertake an induction programme that includes familiarisation with our purposes and operation, our strategies and objectives. They

Trustees' annual report *(continued)*

Financial review *(continued)*

receive copies of our main documents including financial statements and business plan and meet senior employees and other staff. There is ad hoc training for Trustees after appointment. There are job descriptions for the position of Trustee and the posts of Chair and Honorary Treasurer.

Each Trustee retires from office at the third Annual Retirement Meeting following the commencement of their term of office. Retiring Trustees may be reappointed but those appointed before 1st April 2019 can serve for no more than twelve continuous years and those appointed on or after 1st April 2019 can serve for no more than nine continuous years.

The Trustees have no interest in the Trust's surplus or assets, receive no remuneration and must comply with the Trust's Conflict of Interest Policy.

To assist in the performance of its role, the Board has established several standing committees. Individual Trustees serve on a number of committees which consider specific matters in greater detail and make recommendations on those matters to the Board as a whole. The Board has reviewed its committee structure in July 2022 and agreed the following:

- Collection and Learning Committee – monitors the development, management and care of the permanent collection, and the public benefit the collection generates through the programme of exhibitions, learning and outreach.
- Visitor Experience Committee – monitors the performance of the commercial and visitor-facing operations of the Trust, including marketing.
- Estate Committee – monitors the plan for development and maintenance of Dove Cottage, its garden and all the other land and properties owned by the Trust.
- Finance and Audit Committee – oversees the financial strategy of the Trust and Dove Cottage Promotions Ltd, reviews financial performance against targets and monitors our legal obligations.
- Fundraising Committees – supports the work of the Development Office on specific fundraising campaigns and monitors the effectiveness of the fundraising strategy.
- Welfare, Diversity and Health and Safety – monitors the effectiveness of Trust policies in each of these areas.
- Investment Committee – monitors the performance of the investment managers, makes recommendations regarding their appointment and advises on investment strategy. The Investment Committee includes co-opted members with particular investment expertise.
- Nominations Committee – reviews the skills and diversity of the Board, develops succession plans for Trustees and key office holders and seeks to identify suitable candidates for the roles of Trustee, Chair, Vice Chair Treasurer and Director of the charity for consideration by the full Board.
- Remuneration Committee – makes recommendations regarding the salaries of the Robert Woof Director and the Senior Management Team and reviews strategic issues relating to pay and conditions across the organisation.

Two Trustees along with the Robert Woof Director form the board of the trading subsidiary, Dove Cottage Promotions Ltd.

Trustees' annual report *(continued)*

Structure, governance and management *(continued)*

The Board approves the annual plans and budgets against which our performance is assessed. Day-to-day management of the Trust is delegated to the Robert Woof Director and the senior management team (SMT). The Board met four times during 2022-23, to receive and review minutes from the standing committees and reports from the SMT.

2. Senior Management Team

The SMT provides the Board with departmental reports and quarterly management accounts for each meeting. The members of the SMT attend the Board meetings. The Director is responsible to the Board for the financial performance against annual budgets and for the charitable impact of the Trust. The SMT are the Key Management Personnel for the Trust.

Salaries for the SMT members are reviewed annually, usually at the same time as all other staff. In 2022-23 no pay award for SMT was made. In February 2022 a back dated pay award of 3% was given which covered the period April 2020 to March 2023. As with all positions at the Trust SMT salaries are on occasion benchmarked against salaries in comparable organisations.

During the year to 31 March 2023 the SMT comprised:

The Robert Woof Director	Michael McGregor
Principal Curator and Head of Learning	Jeff Cowton MBE
Development Manager	Mark Bains
Finance and Operations Director	Amanda Pickup (resigned 31/12/2022)
Finance and Operations Director	Philip Stone (appointed 01/03/2023)
Head of Visitor Experience	Stephanie Byast

3. Risk Management

The Trustees keep the major risks to which the charity is exposed under review and seek to mitigate against those risks which could, if they occur, have a severe impact on our ability to achieve our strategic targets. Where appropriate, insurance has been taken out. Despite this, Trustees are aware that any system of control can provide only reasonable and not absolute assurance against material loss or misstatement.

In the opinion of the Trustees, we have established resources and review systems, which under normal conditions should allow these risks to be mitigated to an acceptable level in day-to-day operations. The Trustees have identified the following as being the main risks to which the charity is exposed:

Trustees' annual report *(continued)*

Structure, governance and management *(continued)*

Risk category	Type of risk	Mitigation
Financial	Adequacy of cash reserves in the short term following completion of the Reimagining Wordsworth project and the impact of the Covid crisis.	The Reimagining Wordsworth project will in the medium term address the Trust's sustainability and will assist in building cash and reserves. There is close control of expenditure. The Trust has benefited from the donation by the John R. Murray Charitable Trust which has boosted cash reserves.
Environmental	Significant downturn in visitor numbers.	Regular review and renewal of the visitor offer. Market research including review of competitors' offer staying close to market trends. Increased investment in marketing. Diversification of income streams.
Funding	The loss of support from a major funding agreement on expiry, in particular the National Portfolio Organisation grant from the Arts Council which runs to 31st March 2026.	Communication with grant giving bodies. Monitoring to ensure delivery on existing funding agreements, achieving targets and outcomes. Adequate preparation and resource to ensure detailed and imaginative bids are developed. Development of fundraising strategy.
Funding	Loss of public confidence in fund raising activity.	Registration with the Fundraising Regulator. Adherence to established codes of practice.
Governance	Failure to follow good governance practice.	Nominations Committee. Trustee induction and identification of training needs. Conflict of interest policy. Approved strategy, operating plan and annual budgets. Job descriptions.
Health and Safety	Failure to comply with Health & Safety and safeguarding obligations.	Ongoing review of H&S policies. Regular reviews of Safeguarding policy and training for all staff. Periodic review by Management Committee. Insurance.
Operational	Major damage or destruction of Dove Cottage.	Intruder and fire alarm systems were improved as part of Reimagining Wordsworth project. Improvements have been made to the stability of Dove Cottage including a reduction in risk from water damage, a new heating system and roof and general repairs to the fabric of the building.
Operational	Theft of, environmental or accidental damage to collection assets or damage as a result of repeated use.	Collection stored in locations with BMS to BS5454 and Government Indemnity Scheme standards built into the new museum. Monitoring of statutory regulations. Insurance.
Financial	Poor financial management and/or control or breach of financial trust.	Policies codified in the Financial Control Manual. Insurance. Pre-employment checks. Trustee reporting and audit.
Personnel	Inability to retain and recruit key staff.	Review salary and benefit packages. Staff appraisal system. Provide a comfortable working environment with a positive organisational culture.
Regulatory	Failure to comply with external regulations.	Monitor regulations and changes to them. Staff training. Collection management policies. Insurance cover.

Trustees' annual report *(continued)*

Structure, governance and management *(continued)*

5. Principal advisors

Principal solicitors:
Bates Wells
10 Queen Street Place
London
EC4R 1BE

Principal bankers:
Barclays Bank plc
Leicester
LE87 2BB

Investment advisors:
Cazenove Capital
1 London Wall Place
London
EC2Y 5AU

Registered auditor:
RSM UK Audit LLP
Bluebell House
Brian Johnson Way
Preston
PR2 5PE

DISCLOSURE OF INFORMATION TO AUDITOR

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

RSM UK Audit LLP have indicated their willingness to be appointed for another term and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

By order of the board.

Professor Sir Drummond Bone
Chair of Trustees

14 October 2023

Registered company number 03442086
Registered charity number 1066184

Statement of responsibilities of the Trustees of The Wordsworth Trust in respect of the Trustees' Annual Report and the financial statements

The trustees (who are also directors of The Wordsworth Trust for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the strategic report and directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to the auditors

In so far as the Trustees are aware at the time of approving the Trustees' Annual Report:

- there is no relevant information, being information needed by the auditor in preparing their report, of which the auditor is unaware; and
- the Trustees, having made enquiries of fellow Trustees and having taken all the steps they are obliged to take as a trustee in order to make themselves aware of any relevant audit information, have established that the auditor is aware of that information.

By order of the board.

Professor Sir Drummond Bone
Chair of Trustees

14 October 2023

Independent auditor's report to the members of The Wordsworth Trust

Opinion

We have audited the financial statements of The Wordsworth Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent

Independent auditor's report to the members of The Wordsworth Trust *(continued)*

material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of The Wordsworth Trust *(continued)*

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operates in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

Independent auditor's report to the members of The Wordsworth Trust *(continued)*

The group audit engagement team identified the risk of management override of controls and revenue cut off as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgements and estimates. Our testing in respect of revenue cut off included substantive tests of detail.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Karen Musgrave

KAREN MUSGRAVE (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Bluebell House
Brian Johnson Way
Preston
PR2 5PE

Date 23/10/23

Consolidated statement of financial activities (incorporating income & expenditure account)

for the year ended 31 March 2023

		Unrestricted funds		Endowment funds			Total	Total
		Unrestricted funds	Designated Development Fund	Development Fund	Other Endowment Funds	Restricted funds	2022-23	2021-22
	Notes	£000	£000	£000	£000	£000	£000	£000
Income and endowments from:								
Donations and legacies	*3*	**192**	**1**	**-**	**-**	**410**	**603**	2,309
Charitable activities								
Admission fees and sales	*4*	**331**	**-**	**-**	**-**	**-**	**331**	211
Other trading activities								
Book and gift shop sales	*5*	**170**	**-**	**-**	**-**	**-**	**170**	127
Investments	*6*	**92**	**24**	**41**	**32**	**-**	**189**	169
Other		**69**	**-**	**-**	**-**	**-**	**69**	108
Total income		**854**	**25**	**41**	**32**	**410**	**1,362**	2,924
Expenditure on:								
Raising funds								
Fundraising costs		**154**	**-**	**-**	**7**	**-**	**161**	161
Book and gift shop costs		**196**	**-**	**-**	**-**	**-**	**196**	152
Investment management costs		**2**	**5**	**8**	**5**	**-**	**20**	18
Management costs of the let estate		**90**	**-**	**-**	**-**	**-**	**90**	100
Charitable activities:								
Custodianship		**350**	**-**	**-**	**2**	**56**	**408**	491
Access and learning		**454**	**-**	**-**	**3**	**602**	**1,059**	1,185
Total expenditure	*7*	**1,246**	**5**	**8**	**17**	**658**	**1,934**	2,107
		(392)	**20**	**33**	**15**	**(248)**	**(572)**	817
Net (losses)/gains on investments		**(339)**	**(51)**	**(88)**	**(72)**	**-**	**(550)**	1,842
Net (expenditure)/income		**(731)**	**(31)**	**(55)**	**(57)**	**(248)**	**(1,122)**	2,659
Transfers between funds	*8*	**82**	**(24)**	**(39)**	**(19)**	**-**	**-**	-
Net movements in funds		**(649)**	**(55)**	**(94)**	**(76)**	**(248)**	**(1,122)**	2,659
Reconciliation of funds:								
Total funds bf at 1 April 2022		**11,373**	**1,038**	**1,802**	**1,149**	**6,989**	**22,351**	19,692
Total funds cf at 31 March 2023		**10,724**	**983**	**1,708**	**1,073**	**6,741**	**21,229**	22,351

The notes on pages 27 to 49 form a part of these financial statements.

The net income and resulting net movement in funds arise from continuing operations.

The charitable company has no recognised gains or losses other than the net movement of funds for the period.

There is no material difference between the reported results and the historical results of the charitable company.

Balance Sheet

at 31 March 2023

	Notes	Group		Charitable company	
		31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
		£000	£000	**£000**	£000
Fixed assets					
Tangible assets	*9*	**7,845**	8,089	**7,844**	8,089
Heritage assets	*10*	**3,836**	3,767	**3,836**	3,767
Investment property	*11*	**5,870**	6,190	**5,870**	6,190
Investments	*12*	**4,299**	3,989	**4,314**	4,004
Total fixed assets		**21,850**	22,035	**21,864**	22,050
Current assets					
Stocks	*13*	**39**	37	**-**	-
Debtors	*14*	**70**	66	**217**	247
Cash at bank and in hand		**283**	1,333	**247**	1,299
Total current assets		**392**	1,436	**464**	1,546
Creditors: Amounts falling due within one year	*15*	**(197)**	(231)	**(190)**	(225)
Net current assets		**195**	1,205	**274**	1,321
Total assets less current liabilities		**22,045**	23,240	**22,138**	23,371
Creditors: Amounts falling due after more than one year	*16*	**(816)**	(889)	**(816)**	(889)
Total net assets		**21,229**	22,351	**21,322**	22,482
The funds of the charity					
Undesignated funds:					
General funds	*17*	**990**	1,333	**1,083**	1,464
Revaluation reserve	*17*	**5,195**	5,515	**5,195**	5,515
		6,185	6,848	**6,278**	6,979
Designated funds:					
Warren Collection Fund	*17*	**59**	59	**59**	59
Collection Assets Fund	*17*	**3,836**	3,767	**3,836**	3,767
Designated Development Fund	*17*	**983**	1,038	**983**	1,038
Designated Property Improvement Fund	*17*	**644**	700	**644**	700
Total unrestricted funds		**11,707**	12,412	**11,800**	12,543
Restricted funds:	*17*	**6,741**	6,989	**6,741**	6,989
Endowment funds:					
Endowment Development Fund	*17*	**1,708**	1,802	**1,708**	1,802
RS Woof Memorial Fund	*17*	**251**	280	**251**	280
Catalyst Endowment Fund	*17*	**822**	868	**822**	868
Total charity funds		**21,229**	22,351	**21,322**	22,482

As permitted by s408 of the Companies Act 2006, the charitable company has not presented its own statement of financial activities and related notes as it prepares group accounts.

The charitable company has made a deficit of £1,159k in the year to 31 March 2023 (£2,690k surplus in the year to 31 March 2022).

These financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Approved by the board of Trustees on 14 October 2023 and signed on its behalf by:

Professor Sir Drummond Bone
Chair of Trustees

Consolidated statement of cash flows

For the year to 31 March 2023

	2022-23	2021-22
	£000	£000
Cash flows from operating activities		
Net cash provided by operating activities	**(528)**	1,138
Cash flows from investing activities		
Dividends and interest allocated to income	**99**	97
Rents from investment properties	**90**	72
Purchase of fixed assets	**(41)**	(561)
Net transfer to fixed asset investments	**(559)**	-
Invested cash used for management charges	**(3)**	(3)
Proceeds from sales of assets	**-**	5
Net cash used in investing activities	**(414)**	(390)
Cash flows from financing activities		
Repayments of borrowing	**(73)**	(37)
Interest payable on loan	**(35)**	(18)
Cash used in financing activities	**(108)**	(55)
Change in cash and cash equivalents in the period:	**(1,050)**	693
Cash and cash equivalents at start of year	**1,333**	640
Cash and cash equivalents at end of year	**283**	1,333
Reconciliation of net income to net cash used in operating activities		
Net (expenditure)/income	**(1,122)**	2,659
Adjustments for:		
Depreciation	**285**	259
Write down of redeveloped assets	**-**	311
Profit on sale of fixed assets	**-**	(3)
Losses/(gains) on investments	**230**	(272)
Losses/(Gains) on revaluation of investment properties	**320**	(1,570)
Dividends and interest	**(99)**	(97)
Rent on investment properties	**(90)**	(72)
Interest payable on loan	**35**	18
Gifts in kind	**(69)**	(54)
Receipts of endowment	**-**	-
Investment management costs	**21**	13
(Increase) in stocks	**(2)**	(6)
(Increase)/decrease in debtors	**(4)**	4
(Decrease) in creditors	**(33)**	(52)
Net cash provided by operating activities	**(528)**	1,138

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the group's financial statements.

Basis of preparation

The Wordsworth Trust (the "Trust") is a registered charity and a company limited by guarantee and incorporated and domiciled in England and Wales.

These group and parent company financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the Trust's governing document, the Companies Act 2006, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014. The presentation currency of these financial statements is sterling.

The parent company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Statement of Financial Activities or cash flow statement or with related notes is included; and
- Key Management Personnel compensation has not been included a second time as they are included for the group

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The Wordsworth Trust meets the definition of a public benefit entity under FRS 102.

Measurement convention

The financial statements are prepared on the historical cost basis except for investment property that is stated at fair value.

Basis of consolidation

These consolidated financial statements consolidate the results of the Trust and its wholly owned subsidiary undertaking, Dove Cottage Promotions Limited (registered number 02091130), on a line-by-line basis.

These accounts are made up to 31 March 2023 and are based on the accounts of the subsidiary undertaking which are coterminous with those of the Trust.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

Going concern

The Trustees, having reviewed future financial forecasts and considered the difficult trading conditions following the coronavirus pandemic and the current cost of living crisis and the impact of these on the Trust, have a reasonable expectation that the Trust, supported by secured funding, has adequate resources to continue in operational existence for the foreseeable future, a period that is not less than twelve months from the date of signing the financial statements. Thus, on this basis, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes *(continued)*

1 Accounting policies *(continued)*

Related party transactions

Transactions with those subsidiary undertakings whose voting rights are 100% controlled within the group are not disclosed, as provided for in FRS 102, section 33. Transactions with other parties are detailed in note 21.

Fixed asset investments

Fixed asset investments are included at the quoted mid-market price ruling at the balance sheet date. Realised and unrealised gains and losses on investments are shown in the Statement of Financial Activities and represent the change in market value from the beginning of the year.

Unquoted investments are included at the share capital value.

Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the Statement of Financial Activities in the period that they arise; and

ii. no depreciation is provided in respect of investment properties applying the fair value model.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Property	-	between thirty two and fifty years
Plant	-	fifteen years
Museum fittings	-	twelve years
Motor vehicles	-	four years
Fixtures, fittings and equipment	-	between three and five years
Intangible assets	-	three years

Fixed assets purchased below £500 are not capitalised.

Heritage assets

Items purchased for the collection are valued at cost. Donated items have been valued at the Curator's best estimate of current value at the time of acquisition since 2010. It is the responsibility of the Trust to preserve and conserve Collection items for the benefit of the nation and due to their nature they are expected to have a long life. Depreciation is therefore not charged on collection items which are capitalised since this is deemed to be immaterial. Impairment reviews are carried out annually.

Stocks

Stocks consist of purchased goods for resale and are stated at the lower of cost and estimated selling price less costs to complete and sell.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Notes *(continued)*

1 Accounting policies *(continued)*

Creditors

Creditors are recognised where the Trust has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount due to settle the obligation can be reasonably measured or estimated. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Income

All income is recognised once the Trust has entitlement to the resources, it is probable that the resources will be received and the monetary value can be measured with sufficient reliability.

Donations and grants

Income from donations and grants is credited to the Statement of Financial Activities when receivable. Where such income is received in advance the income is deferred until the Trust becomes entitled to the resources. Legacies are recognised on an accruals basis to the extent that the Trust has been notified that it is a beneficiary and there is a clear indication of the amounts involved.

Government grants

Government grants are recognised in income when received or, for grants that specify performance conditions, when received or receivable when there is a reasonable assurance that the grant conditions will be met and the grants will be received. A grant received before the recognition criteria are satisfied is recognised as a liability.

Income from charitable activities

Income from admissions to Dove Cottage and Museum and for charitable activities undertaken by the Trust is recognised when receivable. Related gift aid is also accounted for on a receivable basis.

Book and gift shop sales

Trading income from the book and gift shop operated by the Trust's trading subsidiary represents the value of goods sold net of VAT and this is recognised at the point of sale.

Investment income

Investment income and gains of the Development Fund are split between the Designated and Endowment funds based on the opening value of their investments. Investment income generated on restricted funds remains restricted.

Rents and interest are included when receivable at an amount which includes any tax recoverable from HMRC.

Expenditure

Expenses are accounted for on an accruals basis.

Direct charitable expenditure includes the direct costs of the activities. Support costs are also incurred to enable the Trust to provide these activities. Where such costs relate to more than one functional cost category, they have been apportioned as a percentage of staff time employed on the relevant activity.

Pension costs

The Trust contributes to the defined contribution pension schemes of some employees. The assets of the schemes are held separately from those of the Trust in independently administered funds. The amount charged in the Statement of Financial Activities represents the contributions payable to the schemes in respect of the accounting period.

Notes *(continued)*

1 Accounting policies *(continued)*

Fund accounting

Funds held by the Trust are either:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objectives at the discretion of the Trustees.

Designated funds – these are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

Designated Development Fund – a designated unrestricted fund shown separately from the Endowment Development Fund, since it is expendable in the event of a 75% majority decision by the Trustees. However this fund must be treated as if it were an endowment fund, otherwise the whole of the Endowment Development Fund becomes repayable.

Designated Property Improvement Fund – a designated unrestricted fund created to support the improvement of the wider estate.

Restricted funds – these are funds that can only be used for restricted purposes within the objects of the Trust. Restrictions arise when specified by the donor or when funds are raised for a restricted purpose.

Endowment Development Fund – a permanent endowment fund created to provide an additional income stream for the Trust.

R S Woof Memorial Fund – a permanent endowment fund to be used to endow the post of the Robert Woof Director of the Trust.

Catalyst Endowment Fund – supported by Arts Council England, this is a restricted endowment fund established to support the general operating costs of the Trust.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Where a grant or donation is received to fund a capital item or where an asset is donated, if there is an obligation relating to the future use or retention of the relevant asset, the balance relating to that asset is held within restricted funds as long as that restriction exists. Where there is no such restriction, the restricted income relating to the purchase of capital items is transferred to unrestricted funds in the Statement of Financial Activities.

Taxation

The Wordsworth Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge has arisen in the year.

For Dove Cottage Promotions Limited tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Irrecoverable VAT

Irrecoverable VAT is accounted for in the expenditure category under which the cost is incurred.

Notes *(continued)*

1 Accounting policies *(continued)*

Critical accounting judgements and key sources of estimation uncertainty

In applying the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Trustees' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical accounting judgements
The critical accounting judgements that the Trustees have made in the process of applying the charity's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

- **Classification of investment properties**

In assessing whether properties held should be classified as investment properties or tangible fixed assets, the Trustees have considered the motivations behind the continued ownership of such assets. In respect of certain properties classified as investment properties there are multiple motivations. In determining the classification of these properties the Trustees have made an assessment that, on balance, classification as investment property most accurately reflects the position.

Key sources of estimation uncertainty
The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Valuation of heritage assets**

The methods undertaken to attribute a value to donated heritage assets is disclosed on page 28. The valuation is inherently an estimate. In performing the valuation, the Curator utilises a variety of factors to enhance the accuracy of the investment including using information provided by the donor on the purchase price of the donations, information regarding the valuations or sales price of the same or similar items and his own knowledge and awareness of the current market for such items.

- **Determining residual values and useful economic lives of property, plant and equipment**

The charity depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes. Judgement is applied by management when determining the residual values for plant, machinery and equipment. When determining the residual value management aim to assess the amount that the Trust would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

Notes *(continued)*

2 Statement of Financial Activities comparative figures

The Charities SORP requires comparative figures to be presented for every figure given in the statement of financial activities. Consolidated figures for the year ended 31 March 2022 are given below.

	Unrestricted funds		Endowment funds			Total
	Unrestricted funds	Designated Development Fund	Development Fund	Other Endowment Funds	Restricted funds	2021-22
	£000	£000	£000	£000	£000	£000
Income and endowments from:						
Donations and legacies	**1,436**	**1**	**-**	**-**	**872**	**2,309**
Charitable activities						
Admission fees and sales	**211**	**-**	**-**	**-**	**-**	**211**
Other trading activities						
Book and gift shop sales	**127**	**-**	**-**	**-**	**-**	**127**
Investments	**72**	**24**	**41**	**32**	**-**	**169**
Other	**108**	**-**	**-**	**-**	**-**	**108**
Total income	**1,954**	**25**	**41**	**32**	**872**	**2,924**
Expenditure on:						
Raising funds						
Fundraising costs	**154**	**-**	**-**	**7**	**-**	**161**
Book and gift shop costs	**152**	**-**	**-**	**-**	**-**	**152**
Investment management costs	**-**	**5**	**8**	**5**	**-**	**18**
Management costs of the let estate	**100**	**-**	**-**	**-**	**-**	**100**
Charitable activities:						
Custodianship	**205**	**-**	**-**	**2**	**284**	**491**
Access and learning	**553**	**-**	**-**	**2**	**630**	**1,185**
Total expenditure	**1,164**	**5**	**8**	**16**	**914**	**2,107**
	790	**20**	**33**	**16**	**(42)**	**817**
Net gains on investments	**1,570**	**70**	**122**	**80**	**-**	**1,842**
Net income	**2,360**	**90**	**155**	**96**	**(42)**	**2,659**
Transfers between funds	**79**	**(24)**	**(39)**	**(16)**	**-**	**-**
Net movements in funds	**2,439**	**66**	**116**	**80**	**(42)**	**2,659**
Reconciliation of funds:						
Total funds brought forward at 1 April 2021	**8,934**	**972**	**1,686**	**1,069**	**7,031**	**19,692**
Total funds carried forward at 31 March 2022	**11,373**	**1,038**	**1,802**	**1,149**	**6,989**	**22,351**

Notes *(continued)*

3 Donations and legacies

	Unrestricted funds	**Designated Development Fund**	**Restricted funds**	**2022-23**	2021-22
	£000	**£000**	**£000**	**£000**	£000
Arts Council England (NPO Grant)	**-**	**-**	**329**	**329**	329
W.W. Spooner Charitable Trust	**44**	**-**	**1**	**45**	41
Arts Council England (Culture Recovery Fund)	**36**	**-**	**-**	**36**	230
South Lakeland District Council	**18**	**-**	**-**	**18**	64
Michael Marks Charitable Trust	**-**	**-**	**24**	**24**	24
Lancaster University	**-**	**-**	**20**	**20**	20
Cecilia and Nicholas Powell	**11**	**-**	**-**	**11**	-
Friends of the National Libraries	**11**	**-**	**-**	**11**	-
Cumbria County Council	**-**	**-**	**10**	**10**	10
Rothermere Foundation	**10**	**-**	**-**	**10**	-
Sir John Fisher Foundation	**-**	**-**	**10**	**10**	10
University of Leeds	**-**	**-**	**9**	**9**	-
Tom and Blaine Wells	**8**	**-**	**-**	**8**	-
Northern Powerhouse Internationalisation Fund	**-**	**-**	**5**	**5**	-
Patricia Grodd and Michael Stone	**4**	**-**	**-**	**4**	4
The Estate of the late Lady Chorley	**3**	**-**	**-**	**3**	-
The Estate of the late Nina Drucker	**3**	**-**	**-**	**3**	-
John R. Murray Charitable Trust	**-**	**-**	**-**	**-**	1,000
National Lottery Heritage Fund	**-**	**-**	**-**	**-**	430
Northern Cultural Regeneration Fund	**-**	**-**	**-**	**-**	50
The late Lucia Woods Lindley	**-**	**-**	**-**	**-**	37
Martin J. Crossley Evans	**-**	**-**	**-**	**-**	7
John Conder	**-**	**-**	**-**	**-**	4
Edward Baker	**-**	**-**	**-**	**-**	3
Cumbria Development Education Centre	**-**	**-**	**-**	**-**	2
Dr Mortimer & Theresa Sackler Foundation	**-**	**-**	**-**	**-**	(5)
Friends	**12**	**-**	**-**	**12**	13
Patrons	**17**	**-**	**-**	**17**	16
Gift Aid and others (£2,000 or below)	**15**	**1**	**2**	**18**	20
	192	**1**	**410**	**603**	2,309

Government grant income received in the year amounted to £69,000 (*2021-22: £354,000*) of which £36,000 (*2021-22: £277,000*) was Covid support.

Notes *(continued)*

4 Income from charitable activities

	2022-23 £000	2021-22 £000
Admission fees	**295**	196
Short course programme	**36**	12
Publications	**2**	1
Less sales to subsidiary	**(2)**	(1)
Profit on sale of fixed asset	**-**	3
	331	211

5 Commercial trading activity income

The charitable company has one trading subsidiary, Dove Cottage Promotions Limited, a company incorporated in England and Wales (company registration number 02091130). The charitable company owns the entire share capital of this company being 15,000 £1 ordinary shares. Dove Cottage Promotions Limited operated a book and gift shop and a café throughout the year.

A summary of the trading result of Dove Cottage Promotions Limited is shown below. Audited financial statements for the year ended 31 March 2023 are filed with the Registrar of Companies. A Gift Aid donation of the taxable profit of £Nil (*2021-22: £Nil*) was made to The Wordsworth Trust.

	2022-23 £000	2021-22 £000
Turnover	**170**	127
Cost of sales	**(79)**	(51)
Gross profit	**91**	76
Administrative expenses	**(124)**	(107)
Exceptional income	**70**	-
Operating profit/(loss)	**37**	(31)
Tax	**-**	-
Profit/(loss) on ordinary activities after taxation	**37**	(31)
Gift aid payment	**-**	-
Retained profit/(loss) for the year after payment of gift aid	**37**	(31)

The aggregate of the assets, liabilities and funds was:

	31 March 2023 £000	31 March 2022 £000
Assets	**79**	74
Liabilities	**(158)**	(190)
Funds	**(79)**	(116)

Notes *(continued)*

6 Investment income

Group	**2022-23**	2021-22
	£000	£000
Dividends receivable	**99**	97
Rents receivable	**90**	72
	189	169

7 Analysis of expenditure

Group

		Direct costs	**Support costs**	**2022-23**	2021-22
		£000	**£000**	**£000**	£000
Fundraising costs		**106**	**55**	**161**	161
Book and gift shop costs	Cost of sales	**79**	**-**	**79**	51
	Other	**117**	**-**	**117**	101
Investment management costs		**20**	**-**	**20**	18
Management of the let estate		**74**	**16**	**90**	100
		396	**71**	**467**	431
Cost of charitable activities					
Custodianship					
Historic buildings		**38**	**10**	**48**	52
Collection		**303**	**57**	**360**	439
		341	**67**	**408**	491
Access and learning					
Visitor operations		**556**	**267**	**823**	953
Exhibitions and publications		**38**	**20**	**58**	62
Education		**101**	**40**	**141**	146
Contemporary literature		**35**	**2**	**37**	24
		730	**329**	**1,059**	1,185
Total cost of charitable activities		**1,071**	**396**	**1,467**	1,676
Total expenditure		**1,467**	**467**	**1,934**	2,107

Notes *(continued)*

7 Analysis of expenditure *(continued)*

Allocation of support costs

	Fundraising	**Management of let estate**	**Charitable activities**	**2022-23**	2021-22
	£000	**£000**	**£000**	**£000**	£000
Management	**36**	**10**	**254**	**300**	289
Finance	**11**	**3**	**74**	**88**	71
Information technology	**5**	**1**	**32**	**38**	39
Human resources	**-**	**1**	**13**	**14**	7
Governance	**3**	**1**	**23**	**27**	26
	55	**16**	**396**	**467**	432

Support costs are allocated in line with salary costs based on an estimate of the actual time spent, which Trustees believe is consistent with the use of the resources. The cost allocation includes an element of judgement and the Trustees have had to consider the cost benefit of detailed calculations and record keeping. Therefore the support costs shown are a best estimate of the costs that have been so allocated.

The following costs are included in the management and administrative costs of The Wordsworth Trust and Dove Cottage Promotions Limited:

	Group		**Charitable company**	
	2022-23	2021-22	**2022-23**	2021-22
	£000	£000	**£000**	£000
Audit fees	**25**	24	**23**	22
Depreciation on owned fixed assets	**285**	259	**285**	259

Notes *(continued)*

7 Analysis of expenditure *(continued)*

Staff numbers and costs

The average number of staff employed during the year (excluding directors who are Trustees) was 39 (*2021-22: 39*). The Trust employs a number of seasonal and part-time staff; the average number of full-time equivalent employees was 34 (*2021-22: 33*).

The total staff costs for the group were as follows:

	2022-23 £000	2021-22 £000
Wages and salaries	**833**	797
Employers' social security costs	**76**	70
Employers' pension contributions	**40**	39
Group total	**949**	906

Prior year figures have been re-stated to include the subsidiary company's staff costs.

One member of staff received emoluments totalling more than £60,000 for the year *(2021-22: One*).

The Trust contributes to the defined contribution pension schemes for most employees. All eligible staff are enrolled into a qualifying defined contribution pension scheme. The pension charge for the year represents contributions payable by the Trust to the pension schemes and amounted to £40,216 (*2021-22: £39,132*). At the end of the year £8,254 in contributions was outstanding (*2021-22: £9,547*).

Day-to-day management of the Trust is delegated to the Senior Management Team (SMT). The employee benefits of the SMT, including employer pension contributions and employers' social security costs for the year, were £259,135 (*2021-22: £279,856*). The salary costs of SMT are allocated on a time spent basis across the restricted and unrestricted funds.

No goodwill payments in compensation for loss of employment on dismissal were made in the year *(2021-22: One*).

The Trustees received no remuneration during the year. Travel and subsistence expenses of £6,724*(2021-22: £4,940*) were paid to or on behalf of 13 trustees (*2021-22: 12*) during the year of which £296 *(2021-22: £238)* was unpaid at the year end. Nothing was paid in relation to travel and subsistence for the Trust's President *(2021-22: Nil)*.

Interest payable

	2022-23 £000	2021-22 £000
On bank loans and overdrafts	**35**	18

Notes *(continued)*

8 Transfers between funds

Transfers into unrestricted funds during the year comprised:

	2022-23 £000
Investment income transferred from the Designated Development Fund	**24**
Investment income transferred from the Endowment Development Fund	**39**
Investment income transferred from the Catalyst Endowment Fund	**19**
Total transfers	**82**

On 8 November 2014 Trustees passed a resolution in accordance with Regulation 3(2) of the Charities (Total Return) Regulations 2013 to invest the Endowment Development Fund on a total return basis.

The baseline value of the gift component of the fund was set as the value when the fund became permanent endowment in accordance with the agreement with the donor, the National Lottery Heritage Fund, on 1 January 2013. The balance of investment gains, investment losses, investment income and transfers to the general fund since this date represent the closing balance of unapplied total return.

At the same time in exercise of the power of investment in the Trust's Articles of Association Trustees also resolved to invest the Designated Development Fund on the same basis.

Adopting a power of total return allows the Trustees to invest permanently endowed funds to maximise total return and to apply an appropriate portion of the unapplied total return to income each year. Until a decision is made to transfer a portion of unapplied total return to income, the unapplied total return remains invested as part of the permanent endowment. The power allows the Trustees to decide in each year how much of the unapplied total return is transferred to income funds and so available for expenditure. Having considered their obligations under the duty of even-handedness, the Trustees made a transfer of a total of £65,000 *(2021-22: £65,000*) unapplied total return from both elements of the Development Fund to unrestricted income funds.

In making this decision the Trustees have taken account of the investment climate, the return on investment for the year and the income needs of the charity. The Trustees have taken advice from their Investment Sub-Committee and the Investment Managers, Cazenove Capital Management Ltd, as to the sustainability of the investment fund after making this transfer.

During the year 2020-21 as a direct result of the coronavirus pandemic the Trust sought and received in principle the permission of Arts Council England and the National Heritage Lottery Fund to use if necessary the Catalyst Endowment Fund and/or the Development Fund to support the costs of the Reimagining Wordsworth Project and the running costs of the Trust. Since this in principle approval has been received there has been no use of either of these funds for these purposes.

Notes *(continued)*

8 Transfers between funds *(continued)*

	Investment fund £000	Unapplied total return £000	Total £000
Opening value of the Endowment Development Fund			
Gift component	1,261	-	**1,261**
Unapplied total return	-	541	**541**
Total	1,261	541	**1,802**
Movements during the year			
Investment return: dividends and interest	-	41	**41**
Investment return: realised and unrealised gains/(losses)	-	(88)	**(88)**
Transfer	-	2	**2**
Investment management charges	-	(8)	**(8)**
Total	-	(53)	**(53)**
Unapplied total return allocated to income	-	(41)	**(41)**
Net movement during the year	-	(94)	**(94)**
Closing value at 31 March 2023			
Gift component	1,261	-	**1,261**
Unapplied total return	-	447	**447**
Total	1,261	447	**1,708**

	Investment fund £000	Unapplied total return £000	Total £000
Opening value of the Designated Development Fund			
Gift component	714	-	**714**
Unapplied total return	-	324	**324**
Total	714	324	**1,038**
Movements during the year			
Investment return: dividends and interest	-	24	**24**
Investment return: realised and unrealised gains	-	(51)	**(51)**
Transfer	-	-	**-**
Investment management charges	-	(5)	**(5)**
Donations received	1	-	**1**
Total	1	(32)	**(31)**
Unapplied total return allocated to income	-	(24)	**(24)**
Net movement during the year	1	(56)	**(55)**
Closing value at 31 March 2023			
Gift component	715	-	**715**
Unapplied total return	-	268	**268**
Total	715	268	**983**

Notes *(continued)*

9 Tangible fixed assets

Group	Jerwood Centre	Other freehold property	Intangible assets	Fixtures, fittings, equipment and motor vehicles	Total
	£000	£000	£000	£000	£000
Cost					
At 1 April 2022	3,442	5,617	-	1,600	10,659
Additions	-	23	-	18	41
Disposals/write off	-	-	-	(8)	(8)
Transfers	-	-	7	(7)	-
At 31 March 2023	3,442	5,640	7	1,603	10,692
Depreciation					
At 1 April 2022	1,814	350	-	406	2,570
Charge for the year	50	113	2	120	285
Disposals/write off	-	-	-	(8)	(8)
Transfers	-	-	4	(4)	-
At 31 March 2023	1,864	463	6	514	2,847
Net book value					
At 31 March 2023	**1,578**	**5,177**	**1**	**1,089**	**7,845**
At 31 March 2022	1,628	5,267	-	1,194	8,089

The total of non-depreciable assets included in other freehold property at the year end was £279,204 *(2021-22: £279,204)*.

During the year 2022-23 intangible assets have been transferred from Fixtures, fittings, equipment and motor vehicles and are now disclosed separately.

Under the terms of the National Lottery Heritage Fund grant to support the Reimagining Wordsworth project the National Lottery Heritage Fund has taken a charge over the four properties owned by the Trust which were the main focus of the project. In 2020-21 prior to the transfer of the redevelopment costs the net book value of the properties covered by the charge was £832,783 with the redevelopment costs and net of depreciation at the year end this is £4,750,419 *(2021-22: £4,847,612).*

Notes *(continued)*

9 Tangible fixed assets *(continued)*

Charitable Company	Jerwood Centre	Other Freehold property	Intangible assets	Fixtures, fittings, equipment and motor vehicles	Total
	£000	£000	£000	£000	£000
Cost					
At 1 April 2022	3,442	5,617	-	1,573	10,632
Additions	-	23	-	17	40
Disposals/write off	-	-	-	-	-
Transfers	-	-	7	(7)	-
At 31 March 2023	3,442	5,640	7	1,583	10,672
Depreciation					
At 1 April 2022	1,814	350	-	379	2,543
Charge for year	50	113	2	120	285
Disposals/write off	-	-	-	-	-
Transfers	-	-	4	(4)	-
At 31 March 2023	1,864	463	6	495	2,828
Net book value					
At 31 March 2023	**1,578**	**5,177**	**1**	**1,088**	**7,844**
At 31 March 2022	1,628	5,267	-	1,194	8,089

10 Heritage assets

Dove Cottage, the home of William Wordsworth from 1799 to 1808, was acquired by the Trust in 1890 and is maintained as a visitor attraction 'for the eternal possession of those who love English poetry all over the world'.

The Trust acquires objects within the subject area: William Wordsworth and the Age of British Romanticism. To understand and interpret the context and significance of this subject, it is occasionally necessary to collect items before and after the accepted chronological framework for the Romantic period, 1750-1850. Priority areas for collecting are manuscripts, printed works, fine art and artefacts that advance the public knowledge and enjoyment of the works of William Wordsworth and the literature and culture of this period.

- The collection of manuscripts (30,000+) includes material of very great significance, drawing researchers and academics world-wide, and includes verse and prose manuscripts of William and Dorothy Wordsworth, Samuel Taylor Coleridge, Thomas De Quincey, and many others. The collection is considered the greatest collection by an author now housed in the place where the greatest works were written.

- The collection of books and pamphlets (numbering approx. 14,500 titles) include the following themes:
  - A portion of Wordsworth's own library of books which he owned at Dove Cottage and Rydal Mount, and a good number of titles that belonged to Coleridge or Southey. Some of these volumes have been annotated by Wordsworth or Coleridge.
  - A near complete copy of first and lifetime editions of printed books by Wordsworth and leading Romantic writers, including Coleridge, Southey, Keats and Shelley. In addition, early editions by their well and lesser known contemporaries covering the span of Romantic literature.
  - Guides, illustrated works and travel literature based on the Lake District from around 1750 to the present day.

Notes *(continued)*

10 Heritage assets *(continued)*

- Magazines and periodicals from the period 1750-1850.
- Critical and reference works and published letters of all the major figures of the period, as well as general works on Romantic literature and art.

- The collection of fine art (13,000+ items) encompasses portraits of the major figures and family members, as well as the development of the interpretation of landscape from the 18th century to the present day and includes:

  - Paintings and drawings of William and Dorothy Wordsworth and families, Coleridge, De Quincey and others of the period.
  - Paintings, drawings and prints of Lake District themes, including interpretation of landscape and aspects of cultural and working life.
  - Prints of the earliest views of the Lake District from the 1750s onwards.
  - A significant collection of c19th century photographs along the themes of portraits and landscape.

- A collection of artefacts (c.600 items) that relate to Wordsworth and his family and aspects of Lake District life and history incorporating items that reflect life in a typical Grasmere cottage of the period (c.1800), and includes furniture and utensils (including spinning wheels) relating to the social history of the period.

Items purchased for the collection are valued at cost. Donated items have been valued at the Curator's best estimate of current value at the time of acquisition since 2010. It is the responsibility of the Trust to preserve and conserve collection items for the benefit of the nation and due to their nature they are expected to have a long life. Depreciation is therefore not charged on collection items which are capitalised since this is deemed to be immaterial. Impairment reviews are carried out annually.

Preservation and Management

Expenditure which in the Trustees view is required to preserve or prevent further deterioration of individual items is recognised in the Statement of Financial Activities when incurred.

The Trust complies with PAS 197:2009, the BSI and Collections Trust's *Code of practice for cultural collections management,* works to SPECTRUM: the UK Museum Collections Management Standard and maintains a full catalogue of collection items including a description, the condition of the item, where it is kept and acquisition information.

The Trust has digitised much of its manuscript and fine art collections. These collections are variously available online either on the Trust's own website or by subscription to educational establishments on the AM Digital website. All newly acquired works of art are digitised as part of the cataloguing process.

The Trust actively encourages public engagement with the collection. Within the Jerwood Centre adjacent to the museum the Trust runs a research room where bona fide researchers may view original material. There is a programme of events throughout the year, aimed at audiences of all ages and a variety of backgrounds; monthly talks on site, workshops, specialist day courses and conferences. University academics and groups of students spend several days learning about the meaning of manuscripts and then create interpretative projects for wider audiences; several thousand school children visit the site each year and learn from resources developed from the collection. Outreach activities take facsimiles of our collections into the communities of Cumbria.

Notes *(continued)*

10 Heritage assets *(continued)*

Disposal

The Trust has a long term purpose, and holds and builds the permanent collection in relation to its stated objectives. The Trust accepts the principle that, except for sound curatorial reasons, there is a strong presumption against the disposal of any items in the museum's collection.

Items may be removed from the collection for the following reasons:

i. duplication within the collection;
ii. falling outside the collecting area of the Trust;
iii. being wrongly accessioned;
iv. a better copy being received;
v. poor condition.

Proposals to remove an item or items from the collection are the responsibility of the Curator, and will be presented for approval to the Collections Committee, followed by the full Board of Trustees.

Decisions to dispose of objects will not be made with the principal aim of generating funds. Any monies received by the Trust from the disposal of items will be applied for the benefit of the collection. This will normally mean the purchase of further acquisitions but in exceptional cases improvements relating to the care of collection may be justifiable. Where an object has been donated or purchased with external funding, any conditions relating to its disposal will always be adhered to.

Once a decision to dispose of an item has been taken, priority will be given to retaining the item in the public domain, unless it is to be destroyed. It will therefore be offered in the first instance, by exchange, gift or sale directly to other accredited museums likely to be interested in its acquisition.

	2022-23	2021-22
	£000	£000
Opening value of Heritage Assets		
Purchases	**2,790**	2,790
Donations at valuation	**714**	660
Transfer from Investment Property	**263**	263
Total	**3,767**	3,713
Acquisitions during the period		
Purchases	**-**	-
Donations at valuation	**69**	54
Transfer from Investment Property	**-**	-
Total	**69**	54
Closing value of Heritage Assets		
Purchases	**2,790**	2,790
Donations at valuation	**783**	714
Transfer from Investment Property	**263**	263
Total	**3,836**	3,767

Donated items are valued on acquisition based on evidence from a recognised source if received with the donation or at the Curator's best estimate of current value at the time of acquisition.

		Year to 31 March			
Five year financial summary of heritage asset transactions	**2023** **£000**	2022 £000	2021 £000	2020 £000	2019 £000
Purchases	**-**	-	-	1	-
Donations	**69**	54	5	68	81
Transfer from Investment Properties	**-**	-	-	-	263
Total acquisitions	**69**	54	5	69	344

There have been no disposals in the last five years.

Notes *(continued)*

11 Investment property – UK

Group and charitable company	**31 March 2023 £000**	31 March 2022 £000
Brought forward	**6,190**	4,620
Increase/(decrease) on revaluation	**(320)**	1,570
Carried forward	**5,870**	6,190

Investment properties with an original cost of £957,000 were valued as at the 13th April 2022 by Mr D J K Capps MRICS at £6,190,000 based on estimated open market values. A further re-valuation of the investment properties was performed by Mr D. Hackney FRICS during summer 2023 resulting in an adjustment to reduce the fair value of the properties by £320,000.

12 Fixed asset investments

	Group 31 March 2023 £000	Group 31 March 2022 £000	**Charitable company 31 March 2023 £000**	Charitable company 31 March 2022 £000
Ordinary £1 shares in Dove Cottage Promotions Limited	**-**	-	**15**	15
Development Fund investments	**2,691**	2,840	**2,691**	2,840
RS Woof Memorial Fund investments	**251**	280	**251**	280
Catalyst Endowment Fund investments	**822**	869	**822**	869
Property Development Fund investments	**535**	-	**535**	-
	4,299	3,989	**4,314**	4,004

Group and charitable company	Development Fund £000	RS Woof Memorial Fund £000	Catalyst Endowment £000	Property Development £000	**Totals £000**
Opening market value	2,804	280	830	-	**3,914**
Additions	457	-	165	764	**1,386**
Disposals	(408)	-	(133)	(213)	**(754)**
Net investment losses	(178)	(29)	(54)	(26)	**(287)**
Closing market value	2,675	251	808	525	**4,259**
Cash on deposit	15	-	14	10	**39**
Accrued income	1	-	-	-	**1**
	2,691	251	822	535	**4,299**

All investments other than the subsidiary are listed on the London Stock Exchange. Investments in the following funds exceeded 5% of the total portfolio at 31 March 2023:

M&G Investment Management Global Dividend Fund
Troy Asset Management Trojan Fund
Troy Asset Management Trojan Income Fund
Vanguard S&P 500 Exchange Traded Fund

13 Stocks

Group	**31 March 2023 £000**	31 March 2022 £000
Goods held for resale	**39**	37

Notes *(continued)*

14 Debtors: amounts falling due within one year

	Group 31 March 2023 £000	Group 31 March 2022 £000	**Charitable company 31 March 2023 £000**	Charitable company 31 March 2022 £000
Trade debtors	**10**	10	**8**	9
Other taxes and social security	**-**	-	**-**	-
Prepayments	**30**	21	**28**	19
Accrued income	**30**	35	**30**	35
Amounts owed by subsidiary undertaking	**-**	-	**151**	184
	70	66	**217**	247

15 Creditors: amounts falling due within one year

	Group 31 March 2023 £000	Group 31 March 2022 £000	**Charitable company 31 March 2023 £000**	Charitable company 31 March 2022 £000
Trade creditors	**34**	60	**31**	57
Other taxes and social security	**17**	15	**15**	15
Other creditors	**10**	12	**10**	12
Bank loan	**74**	74	**74**	74
Accruals	**62**	70	**60**	67
	197	231	**190**	225

16 Creditors: amounts falling due after more than one year

		Group 31 March 2023 £000	Group 31 March 2022 £000	**Charitable company 31 March 2023 £000**	Charitable company 31 March 2022 £000
Bank loan	- due between 2 and 5 years	**295**	295	**295**	295
	- due after 5 years	**521**	594	**521**	594
		816	889	**816**	889

The interest only bank loan from 2015 was refinanced in January 2020. The new loan is on a capital and interest repayment basis with a term of five years, a repayment profile of fifteen years and an original capital repayment holiday of 12 months which was extended to 18 months. Capital repayments have been made since October 2021. Interest is charged at the base rate plus 1.65%. The loan is secured on four investment properties owned by the Trust. The amount outstanding represents 43% *(2022: 46%*) of the value of the properties charged.

Notes *(continued)*

17 Reconciliation of movement in funds

Group	Funds at 1 April 2022	Income	Expenditure	Transfers /investment (losses)/gains	Funds at 31 March 2023
	£000	£000	£000	£000	£000
Unrestricted funds:					
General funds	**1,333**	785	(1,247)	119	**990**
Revaluation reserve	**5,515**	-	-	(320)	**5,195**
Warren Collection Fund	**59**	-	-	-	**59**
Collection Assets Fund	**3,767**	69	-	-	**3,836**
Designated Development Fund	**1,038**	25	(5)	(75)	**983**
Designated Property Improvement Fund	**700**	-	-	(56)	**644**
Restricted funds:					
Income funds	**26**	410	(415)	-	**21**
Acquisition funds	**2**	-	-	-	**2**
Reimagining Wordsworth – capital	**5,481**	-	(197)	-	**5,284**
Reimagining Wordsworth - delivery	**10**	-	-	-	**10**
Capital funds	**1,470**	-	(46)	-	**1,424**
Endowment funds:					
Endowment Development Fund	**1,802**	41	(8)	(127)	**1,708**
RS Woof Memorial Fund	**280**	11	(12)	(28)	**251**
Catalyst Endowment Fund	**868**	21	(4)	(63)	**822**
	22,351	1,362	(1,934)	(550)	**21,229**

The Revaluation Reserve has arisen on the valuation of investments and properties shown in notes 11 and 12.

The Warren Fund has been designated by the Trustees for the purchase of books, manuscripts and fine arts. The fund comprises the balance of an unrestricted legacy received during 2000.

The Collection Assets Fund represents the amount of heritage assets capitalised. This fund consists of a mixture of both restricted and unrestricted amounts, an allocation of which is not possible.

In 2015 the Trustees designated funds to the Reimagining Wordsworth project to develop the Town End site. Supported by the National Lottery Heritage Fund the development phase ran from January 2016 to January 2018. In March 2018 the National Lottery Heritage Fund announced support for the delivery phase started in May 2018 and was completed in 2021-22. Fundraising secured the remaining funding and this income was split between designated and restricted funds. National Lottery Heritage Fund income for both the development and the delivery phase of the project was treated as restricted income.

The Trustees have designated a proportion of the donation in 2021-22 from John R. Murray Charitable Trust to support the improvement of the wider estate.

The Designated Development Fund has been established by the Trust to provide an income that will contribute towards the Trust's core running expenses. The intention is to maintain an income generating fund. Exceptionally, the fund is expendable in the event of a 75% majority decision by the Trustees. The terms of the contract under which the Endowment Development Fund was established require that the Designated Development Fund be operated as an endowment, the result of a breach being that the amount given to establish the Endowment Development Fund will be repayable. However, these conditions do not directly apply to the Designated Development Fund, and so it continues to be disclosed as a designated fund within unrestricted funds.

The Endowment Development Fund was established by the Trust in order to build up a portfolio of investments to provide an alternative source of income. On 1st January 2013 the fund became permanent endowment. The full amount given to establish the fund is repayable in the event of a default. As a result of the financial pressures in 2020-21 due to the global pandemic and consequent lockdown the Trust received in principle permission from the body which financed the Endowment Development Fund to release its restrictions on the fund to allow the Trust to draw down some of the capital in these exceptional circumstances if required.

The RS Woof Memorial Fund is an endowment fund for the purposes of endowing the post of the Robert Woof Director of the Trust.

Notes *(continued)*

The Catalyst Endowment Fund is an endowment fund established with the aid of Arts Council England Catalyst Funding to support the general operating costs of the Trust. In 2020-21 the Arts Council England has given the Trust permission to draw down some of this funding should it need to do so to remain financially viable. The Trust must put in place a plan to replace any funding used.

18 Analysis of net assets between funds

	Unrestricted funds		Endowment funds			
Group	**Unrestricted funds**	**Designated Development Fund**	**Development Fund**	**Other endowment funds**	**Restricted funds**	**Total funds**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Fund balances at 31 March 2023 represented by:						
Fixed assets	11,381	983	1,708	1,073	6,705	**21,850**
Current assets	356	-	-	-	36	**392**
Current liabilities	(197)	-	-	-	-	**(197)**
Creditors falling due after one year	(816)	-	-	-	-	**(816)**
	10,724	983	1,708	1,073	6,741	**21,229**
Fund balances at 31 March 2022 represented by:						
Fixed assets	11,099	1,038	1,802	1,148	6,948	**22,035**
Current assets	1,395	-	-	-	41	**1,436**
Current liabilities	(231)	-	-	-	-	**(231)**
Creditors falling due after one year	(889)	-	-	-	-	**(889)**
	11,374	1,038	1,802	1,148	6,989	**22,351**

In the opinion of the trustees, the group's assets are sufficient to fulfil the obligations of the group.

	Unrestricted Funds		Endowment Funds			
Charitable company	**Unrestricted funds**	**Designated Development Fund**	**Development Fund**	**Other endowment funds**	**Restricted funds**	**Total funds**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Fund balances at 31 March 2023 represented by:						
Fixed assets	11,395	983	1,708	1,073	6,705	**21,864**
Current assets	428	-	-	-	36	**464**
Current liabilities	(190)	-	-	-	-	**(190)**
Creditors falling due after one year	(816)	-	-	-	-	**(816)**
	10,817	983	1,708	1,073	6,741	**21,322**
Fund balances at 31 March 2022 represented by:						
Fixed assets	11,114	1,038	1,802	1,148	6,948	**22,050**
Current assets	1,505	-	-	-	41	**1,546**
Current liabilities	(225)	-	-	-	-	**(225)**
Creditors falling due after one year	(889)	-	-	-	-	**(889)**
	11,505	1,038	1,802	1,148	6,989	**22,482**

19 Share capital

The charitable company is limited by guarantee and as such, has no share capital. In the event of the charitable company being wound up, the guarantee of each member is limited to £1.

Notes *(continued)*

20 Capital commitments

Capital commitments at the end of the financial year for which no provision has been made are as follows:

	31 March 2023	**31 March 2022**
	£000	£000
Authorised but not committed	**-**	-
Against which orders have been placed	**38**	38

The capital commitments noted represent the contractual relationships with a contractor involved in the delivery phase of the Reimagining Wordsworth project .

21 Related party transactions

In aggregate Trustees, co-opted committee members, the President and members of the SMT made donations totalling £2,500 during the year *(2022: £3,431*). This can be split as follows:

	2022-23	2021-22
Unrestricted	**1,900**	2,831
Restricted	**600**	600
In kind	**-**	-
Total donations	**2,500**	3,431

22 Financial instruments

	Group	Group	**Charitable company**	Charitable company
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
	£000	£000	**£000**	£000
Financial assets at amortised cost	**40**	45	**189**	228
Financial liabilities at amortised cost	**996**	1,105	**991**	1,099

Financial assets represent trade debtors, accrued income and amounts owed by the subsidiary undertaking. Financial liabilities represent trade and other creditors, accruals and the bank loan.

Notes *(continued)*

23 Consolidated analysis of changes in net debt

	Note	Group				Charitable company			
		1 April 2022	Cash flow	Other non cash movements	31 March 2023	1 April 2022	Cash flow	Other non cash movements	31 March 2023
		£000	£000	£000	£000	£000	£000	£000	£000
Cash at bank and in hand		1,333	(1,050)	-	283	1,299	(1,052)	-	247
Bank loan	**15**	(74)	73	(73)	(74)	(74)	73	(73)	(74)
Debt due within one year		(74)	73	(73)	(74)	(74)	73	(73)	(74)
Bank loans	**16**	(889)	-	73	(816)	(889)	-	73	(816)
Debt due after more than one year		(889)	-	73	(816)	(889)	-	73	(816)
Total net debt		**370**	**(976)**	**-**	**(607)**	**336**	**(978)**	**-**	**(643)**

THE WORDSWORTH TRUST

England & Wales - Charity number 1066184

Accounts

The Wordsworth Trust

Trustees' report and consolidated financial statements
Registered charity number 1066184
Registered company number 03442086
For the year to 31 March 2022

wordsworth
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Trustees' Annual Report

The Trustees are pleased to present their report together with the audited consolidated financial statements for the year ended 31 March 2022. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Companies Act 2006, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

The Wordsworth Trust is registered with the Charity Commission, registration number 1066184, and is a company limited by guarantee, registration number 03442086. The charitable company is governed by its Memorandum and Articles of Association. The Trust was incorporated on 30 September 1997 and the registered address is Dove Cottage, Grasmere, Cumbria, LA22 9SH. The Trustees' Annual Report also contains the information required under the Companies Act 2006 for a Directors' Report.

The Trust is honoured to have as Royal Patron, His Royal Highness the former Prince of Wales.

The Honorary President of the Trust during the year was The Rt Hon Lord Smith of Finsbury PC.

Chair	Professor Sir Drummond Bone
Hon. Treasurer	Gesa Brinkmann ACA, CPA
The Robert Woof Director	Michael McGregor
Company Secretary	Amanda Pickup FCA

Trustees who served during the year

Professor Sir Drummond Bone
Professor Simon Bainbridge
Ms Gesa Brinkmann ACA, CPA
Dr Amy Concannon (appointed 26th January 2022)
Mrs Mary Chuck (retired 24th April 2022)
Ms Judith Cooke
Dr Paul Davies (appointed 26th January 2022)
Dr Anna Fleming
Mrs Johanna Goode
Mr David Heal
Mrs Diana Matthews JP DL (retired 14th November 2021)
Professor David McKitterick
Ms Lisa Peter (appointed 20th July 2022)
Mr Tim Robertson (appointed 26th January 2022)
Ms Jennifer Uglow OBE (retired 3rd November 2021)
Ms Anne Young (appointed 20th July 2022)

The Trustees are the members of the charitable company and act as Directors for the purposes of company law. In the event of the charitable company being wound up, the guarantee of each member is limited to £1.

In accordance with the Articles of Association the following trustee will retire and, being eligible, will offer themself for re-appointment at the forthcoming Annual Retirement Meeting.

Professor Sir Drummond Bone

Trustees' annual report *(continued)*

Objectives and Activities

The Wordsworth Trust has been keeping Wordsworth's memory alive at Dove Cottage since it was founded over 130 years ago.

During this time, the Wordsworth Trust has acquired many of the other historic buildings that neighbour Dove Cottage, secured the great majority of Wordsworth's manuscripts, established an archive, library and fine art collection dedicated to Romanticism and the cultural history of the Lake District, and created the Jerwood Centre, a conservation and research centre, so that these holdings can remain at Dove Cottage, one of the world's most important literary sites.

In 2019, the Wordsworth Trust began a major transformation of its site, previously known as 'Dove Cottage and the Wordsworth Museum'. The project was completed in May 2021 when the site reopened with a new brand, 'Wordsworth Grasmere'.

The Wordsworth Trust's purposes are set out in its Memorandum and Articles of Association, and can be summarised as:

1. to provide a living memorial to William Wordsworth and his contemporaries by looking after Dove Cottage and its environs, and by preserving and developing a permanent collection; and

2. to advance public knowledge and enjoyment of the works of Wordsworth and the literature and culture of the Romantic period (*c.*1770–1850) through a wide range of public activities.

The Wordsworth Trust's aims are the same in their intent as these purposes. They provide public benefit through the advancement of education, heritage, culture and the arts, and thereby meet the definition of 'charitable purposes' in the 2011 Charities Act.

Wordsworth wrote poetry 'to console the afflicted; to add sunshine to daylight by making the happy happier; to teach the young and the gracious of every age to see, to think and feel'. Our activities are inspired by this vision: of a world in which anyone, anywhere, can enrich their life through Wordsworth's ideas and philosophy, regardless of means or background. In carrying them out, we have therefore taken due regard of the Charity Commission's public benefit guidance.

Our activities, and the criteria that we use to measure their success, are reported in detail under 'Achievements and Performance'. While certain activities are aimed at specific beneficiary groups, most are open to anyone; they take place all year round, some are free of charge and in some instances, charges are waived for people with limited financial means.

Trustees' annual report *(continued)*

Our public impact in numbers

	12 months to 31 March 2022	12 months to 31 March 2021	Variance
General visits to Wordsworth Grasmere	**17,471**	**3,732**	**368%**
Participation in activities for young people in formal education (counted in student-days)			
Secondary, primary and pre-school	4,815	643	649%
Higher education – short courses	147	301	-51%
Higher education – other	30	145	-79%
Teacher development opportunities	28	5	460%
Total	**5,020**	**1,094**	**359%**
Participation in informal learning activities			
Activities aimed at elderly / vulnerable adults	700	584	20%
Activities aimed at young people (excluding family activities)	416	272	53%
Activities for general audiences	801	1,397	-43%
Total	**1,917**	**2,253**	**-15%**
Participation in events and activities for families[i]	**1,384**	**210**	**559%**
Attendances at talks, poetry readings and other events (excluding family events)[ii]	**3,380**	**1,404**	**141%**
Interactions via new media			
Website (unique views)	206,812	183,179	13%
Views of online videos (as of 31 March 2022)	117,415	160,912	-27%
Social media followers (as of 31 March 2022)	54,302	48,575	12%
Total	**378,529**	**392,666**	**-4%**
Research visits (counted in research-days)	**121**	**44**	**175%**
Publication sales	**1,632**	**186**	**-13%**
Participants in vocational training (starting in year)	**8**	**3**	**167%**
Volunteers[iii]	**19**	**17**	**2**

[i] Includes 377 family members going on discovery trails at Wordsworth Grasmere. These are therefore also included in the figure of 17,471 general visits.

[ii] Includes 1,017 visitors attending gallery tours and other facilitated activities at Wordsworth Grasmere. These are therefore also included in the figure of 17,471 general visits.

[iii] People who did volunteer work on a regular basis and / or a sustained period of time.

Trustees' annual report *(continued)*

Achievements and Performance

1. Overview of progress against strategy

Last year, we reported on the reopening of Dove Cottage – the first major milestone of our £6.5 million Reimagining Wordsworth project. 2021/22 saw the project as a whole reach completion: the Garden–Orchard, Sensory Garden, Woodland and other outdoor spaces reopened in April, in line with the UK Government's roadmap out of lockdown, and with the resumption of indoor leisure activities on 17 May we could at last open the doors to the new Museum following its refurbishment. A 10-year project to ensure that the inspirational story of the Wordsworths' lives at Dove Cottage remains accessible, relevant and compelling had reached its conclusion.

We have been delighted by the response. Visitors stay for longer, and use words like 'fabulous', 'thought-provoking', 'memorable', 'inspiring' and 'joyous'. One told us, 'I am a changed person'; written feedback from one of our younger visitors simply read, 'Today when they said we were going to a museum, I thought it would be terrible, but it has actually been fun. Go Wordsworth!'. The *Museums Journal* said that our authentic approach to presenting Dove Cottage 'could blaze a trail for other museums'. The interior design, graphic design and wayfinding won gold in their respective categories at the London Design Awards, and we finished the year with the news that Wordsworth Grasmere as a whole had been shortlisted in the Permanent Exhibition of the Year category of the Museums & Heritage Awards.

However, the pandemic continued to have a significant impact in the year. The 368% increase in admissions compared against the heavily disrupted 2020/21 belies the stark fact that visitor numbers were approximately 40% of our most recent 'normal' year (2017/18), and only 36% of the projections in the 2017 business plan that underpinned the Reimagining Wordsworth project. Like many employers, we have faced the challenge of recruiting in a tight labour market, which left us unable to resume our usual 7-day opening for much of the year. To achieve social distancing, visitor capacity in Dove Cottage was also restricted for most of the year. Reduced overseas travel and the impact of coronavirus on tour groups were undoubtedly major influences on our visitor numbers, but although we engaged specialist market analysts at the start of the year, the enduring impact of the pandemic made forecasting visitor numbers difficult. With the Government's Culture Recovery Fund and the other equally crucial sources of emergency funding that helped to sustain us during 2021/22 now closed, and geopolitical uncertainty, rising prices and pressures on household finances injecting further volatility into the market, we go into 2022/23 closely monitoring our financial performance in the knowledge that the instability of the last two years is far from over.

2. Public benefit

a) Measuring our performance

We monitor our activities by beneficiary group, as shown in the table on page 3. As well as the statistical measures shown here, we talk to our beneficiaries and invite their feedback to ensure that we are meeting their needs and aspirations.

b) Wordsworth Grasmere

As reported in our overview, Wordsworth Grasmere opened on 17 May 2021. The new spaces and interpretation are a major achievement in themselves, but to help provide the stimulating and engaging experience that had always been our aim, we also animated the site with volunteers (some giving costumed poetry readings) and a new programme of daily activities. These activities include gallery tours, garden tours, chances to see behind the scenes, and opportunities for visitors to express their creativity through poetry writing, sketching and journal-writing. The personal

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

experience provided by our staff and volunteers receives much positive feedback from our visitors.

We will add new daily activities over the next year. We will also continue to refine the experience as a whole, not least in the Garden–Orchard, where work to create an authentic sense of the garden as the Wordsworths would have known it continued throughout the year.

The first special exhibition to open in the new Museum was *Still Glides the Stream*, a celebration of the Duddon Sonnets. It was a collaborative endeavour, involving artists (digital artists Amy Johnson and Katrin Joost, members of the Flax group of south Cumbrian textile artists, and clients of Prism Arts, an inclusive arts organisation based in Carlisle), and community groups (the Duddon Valley Local History Group and the Norman Nicholson Society). The exhibition also inspired a new musical composition by young people in Cumbria, created through the 'Encountering Wordsworth' project in partnership with Cumbria Development Education Centre, Cumbria Music Hub, Manchester Camerata and Orchestras Live.

Still Glides the Stream was followed by *Dorothy: Writer, Sister, Friend*, which marked the 250th anniversary of Dorothy Wordsworth's birth on Christmas Day 1771. Again, the exhibition brought together a diverse range of viewpoints, featuring contributions by refugees, people with visual impairments, aromantic–asexual individuals, academics, and local community groups including Grasmere Women's Institute. The exhibition was boosted by the presence of a manuscript copy of 'I wandered lonely as a Cloud', lent by the British Library and displayed alongside Dorothy Wordsworth's famous journal entry of 15 April 1802, in which the daffodils are vividly described.

c) Formal education

43% of our work with schools took place at Wordsworth Grasmere, and most of the rest was provided through classroom visits; in 2021, activities for schools were predominantly digital. Schools have really appreciated the increased capacity, improved facilities and enhanced technology of the new Learning Space, which has proved a highly effective base for visiting Wordsworth Grasmere.

We redesigned our workshops and activities for primary and secondary schools during the year, and incorporated the new outdoor areas into our schools activities. The Moss Hut was a springboard for creative activities for local schools; regular reading groups and poetry workshops continued at Grasmere Primary School; and many of our activities for all schools were led by freelance poets. A workshop led by local poet Kim Moore was described by one teacher as 'a truly inspirational session'.

Half of our higher education courses took place at Wordsworth Grasmere and half were run by video conference; numbers of participants were down on the previous year, in which all of our courses took place digitally. This is one of the most international aspects of our work, and it can be genuinely life-changing for students; we are working to recover take-up to pre-pandemic levels.

d) Informal learning

Participation in our informal activities in 2021/22 is 15% lower than the previous year because of four one-off online talks in 2020/21, which attracted a combined attendance of c.800. If these four outliers are discounted, participation shows a 28% increase. Participants were physically present at over half of these activities, in contrast with 2020/21, when our programme took place almost entirely digitally.

'Informal learning' encompasses such a disparate range of activity, led by freelance writers and artists as well as our own team, that it is hard to do this aspect of our work justice in such a short summary. Much of it is targeted at people with particular needs, for example haiku-writing for carers

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

in Carlisle, dementia-friendly 'What Are Words Worth?' reading groups in Bowness-on-Windermere, Burgh-by-Sands and Kendal, 'Book Lovers' groups for people in remote rural communities, facilitated visits to Grasmere for young refugees from war-torn or other disadvantaged parts of the world, and writing groups for people with long-term health conditions in west Cumbria, inspired by our new Moss Hut.

The Dove Cottage Young Poets and Untrodden Ways writing groups continued for 14–23-year-olds and 11–14-year-olds respectively: a teacher observing the latter group described watching the participants 'growing in both confidence and creativity'. This year, for the first time, we have also included socio-economic disadvantage as a measure of our targeted activities, and we expect this to become more of a focus of our work in future years.

Digital activities in the year included regular virtual meetings of the Dove Cottage Poets poetry writing group and the virtual exhibition *Who Weeps for Strangers*, an exploration of the story of the Greens of Grasmere.

e) Families and young people

The 559% increase in attendances at activities for families reflects our efforts to make Wordsworth Grasmere a family-friendly destination as well as the resumption of events for under-12s in libraries across Cumbria (thirty events in nine locations, including the ever-popular 'Rucksack of Rhymes'). Opportunities for families to be creative together have been devised across the site: 'William's Poetic Adventures in Minecraft', devised by Lancaster University, is highly popular with young visitors to the Museum, and other highlights include the Art Cart, costumes and a creative writing station in the Museum, 'Make and Play' in the Learning Space, 'Sensory Stories' in the Sensory Garden for children with special educational needs and disabilities, and 'Little Wanderers' – songs, stories and play-based learning for under-5s in the Woodland.

f) Events

The 141% increase in event attendances is attributable largely to the introduction of the new daily activities described above. They attracted *c.*1,800 attendances during the year.

The Poet Laureate, Simon Armitage, returned to give his annual reading in Grasmere to a small, socially distanced audience in a new, 'premium' format that showed us the potential for future events. The reading was subsequently made available online. 45% of our total audience attended the digital events that we successfully introduced in 2020/21 and which continued throughout 2021/22. Our 'Disparate Romantics' talks enabled specialist speakers from all over the world to interpret manuscripts and other objects in our collection in real time, and our 'Go to the Poets...' performances introduced a diverse range of upcoming poets to new and diverse audiences. Other digital events included celebrations of the 250th anniversary of Dorothy Wordsworth's birth and the 200th anniversary of the publication of Thomas De Quincey's *Confessions of An English Opium-Eater*. In 2022/23, as we start to welcome audiences back to Wordsworth Grasmere, we hope to start presenting hybrid events, retaining the best aspects of both approaches.

g) New media

Our social media presence continues to grow, and interaction with our followers is very positive. Many of the digital talks reported under 'Events' are now available on our YouTube channel, which saw a 30% increase in subscribers during the year. We also added TikTok to our social media channels, to help us to reach new, younger, age groups.

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

h) Other performance measures

Participants in vocational training increased from 3 to 8 as we started to welcome Trainees and university-sponsored Interns again. We expect our vocational training activity to return to its normal level in 2022/23.

Facsimiles and other alternatives have been created for some of the manuscripts in the Museum, allowing the displays to be rotated to preserve the condition of the original objects.

New acquisitions include a fine collection of manuscripts and books of the Romantic period, including some unpublished letters (the gift of the late Martin Crossley-Evans), a substantial collection of watercolour drawings and prints including works by David Cox, Joseph Farington, Samuel Phillips Jackson, Thomas Miles Richardson Jr. and William Turner of Oxford (the gift of the W.W. Spooner Charitable Trust), Wordsworth's edition of *The History of Herodotus*, published 1737 (the gift of John Condor), a manuscript transcription (probably 1760s) of Dr John Brown's 'Description of the Lake at Keswick' (the gift of Christopher Donaldson), a collection of maps including the 1695 edition of William Camden's *Britannia* (the gift of Veronica Finch), a portrait of Ernest de Selincourt, the early C20th Wordsworth scholar and former Chair of the Wordsworth Trust, by Arthur Gaskin (the gift of Ruth Morris), and the working papers of the late Thomas Bewick scholar Iain Bain, whose extensive collection of Bewick materials we acquired in 2013.

3. Acknowledgements

We are extremely grateful to all those organisations and individuals whose generous financial contributions make it possible for Wordsworth's poetry to 'live and do good' through our activities. Their support is especially important at a time when our other sources of income are under such pressure.

The Murray family's tremendous £1 million gift is a huge vote of confidence in the Wordsworth Trust; it is enabling us to make essential improvements to our built estate, and to plan with confidence at such a financially challenging time. Being part of Arts Council England's National Portfolio, via the Cumbria Museum Consortium, enables us to improve people's lives in many ways, and the support that Arts Council England gave us through the Culture Recovery Fund has been crucial in terms of weathering the disruption of the last two years.

We thank the supporters of the Reimagining Wordsworth project, not least the National Lottery Heritage Fund, the Department for Digital, Culture, Media & Sport (through the Northern Powerhouse) and Cumbria Local Enterprise Partnership. We are proud to be a Strategic Cultural Partner of South Lakeland District Council and of our partnership with Lancaster University, and we are pleased to be a partner in the Michael Marks Awards for Poetry Pamphlets, supported by the Michael Marks Charitable Trust. We thank the Sir John Fisher Foundation for its support for our curatorial posts, Cumbria County Council for helping us to be active in communities across the county, and the British Library and the Helen Hamlyn Trust for the loan of the 'I wandered lonely as a Cloud' manuscript through the 'Treasures on Tour' programme.

We thank our many individual supporters, including Patricia Grodd and Michael Stone, Ed Baker, Heidi Snow, Pamela Woof, Phillipa Turnbull and the Crewelwork Company, John and Clare Spedding, Bruce Graver, Eira Leach, the Duke of Buccleuch & Queensberry, our Patrons and Friends, and everyone else whose donations help us to keep Wordsworth's legacy alive. Finally, we thank those individuals who chose to support the Wordsworth Trust by making a bequest or donation in memory of loved ones: the late Lucia Woods Lindley, the late Justin Barnard, family and friends of the late Lady Chorley, and family and friends of the late Margaret Holden.

Trustees' annual report *(continued)*

Future Plans

We will celebrate the creation of Wordsworth Grasmere at an official opening in June 2022. The event will be an opportunity to thank the project's many funders, supporters and stakeholders.

We will continue to explore Wordsworth's legacy through our public activities, which increasingly feature a diverse mix of voices and perspectives. By establishing a panel of advisors drawn from representatives of the communities that we work with, we will ensure that our activities address their interests and expectations. Working with our partners in the Cumbria Museum Consortium, we will apply to Arts Council England for further National Portfolio funding for the period 2023–26, so that the activities through which we enrich the lives of people of all ages can continue.

Specific objectives for 2022/23 include:

- Presenting a programme of exhibitions including *Refuge from the Ravens* (a 21st-century 'remix' of the *Lyrical Ballads*, featuring the contributions of people with experience of homelessness and other vulnerable people), *To the Lakes!*, an exhibition about travellers to the Lake District during the Wordsworths' early lives, *(Re)Acting Romanticism: Disability and Women Writers*, and *The Romantic Ridiculous*.

- Touring pop-up displays drawn from the *Still Glides the Stream* and *Dorothy: Writer, Sister, Friend* exhibitions to community venues in and beyond Cumbria.

- Enhancing the interpretation of the Garden–Orchard and developing the garden at the front of Old Sykeside, with an emphasis on biodiversity, as part of a University of Leeds research project, 'Experiments in Land and Society'.

- Working with Lancaster University and the University of Leicester to lead a review into how literary house museums can best tell their stories in a post-colonial world.

- Hosting two poets in residence, and publishing (with the Poetry Business) a poetry anthology to mark nearly thirty years of residencies for poets at Wordsworth Grasmere.

- Publishing in full (for the first time) Dora Wordsworth's continental journal of 1828.

- Relaunching the annual Wordsworth Lecture at a new London venue after a two-year hiatus.

- Playing our part in the 'Helping Hands' project, for which the Cumbria Museum Consortium successfully received Government funding to create inclusive volunteering opportunities across Cumbria's cultural sector.

- Implementing an anti-racism programme for trustees and staff.

- Acting on the findings of an energy and carbon audit of our non-public buildings carried out in March 2022, and addressing the maintenance needs of those properties on our estate that did not form part of the recent Reimagining Wordsworth project.

Trustees' annual report *(continued)*

Financial Review

1. Summary

The net income for the year, including investment gains and losses, was £2,659,000 *(2020-21: £2,101,000 net income).*

During the financial year 2021-22 we have seen the completion of the Reimagining Wordsworth project and the ongoing impact of the Covid pandemic. The visitor operations including Dove Cottage, the museum and the café opened in May 2021 though initially at reduced capacity. There has been a large reduction in the number of overseas groups visiting the Lake District which has impacted our visitor numbers in 2021-22 and continues to do so in to 2022-23. Whilst we have had a lot of good publicity, especially in relation to the British Library loan of the 'I wandered lonely as a Cloud' manuscript through the 'Treasures on Tour' programme, there is still a stark contrast between the current situation and our expectations for the celebrations surrounding Wordsworth's 250th anniversary and the growth of visitor numbers and revenue. Once again we have been supported generously to help us survive the Covid crisis which has resulted in a more positive outcome for 2021-22 than we could have anticipated although the outlook for 2022-23 is difficult.

The impact of the Reimagining Wordsworth project can be seen in a number of areas in the financial statements. The delivery phase started in May 2018 following the approval of the bid to the National Lottery Heritage Fund and continued until spring 2021. The National Lottery Heritage Fund originally supported the project with a grant of £4.1m which was increased by £384,000 in 2021-22. The final claim was made in 2021-22 with the full amount of the grant being drawn down. The remaining funding came from the government, foundations and individual supporters.

During the year the expenditure on the delivery phase was £630,000 *(2020-21: £1,577,000)* of which £531,000 *(2020-21: £1,529,000)* has been capitalised, the balance being treated as expenditure. At the end of the year the capitalised items have been analysed between "Other freehold property" and fixtures, fittings and equipment" and have been transferred out of "Assets under construction". Grant income received from the National Lottery Heritage Fund amounted to £430,000 *(2020-21: £1,192,000).* The only other grant income for the project that had been pledged in previous years but was received in 2021-22 was the final £50,000 from the Northern Cultural Regeneration Fund grant of £495,000.

Salary costs for the year amounted to £820,000 *(2020-21: £775,000).* There was a pay award for all staff excluding the Senior Management Team in April 2021 of 2% and the implementation of the increase to the national minimum wage. Members of the Senior Management Team received a back dated pay award of 3% in February 2022 which covers the period April 2020 to March 2023.

Income from admissions in the year has been £196,000 *(2020-21: £32,000)* which though much improved on 2020-21 still reflects the impact of the reduction in visitor numbers as a result of the pandemic. When the site re-opened in May 2021 we were working on a limited capacity and with a smaller market. There have been very few overseas groups and only limited numbers of UK group tours since the start of the pandemic and this continues into 2022-23. Whilst trading conditions are improving in 2022-23 the continued reduction in group visitors, reduced numbers of UK visitors to the Lake District as people start to holiday abroad again and now potentially the impact of the cost of living increases mean it will be another challenging year.

We have been supported very generously in 2021-22 by the government, receiving money from the Arts Council Culture Recovery Fund and South Lakeland District Council specifically to support our operations through the pandemic.

The National Portfolio Organisation grant we receive from Arts Council England as part of the Cumbria Museum Consortium was renewed with effect from 1 April 2018 for four years; it is now

Trustees' annual report *(continued)*

Financial review *(continued)*

running to 31 March 2023 following the grant of an extension year as part of the Arts Council's Covid recovery measures.

Expenditure against other restricted funds includes depreciation of £46,000 on the Jerwood Centre and £170,000 on Reimagining Wordsworth assets. As Reimagining Wordsworth affected property which had previously been redeveloped the residual value of that earlier redevelopment has been written off in the accounts. This amounts to £310,000.

Trading conditions for the trading subsidiary Dove Cottage Promotions Ltd (DCP) have also been severely impacted by the reduced visitor numbers throughout the year. The café is now fully operational but it is difficult to recruit hospitality staff and it is therefore without a manager. This has impacted both the range of the offer and the margins as most products are having to be bought in. On the retail side the shop in the museum opened in May 2021 and whilst trading is good for the number of visitors it needs that extra input of customers to flourish. As a consequence the loss for the year is £31,000 *(2020-21: £41,000).* In 2021-22 £9,000 was received as a result of a business interruption claim for loss of trading due to the impact of the flood.

2. Investments

We own several properties in Town End, Grasmere in the vicinity of Dove Cottage as investment assets with the rental income being an important source of revenue. The capital appreciation on the properties helps sustain our long term financial security. The properties are let to a mix of our staff and third parties and rents are assessed against market rates. One property is a guest house and is let on a commercial lease. Rental income for the year was £72,000 *(2020-21: £73,000).* Rental income is lower as we have one vacant property which is awaiting refurbishment and throughout 2021-22 there were fewer staff members and interns living in the licenced accommodation It is expected that rental income will increase again in 2022-23. A revaluation of the investment properties was performed at the end of the financial year resulting in an increase in value of £1,570,000. The Trustees accept this valuation as reflecting the current market but are aware that a change in the economic climate could result in a reduction in these valuations.

We have five discrete investment funds which are managed by Cazenove Capital Management (the wealth management arm of Schroder plc): the Development Fund, the RS Woof Memorial Fund, which permanently endows the post of the Robert Woof Director, the Catalyst Endowment Fund and the Reserve Fund, which is held in the balance sheet under cash at bank. A fifth fund has been added to the portfolio for the donation from the John R. Murray Charitable Trust. There are no ethical restrictions on any of the funds under management but we have agreed the following statement on environmental, social and governance issues in investing.

"The Wordsworth Trust recognises the importance of responsible investing and also that environmental, social and governance (ESG) issues can have substantial investment implications. The Trust requires its Investment Managers to have adopted a Responsible Investment policy, such as the United Nations Principles for Responsible Investment (UNPRI) and the UK Stewardship Code. The Trust also expects that, wherever possible, managers of third party funds consider ESG issues to be an integral part of the investment process and that its own investment managers encourage managers of third party funds in this endeavour."

The Development Fund comprises both a permanent endowment and a designated element. Due to the restrictions placed upon the entire Development Fund by the donor of the endowment element, both components of the fund must be treated as permanent endowment. The fund overall is invested on a total return basis and the managers have investment discretion to meet a target total return of CPI + 2%. In June 2020 as part of our reaction to the Covid crisis we received permission in principle

Trustees' annual report *(continued)*

Financial review *(continued)*

from the donor of the endowment to have some of the restrictions lifted, which would allow us to use some of the Development Fund to support us through this crisis and to cover any potential overspend on the Reimagining Wordsworth project if so required.

Trustees plan to allocate at least £50,000 per year on a regular basis from the entire fund to income in order to aid planning within the organisation. In 2021-22 they decided to allocate £16,250 per quarter. In making this allocation Trustees have sought the opinion of the investment manager and considered the impact on both current and future beneficiaries. At 31 March 2022 the unapplied total return amounted to £541,000 *(31 March 2021: £425,000)* in the Endowment Development Fund and £324,000 *(31 March 2021: £259,000)* in the designated element of the Fund. Over the year the FTSE-100 Total Return Index has risen 16.1%. The Development Fund generated a total return of 9.2% against a target of 9% (CPI + 2% for the year to 31 March 2022) and a benchmark of 7.8%.

Part of the Development Fund is invested in a responsible multi-asset fund and £100,000 was invested in 2020-21. This generated a return in the year of 8.9%.

The Catalyst Endowment Fund is invested with a prudent approach to risk, to maximise income consistent with maintaining the real value of the capital. There has been a slight shift in this approach since 2020-21 towards increasing the capital value. It has a higher requirement for income than the Development Fund being set at 3.5%. The fund saw an increase in value of £60,207 over the year and generated a return of 9.6%. In 2020-21 Arts Council England agreed in principle to allow us to access the funding they provided for the Catalyst Endowment Fund to support us through the Covid crisis with the condition that we plan to reinvest the money in the future. We have not made use of this agreement in principle.

The purpose of the RS Woof Memorial Fund is to endow the position of the Robert Woof Director. To this end the objective of the fund is to maximise income while maintaining the capital value. It has a more defensive mandate, but over the year saw an increase of £18,819 in capital value while generating a return of 10.9%.

The new fund, the Property Improvement Fund, has been set up with the donation from the John R. Murray Charitable Trust. As at 31st March 2022 the donation was being held in the Reserve Fund but has since been transferred. The initial split of the fund will be 30% in cash and 70% in investments with a medium-term outlook.

All our fixed asset investments are managed for the longer term and Trustees remain confident that the long-term outlook remains favourable although the short-term outlook is uncertain. The capital values of investments have increased over the year but as the stock markets are still volatile there has been a fall away in values since the end of March.

The Reserve Fund investment is held as cash and is effectively money held on deposit, representing cash reserves and money received in advance to support the Reimagining Wordsworth project. During 2021-22 £150,000 was needed from this fund to support our cash requirements. As this fund is held in cash the return over the year was less than 0.1%.

The results of our trading subsidiary, Dove Cottage Promotions Limited, which runs a book and gift shop and a cafe, are summarised in note 5 to the accounts. With the reduced number of visitors on site and restrictions on capacity when we reopened in May 2021 there was a trading loss of £31,000 in the year *(2020-21: Loss £41,000)*. Margins however were comparable to previous years. The company has not made a gift aid payment to the Trust for this year *(2020-21: Nil)*.

Trustees' annual report *(continued)*

Financial review *(continued)*

3. Reserves

We maintain reserves to enable us to fulfil our charitable remit by providing for business continuity, security for our collection, and the maintenance of our properties in circumstances where our revenue requirements may not be covered by short-term income. The reserves are managed to offer the best return for the charity while remaining relatively liquid to meet our needs.

The Trustees periodically review their reserves policy as part of the risk management process, and they have identified several main reasons for holding reserves:

- To allow the financing of a controlled reduction in expenditure should extraordinary events beyond our control generate a long-term reduction in income streams.
- To provide short-term support in circumstances where a temporary interruption to income means it is not appropriate to lose the skills and knowledge of the staff team or to curtail our programme of events.
- To accommodate the fact that many of our major events such as exhibitions and conferences are planned, and therefore expenditure is committed, months, if not years, in advance while income from these events in terms of admissions is not received until after the event opening. This misalignment of income and expenditure is a main consideration in determining an adequate level of reserves.
- To provide support during the redevelopment of any part of the site which could lead to a loss in income.

The level of reserves therefore varies depending on the specific circumstances and cannot be expressed as an exact figure. However, after taking all of these factors into consideration the Trustees believe a free reserve (funds not tied to fixed assets, designated or restricted funds) of relatively liquid assets equivalent to the external income required to fund between three and six months' budgeted expenditure is appropriate.

At the end of the year our total funds are £22,351,000. Of this £2,950,000 are endowment funds and £6,989,000 are restricted funds which are not available for the general purposes of the charity. The Designated Development Fund of £1,038,000 must be treated as permanent endowment under the terms of the Endowment Development Fund as described in note 17 to the accounts. Of the other four designated funds the Collection Assets Fund (£3,767,000) represents our heritage assets and cannot be realised with the sale of the collection. The designated Warren Collection Fund of £59,000 is held as cash or near cash and is available to spend at any time on the acquisition of heritage assets. During the year the Trustees have created a new designated fund called the Property Improvement Fund into which £700,000 from the donation from the John R. Murray Charitable Trust has been transferred. Investment properties held in the unrestricted funds totalled a further £6,190,000. To purchase investment properties and fixed assets and to provide working capital Trustees had taken out a long-term interest-only loan of £1,000,000. This loan was refinanced in January 2020 to a repayment loan with a term of five years and a repayment profile of 15 years. The amount outstanding at 31st March 2022 was £963,000 *(31st March 2021: £1,000,000)*.

The Trustees have reviewed the method of calculation of free reserves in line with guidance produced by the Charity Commission (including reflecting an allocation of the tangible fixed assets and investment properties we hold). They consider period end free reserves are £412,000 *(2020-21: £177,000)*. The Trustees believe between three and six months' budgeted expenditure is an acceptable measure for the level of free reserves. Based on the year 2021-22 three months expenditure would be around £332,000.

Trustees' annual report *(continued)*

Financial review *(continued)*

The Trustees anticipated that during the Reimagining Wordsworth delivery phase reserves would fall to zero or into a negative position which they did at the end of 2019-20. In 2020-21 the free reserves increased due to the amount of unrestricted funding we received to help us deal with the pressures of the pandemic. In 2021-22 we received the donation from the John R. Murray Charitable Trust, £700,000 of which the Trustees have designated as a Property Improvement Fund and £300,000 of which has gone into general reserves. This explains how, in a challenging year operationally we have managed to build the free reserves. This level of reserves will provide a buffer for the Trust as 2022-23 is set to be another extremely challenging year financially.

4. Fundraising

The activities reported here are only achieved with the generous financial support of many institutions and individuals, and fundraising is an ongoing activity. We currently employ 1.5 FTE fundraising staff members, and our fundraising costs also reflect the Director's involvement in the effort.

Fundraising activity is overseen by the Development Manager, a member of the Senior Management Team, who reports quarterly to Trustees.

We are registered with the Fundraising Regulator, and we give due consideration to its codes of practice, including the general principles of fairness, respect and being sensitive to people who may be in vulnerable circumstances. Our Donations Policy explains how we take ethical considerations into account when soliciting and accepting donations. It is published on our website, as are our Feedback Policy and our Privacy Notice, which explain how we would respond to any complaints about our fundraising. We did not receive any such complaints, nor did we use any fundraising consultants or agencies, during the year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

1. Board of Trustees

The Board of Trustees is responsible for our overall management and strategic direction, and comprises between 5 and 15 members. Board members come from a range of backgrounds including Wordsworth and Romantic scholars, museum professionals, educationalists and business people. In January 2019 the Board reviewed and adopted updated the Articles of Association.

When filling vacancies, the Board reviews its existing skills to ensure it can draw on a range of relevant experience in fulfilling its obligations. It also seeks to ensure that the Board reflects the diversity of our beneficiaries. Trustees are appointed by the Board, and candidates are subject to a vetting process to verify their suitability as a charity trustee. We advertise to recruit new Trustees with appropriate qualifications, backgrounds and experience. Candidates are shortlisted and interviewed by the Nominations Committee, which makes recommendations to the Board as a whole.

On appointment, Trustees complete a register of interests and undertake an induction programme that includes familiarisation with our purposes and operation, our strategies and objectives. They receive copies of our main documents including financial statements and business plan and meet senior employees and other staff. There is ad hoc training for Trustees after appointment. There are job descriptions for the position of Trustee and the posts of Chair and Honorary Treasurer.

Trustees' annual report *(continued)*

Financial review *(continued)*

Each Trustee retires from office at the third Annual Retirement Meeting following the commencement of their term of office. Retiring Trustees may be reappointed but those appointed before 1st April 2019 can serve for no more than twelve continuous years and those appointed on or after 1st April 2019 can serve for no more than nine continuous years.

The Trustees have no interest in the Trust's surplus or assets, receive no remuneration and must comply with the Trust's Conflict of Interest Policy.

To assist in the performance of its role, the Board has established several standing committees. Individual Trustees serve on a number of committees which consider specific matters in greater detail and make recommendations on those matters to the Board as a whole. The Board has reviewed its committee structure in July 2022 and agreed the following:

- Collection and Learning Committee – monitors the development, management and care of the permanent collection, and the public benefit the collection generates through the programme of exhibitions, learning and outreach.
- Visitor Experience Committee – monitors the performance of the commercial and visitor-facing operations of the Trust, including marketing.
- Estate Committee – monitors the plan for development and maintenance of Dove Cottage, its garden and all the other land and properties owned by the Trust.
- Finance and Audit Committee – oversees the financial strategy of the Trust and Dove Cottage Promotions Ltd, reviews financial performance against targets and monitors our legal obligations.
- Communications Committee – monitors the effectiveness of the Trust's strategy for corporate and consumer communications and PR.
- Fundraising Committees – supports the work of the Development Office on specific fundraising campaigns and monitors the effectiveness of the fundraising strategy.
- Welfare, Diversity and Health and Safety – monitors the effectiveness of Trust policies in each of these areas.
- Investment Committee – monitors the performance of the investment managers, makes recommendations regarding their appointment and advises on investment strategy. The Investment Committee includes co-opted members with particular investment expertise.
- Nominations Committee – reviews the skills and diversity of the Board, develops succession plans for Trustees and key office holders and seeks to identify suitable candidates for the roles of Trustee, Chair, Vice Chair Treasurer and Director of the charity for consideration by the full Board.
- Remuneration Committee – makes recommendations regarding the salaries of the Robert Woof Director and the Senior Management Team and reviews strategic issues relating to pay and conditions across the organisation.

Two Trustees along with the Robert Woof Director form the board of the trading subsidiary, Dove Cottage Promotions Ltd.

The Board approves the annual plans and budgets against which our performance is assessed. Day-to-day management of the Trust is delegated to the Robert Woof Director and the senior management team (SMT). The Board met four times during 2021-22, to receive and review minutes from the standing committees and reports from the SMT.

Trustees' annual report *(continued)*

Structure, governance and management *(continued)*

2. Senior Management Team

The SMT provides the Board with departmental reports and quarterly management accounts for each meeting. The members of the SMT attend the Board meetings. The Director is responsible to the Board for the financial performance against annual budgets and for the charitable impact of the Trust. The SMT are the Key Management Personnel for the Trust.

Salaries for the SMT members are reviewed annually, usually at the same time as all other staff. In 2021-22 no pay award for SMT was made in April 2021, instead a back dated pay award of 3% was given in February 2022 which covers the period April 2020 to March 2023. As with all positions at the Trust SMT salaries are on occasion benchmarked against salaries in comparable organisations.

During the year to 31 March 2022 the SMT comprised:

The Robert Woof Director	Michael McGregor
Principal Curator and Head of Learning	Jeff Cowton MBE
Development Manager	Mark Bains
Finance and Operations Director	Amanda Pickup
Head of Visitor Experience	Stephanie Byast

3. Risk Management

The Trustees keep the major risks to which the charity is exposed under review and seek to mitigate against those risks which could, if they occur, have a severe impact on our ability to achieve our strategic targets. Where appropriate, insurance has been taken out. Despite this, Trustees are aware that any system of control can provide only reasonable and not absolute assurance against material loss or misstatement.

In the opinion of the Trustees, we have established resources and review systems, which under normal conditions should allow these risks to be mitigated to an acceptable level in day-to-day operations. The Trustees have identified the following as being the main risks to which the charity is exposed:

Trustees' annual report *(continued)*

Structure, governance and management *(continued)*

Risk category	Type of risk	Mitigation
Financial	Adequacy of cash reserves in the short term following completion of the Reimagining Wordsworth project and the impact of the Covid crisis.	The Reimagining Wordsworth project will in the medium term address the Trust's sustainability and will assist in building cash and reserves. There is close control of expenditure. The Reserve investment fund was transferred to cash to support cashflow through the project. The balance remains in cash as it may be required to support the cashflow in 22/23 depending on trading conditions for the remainder of the year.
Environmental	Significant downturn in visitor numbers.	Regular review and renewal of the visitor offer. Market research including review of competitors' offer staying close to market trends. Increased investment in marketing. Diversification of income streams.
Funding	The loss of support from a major funding agreement on expiry.	Communication with grant giving bodies. Monitoring to ensure delivery on existing funding agreements, achieving targets and outcomes. Adequate preparation and resource to ensure detailed and imaginative bids are developed. Development of fundraising strategy.
Funding	Loss of public confidence in fund raising activity.	Registration with the Fundraising Regulator. Adherence to established codes of practice.
Governance	Failure to follow good governance practice.	Nominations Committee. Trustee induction and identification of training needs. Conflict of interest policy. Approved strategy, operating plan and annual budgets. Job descriptions.
Health and Safety	Failure to comply with Health & Safety and safeguarding obligations.	Ongoing review of H&S policies. Regular reviews of Safeguarding policy and training for all staff. Periodic review by Management Committee. Insurance.
Operational	Major damage or destruction of Dove Cottage.	Intruder and fire alarm systems improved as part of Reimagining Wordsworth project. Improvements to the stability of Dove Cottage including a reduction in risk from water damage, a new heating system and roof and general repairs to the fabric of the building.
Operational	Theft of, environmental or accidental damage to collection assets or damage as a result of repeated use.	Collection stored in locations with BMS to BS5454 and Government Indemnity Scheme standards built into the new museum. Monitoring of statutory regulations. Insurance.
Financial	Poor financial management and/or control or breach of financial trust.	Policies codified in the Financial Control Manual. Insurance. Pre-employment checks. Trustee reporting and audit.
Personnel	Inability to retain and recruit key staff.	Review salary and benefit packages. Staff appraisal system. Provide a comfortable working environment with a positive organisational culture.
Regulatory	Failure to comply with external regulations.	Monitor regulations and changes to them. Staff training. Collection management policies. Insurance cover.

Trustees' annual report *(continued)*

Structure, governance and management *(continued)*

5. Principal advisors

Principal solicitors:
Bates Wells
10 Queen Street Place
London
EC4R 1BE

Principal bankers:
Barclays Bank plc
Leicester
LE87 2BB

Investment advisors:
Cazenove Capital
1 London Wall Place
London
EC2Y 5AU

Registered auditor:
RSM UK Audit LLP
Bluebell House
Brian Johnson Way
Preston
PR2 5PE

DISCLOSURE OF INFORMATION TO AUDITOR

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

RSM UK Audit LLP have indicated their willingness to be appointed for another term and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

By order of the board.

Professor Sir Drummond Bone
Chair of Trustees

15th October 2022

Registered company number 03442086
Registered charity number 1066184

Statement of responsibilities of the Trustees of The Wordsworth Trust in respect of the Trustees' Annual Report and the financial statements

The Trustees, who are also directors of The Wordsworth Trust for the purposes of company law, are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law they are required to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the income and expenditure of the group for that period. In preparing each of the group and charitable company financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charitable company will continue its activities

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and the group and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

Statement as to disclosure to the auditors

In so far as the Trustees are aware at the time of approving the Trustees' Annual Report:

- there is no relevant information, being information needed by the auditor in preparing their report, of which the auditor is unaware; and
- the Trustees, having made enquiries of fellow Trustees and having taken all the steps they are obliged to take as a trustee in order to make themselves aware of any relevant audit information, have established that the auditor is aware of that information.

By order of the board.

Professor Sir Drummond Bone
Chair of Trustees

15th October 2022

Independent auditor's report to the members of The Wordsworth Trust

Opinion

We have audited the financial statements of The Wordsworth Trust (the 'charitable company') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives

Independent auditor's report to the members of The Wordsworth Trust *(continued)*

rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 18, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the

Independent auditor's report to the members of The Wordsworth Trust *(continued)*

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, reviewing minutes of meetings held in the year for any instances for non-compliance and remaining alert to new or unusual transactions which may not be in accordance with the governing document.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

Independent auditor's report to the members of The Wordsworth Trust *(continued)*

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Karen Musgrave

KAREN MUSGRAVE (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Bluebell House
Brian Johnson Way
Preston
PR2 5PE

Date 24 October 2022

Consolidated statement of financial activities (incorporating income & expenditure account)

for the year ended 31 March 2022

		Unrestricted funds		Endowment funds			Total	Total
		Unrestricted funds	Designated Development Fund	Development Fund	Other Endowment Funds	Restricted funds	2021-22	2020-21
	Notes	£000	£000	£000	£000	£000	£000	£000
Income and endowments from:								
Donations and legacies	3	1,436	1	-	-	872	2,309	2,622
Charitable activities								
Admission fees and sales	4	211	-	-	-	-	211	40
Other trading activities								
Book and gift shop sales	5	127	-	-	-	-	127	27
Investments	6	72	24	41	32	-	169	170
Other		108	-	-	-	-	108	53
Total income		1,954	25	41	32	872	2,924	2,912
Expenditure on:								
Raising funds								
Fundraising costs		154	-	-	7	-	161	134
Book and gift shop costs		152	-	-	-	-	152	64
Investment management costs		-	5	8	5	-	18	12
Management costs of the let estate		100	-	-	-	-	100	82
Charitable activities:								
Custodianship		205	-	-	2	284	491	287
Access and learning		553	-	-	2	630	1,185	789
Total expenditure	7	1,164	5	8	16	914	2,107	1,368
		790	20	33	16	(42)	817	1,544
Net gains on investments		1,570	70	122	80	-	1,842	557
Net income/(expenditure)		2,360	90	155	96	(42)	2,659	2,101
Transfers between funds	8	79	(24)	(39)	(16)	-	-	-
Net movements in funds		2,439	66	116	80	(42)	2,659	2,101
Reconciliation of funds:								
Total funds bf at 1 April 2021		8,934	972	1,686	1,069	7,031	19,692	17,591
Total funds cf at 31 March 2022		11,373	1,038	1,802	1,149	6,989	22,351	19,692

The notes on pages 26 to 48 form a part of these financial statements.

The net income and resulting net movement in funds arise from continuing operations.

The charitable company has no recognised gains or losses other than the net movement of funds for the period.

There is no material difference between the reported results and the historical results of the charitable company.

Balance Sheet

at 31 March 2022

	Notes	Group		Charitable company	
		31 March 2022 £000	31 March 2021 £000	**31 March 2022 £000**	31 March 2021 £000
Fixed assets					
Tangible assets	9	**8,089**	8,101	**8,089**	8,101
Heritage assets	10	**3,767**	3,713	**3,767**	3,713
Investment property	11	**6,190**	4,620	**6,190**	4,620
Investments	12	**3,989**	3,727	**4,004**	3,742
Total fixed assets		**22,035**	20,161	**22,050**	20,176
Current assets					
Stocks	13	**37**	31	-	-
Debtors	14	**66**	70	**247**	198
Cash at bank and in hand		**1,333**	640	**1,299**	624
Total current assets		**1,436**	741	**1,546**	822
Creditors: Amounts falling due within one year	15	**(231)**	(246)	**(225)**	(242)
Net current assets		**1,205**	495	**1,321**	580
Total assets less current liabilities		**23,240**	20,656	**23,371**	20,756
Creditors: Amounts falling due after more than one year	16	**(889)**	(964)	**(889)**	(964)
Total net assets		**22,351**	19,692	**22,482**	19,792
The funds of the charity					
Undesignated funds:					
General funds	17	**1,333**	1,200	**1,464**	1,300
Revaluation reserve	17	**5,515**	3,945	**5,515**	3,945
		6,848	5,145	**6,979**	5,245
Designated funds:					
Warren Collection Fund	17	**59**	59	**59**	59
Collection Assets Fund	17	**3,767**	3,713	**3,767**	3,713
Reimagining Wordsworth – Delivery	17	-	17	-	17
Designated Development Fund	17	**1,038**	972	**1,038**	972
Designated Property Improvement Fund	17	**700**	-	**700**	-
Total unrestricted funds		**12,412**	9,906	**12,543**	10,006
Restricted funds:	17	**6,989**	7,031	**6,989**	7,031
Endowment funds:					
Endowment Development Fund	17	**1,802**	1,686	**1,802**	1,686
RS Woof Memorial Fund	17	**280**	261	**280**	261
Catalyst Endowment Fund	17	**868**	808	**868**	808
Total charity funds		**22,351**	19,692	**22,482**	19,792

As permitted by s408 of the Companies Act 2006, the charitable company has not presented its own statement of financial activities and related notes as it prepares group accounts.

The charitable company has made a surplus of £2,690k in the year to 31 March 2022 (£2,142k surplus in the year to 31 March 2021).

These financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Approved by the board of Trustees on 15th October 2022 and signed on its behalf by:

Professor Sir Drummond Bone
Chair of Trustees

Consolidated statement of cash flows

For the year to 31 March 2022

	2021-22 £000	2020-21 £000
Cash flows from operating activities		
Net cash provided by operating activities	**1,138**	1,559
Cash flows from investing activities		
Dividends and interest allocated to income	**97**	97
Rents from investment properties	**72**	73
Purchase of fixed assets	**(561)**	(1,551)
Invested cash used for management charges	**(3)**	-
Proceeds from sales of assets	**5**	-
Net cash used in investing activities	**(390)**	(1,381)
Cash flows from financing activities		
Repayments of borrowing	**(37)**	-
Interest payable on loan	**(18)**	-
Cash used in financing activities	**(55)**	-
Change in cash and cash equivalents in the period:	**693**	178
Cash and cash equivalents at start of year	**640**	462
Cash and cash equivalents at end of year	**1,333**	640
Reconciliation of net income to net cash used in operating activities		
Net income	**2,659**	2,101
Adjustments for:		
Depreciation	**259**	100
Write down of redeveloped assets	**311**	-
Profit on sale of fixed assets	**(3)**	-
(Gains) on investments	**(272)**	(557)
(Gains) on revaluation of investment properties	**(1,570)**	-
Dividends and interest	**(97)**	(97)
Rent on investment properties	**(72)**	(73)
Interest payable on loan	**18**	-
Gifts in kind	**(54)**	(5)
Receipts of endowment	**-**	1
Investment management costs	**13**	12
(Increase) in stocks	**(6)**	(4)
Decrease in debtors	**4**	348
(Decrease) in creditors	**(52)**	(267)
Net cash provided by operating activities	**1,138**	1,559

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the group's financial statements.

Basis of preparation

The Wordsworth Trust (the "Trust") is a registered charity and a company limited by guarantee and incorporated and domiciled in England and Wales.

These group and parent company financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the Trust's governing document, the Companies Act 2006, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014. The presentation currency of these financial statements is sterling.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Statement of Financial Activities or cash flow statement or with related notes is included; and
- Key Management Personnel compensation has not been included a second time as they are included for the group

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The Wordsworth Trust meets the definition of a public benefit entity under FRS 102.

Measurement convention

The financial statements are prepared on the historical cost basis except for investment property that is stated at fair value.

Basis of consolidation

These consolidated financial statements consolidate the results of the Trust and its wholly owned subsidiary undertaking, Dove Cottage Promotions Limited (registered number 02091130), on a line-by-line basis.

These accounts are made up to 31 March 2022 and are based on the accounts of the subsidiary undertaking which are coterminous with those of the Trust.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

Going concern

The Trustees having reviewed future financial forecasts and considered the difficult trading conditions as a result of the coronavirus pandemic and the impact of these on the Trust but have a reasonable expectation that the Trust, supported by secured funding, has adequate resources to continue in operational existence for the foreseeable future, a period that is not less than twelve months from the date of signing the financial statements. Thus, on this basis, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes *(continued)*

1 Accounting policies *(continued)*

Related party transactions

Transactions with those subsidiary undertakings whose voting rights are 100% controlled within the group are not disclosed, as provided for in FRS 102, section 33. Transactions with other parties are detailed in note 21.

Fixed asset investments

Fixed asset investments are included at the quoted mid-market price ruling at the balance sheet date. Realised and unrealised gains and losses on investments are shown in the Statement of Financial Activities and represent the change in market value from the beginning of the year.

Unquoted investments are included at the share capital value.

Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the Statement of Financial Activities in the period that they arise; and

ii. no depreciation is provided in respect of investment properties applying the fair value model.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Property	-	between thirty two and fifty years
Plant	-	fifteen years
Museum fittings	-	twelve years
Motor vehicles	-	four years
Fixtures, fitting and equipment	-	between three and five years

Fixed assets purchased below £500 are not capitalised.

Heritage assets

Items purchased for the collection are valued at cost. Donated items have been valued at the Curator's best estimate of current value at the time of acquisition since 2010. It is the responsibility of the Trust to preserve and conserve Collection items for the benefit of the nation and due to their nature they are expected to have a long life. Depreciation is therefore not charged on collection items which are capitalised since this is deemed to be immaterial. Impairment reviews are carried out annually.

Stocks

Stocks consist of purchased goods for resale and are stated at the lower of cost and estimated selling price less costs to complete and sell.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Notes *(continued)*

1 Accounting policies *(continued)*

Creditors

Creditors are recognised where the Trust has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount due to settle the obligation can be reasonably measured or estimated. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Income

All income is recognised once the Trust has entitlement to the resources, it is probable that the resources will be received and the monetary value can be measured with sufficient reliability.

Donations and grants

Income from donations and grants is credited to the Statement of Financial Activities when receivable. Where such income is received in advance the income is deferred until the Trust becomes entitled to the resources. Legacies are recognised on an accruals basis to the extent that the Trust has been notified that it is a beneficiary and there is a clear indication of the amounts involved.

Government grants

Government grants are recognised in income when received or, for grants that specify performance conditions, when received or receivable when there is a reasonable assurance that the grant conditions will be met and the grants will be received. A grant received before the recognition criteria are satisfied is recognised as a liability.

Income from charitable activities

Income from admissions to Dove Cottage and Museum and for charitable activities undertaken by the Trust is recognised when receivable. Related gift aid is also accounted for on a receivable basis.

Book and gift shop sales

Trading income from the book and gift shop operated by the Trust's trading subsidiary represents the value of goods sold net of VAT and this is recognised at the point of sale.

Investment income

Investment income and gains of the Development Fund are split between the Designated and Endowment funds based on the opening value of their investments. Investment income generated on restricted funds remains restricted.

Rents and interest are included when receivable at an amount which includes any tax recoverable from HMRC.

Expenditure

Expenses are accounted for on an accruals basis.

Direct charitable expenditure includes the direct costs of the activities. Support costs are also incurred to enable the Trust to provide these activities. Where such costs relate to more than one functional cost category, they have been apportioned as a percentage of staff time employed on the relevant activity.

Pension costs

The Trust contributes to the defined contribution pension schemes of some employees. The assets of the schemes are held separately from those of the Trust in independently administered funds. The amount charged in the Statement of Financial Activities represents the contributions payable to the schemes in respect of the accounting period.

Notes *(continued)*

1 Accounting policies *(continued)*

Fund accounting

Funds held by the Trust are either:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objectives at the discretion of the Trustees.

Designated funds – these are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

Designated Development Fund – a designated unrestricted fund shown separately from the Endowment Development Fund, since it is expendable in the event of a 75% majority decision by the Trustees. However this fund must be treated as if it were an endowment fund, otherwise the whole of the Endowment Development Fund becomes repayable.

Designated Property Improvement Fund – a designated unrestricted fund created to support the improvement of the wider estate.

Restricted funds – these are funds that can only be used for restricted purposes within the objects of the Trust. Restrictions arise when specified by the donor or when funds are raised for a restricted purpose.

Endowment Development Fund – a permanent endowment fund created to provide an additional income stream for the Trust.

RS Woof Memorial Fund – a permanent endowment fund to be used to endow the post of the Robert Woof Director of the Trust.

Catalyst Endowment Fund – supported by Arts Council England, this is a restricted endowment fund established to support the general operating costs of the Trust.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Where a grant or donation is received to fund a capital item or where an asset is donated, if there is an obligation relating to the future use or retention of the relevant asset, the balance relating to that asset is held within restricted funds as long as that restriction exists. Where there is no such restriction, the restricted income relating to the purchase of capital items is transferred to unrestricted funds in the Statement of Financial Activities.

Taxation

The Wordsworth Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge has arisen in the year.

For Dove Cottage Promotions Limited tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Irrecoverable VAT

Irrecoverable VAT is accounted for in the expenditure category under which the cost is incurred.

Notes *(continued)*

1 Accounting policies *(continued)*

Critical accounting judgements and key sources of estimation uncertainty

In applying the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Trustees' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical accounting judgements
The critical accounting judgements that the Trustees have made in the process of applying the charity's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

- **Classification of investment properties**

In assessing whether properties held should be classified as investment properties or tangible fixed assets, the Trustees have considered the motivations behind the continued ownership of such assets. In respect of certain properties classified as investment properties there are multiple motivations. In determining the classification of these properties the Trustees have made an assessment that, on balance, classification as investment property most accurately reflects the position.

Key sources of estimation uncertainty
The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Valuation of heritage assets**

The methods undertaken to attribute a value to donated heritage assets is disclosed on page 26. The valuation is inherently an estimate. In performing the valuation, the Curator utilises a variety of factors to enhance the accuracy of the investment including using information provided by the donor on the purchase price of the donations, information regarding the valuations or sales price of the same or similar items and his own knowledge and awareness of the current market for such items.

- **Determining residual values and useful economic lives of property, plant and equipment**

The charity depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes. Judgement is applied by management when determining the residual values for plant, machinery and equipment. When determining the residual value management aim to assess the amount that the Trust would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

Notes *(continued)*

2 Statement of Financial Activities comparative figures

The Charities SORP requires comparative figures to be presented for every figure given in the statement of financial activities. Consolidated figures for the year ended 31 March 2021 are given below.

	Unrestricted funds		Endowment funds			Total
	Unrestricted funds	Designated Development Fund	Development Fund	Other Endowment Funds	Restricted funds	2020-21
	£000	£000	£000	£000	£000	£000
Income and endowments from:						
Donations and legacies	934	1	-	-	1,687	2,622
Charitable activities						
Admission fees and sales	40	-	-	-	-	40
Other trading activities						
Book and gift shop sales	27	-	-	-	-	27
Investments	74	24	41	31	-	170
Other	53	-	-	-	-	53
Total income	1,128	25	41	31	1,687	2,912
Expenditure on:						
Raising funds						
Fundraising costs	127	-	-	7	-	134
Book and gift shop costs	64	-	-	-	-	64
Investment management costs	-	3	6	3	-	12
Management costs of the let estate	82	-	-	-	-	82
Charitable activities:						
Custodianship	191	-	-	2	94	287
Access and learning	372	-	-	2	415	789
Total expenditure	836	3	6	14	509	1,368
	292	22	35	17	1.178	1,544
Net gains on investments	-	155	269	133	-	557
Net income	292	177	304	150	1,178	2,101
Transfers between funds	90	(25)	(44)	(21)	-	-
Net movements in funds	382	152	260	129	1,178	2,101
Reconciliation of funds:						
Total funds brought forward at 1 April 2020	8,552	820	1,426	940	5,853	17,591
Total funds carried forward at 31 March 2021	8,934	972	1,686	1,069	7,031	19,692

Notes *(continued)*

3 Donations and legacies

	Unrestricted funds	Designated Development Fund	Restricted funds	2021-22	2020-21
	£000	£000	£000	£000	£000
John R. Murray Charitable Trust	**1,000**	-	-	**1,000**	50
National Lottery Heritage Fund	-	-	**430**	**430**	1,192
Arts Council England (NPO Grant)	-	-	**329**	**329**	329
Arts Council England (Culture Recovery Fund)	**230**	-	-	**230**	218
South Lakeland District Council	**64**	-	-	**64**	75
Northern Cultural Regeneration Fund	-	-	**50**	**50**	93
W.W. Spooner Charitable Trust	**41**	-	-	**41**	-
The late Lucia Woods Lindley	**37**	-	-	**37**	-
Michael Marks Charitable Trust	-	-	**24**	**24**	24
Lancaster University	-	-	**20**	**20**	20
Sir John Fisher Foundation	-	-	**10**	**10**	22
Cumbria County Council	-	-	**10**	**10**	10
Martin J. Crossley Evans	**7**	-	-	**7**	-
Patricia Grodd and Michael Stone	**4**	-	-	**4**	4
John Conder	**4**	-	-	**4**	-
Edward Baker	**3**	-	-	**3**	-
Cumbria Development Education Centre	-	-	**2**	**2**	-
Arts Council England (Emergency Fund)	-	-	-	-	209
Wolfson Foundation	-	-	-	-	145
Coronavirus Job Retention Scheme	-	-	-	-	134
The late Doreen Reynolds	-	-	-	-	23
The late Sarah Wilkes	-	-	-	-	16
Wyfold Charitable Trust	-	-	-	-	10
Old Possum's Practical Trust	-	-	-	-	5
Dr William Zachs	-	-	-	-	4
Delia Twamley	-	-	-	-	3
Clare and John Spedding	-	-	-	-	1
Michael Crump	-	-	-	-	1
Professor Bruce Graver	-	-	-	-	1
Gillian Newbery	-	-	-	-	1
Professor Heidi Snow	-	-	-	-	1
Nicole and Malcolm Thorogood	-	-	-	-	1
Dr Mortimer & Theresa Sackler Foundation	-	-	**(5)**	**(5)**	-
Friends	**13**	-	-	**13**	8
Patrons	**16**	-	-	**16**	11
Gift Aid and others (£2,000 or below)	**17**	**1**	**2**	**20**	11
	1,436	**1**	**872**	**2,309**	2,622

Government grant income received in the year amounted to £354,000 (*2020-21: £739,000*) of which £277,000 (*2020-21:£596,000*) was Covid support.

Notes *(continued)*

4 Income from charitable activities

	2021-22 £000	2020-21 £000
Admission fees	**196**	32
Short course programme	**12**	8
Publications	**1**	-
Less sales to subsidiary	**(1)**	-
Profit on sale of fixed asset	**3**	-
	211	40

5 Commercial trading activity income

The charitable company has one trading subsidiary, Dove Cottage Promotions Limited, a company incorporated in England and Wales (company registration number 02091130). The charitable company owns the entire share capital of this company being 15,000 £1 ordinary shares. Dove Cottage Promotions Limited operated a book and gift shop and a café throughout the year.

A summary of the trading result of Dove Cottage Promotions Limited is shown below. Audited financial statements for the year ended 31 March 2022 are filed with the Registrar of Companies. A Gift Aid donation of the taxable profit of £Nil (*2020-21: £Nil*) was made to The Wordsworth Trust.

	2021-22 £000	2020-21 £000
Turnover	**127**	27
Cost of sales	**(51)**	(7)
Gross profit	**76**	20
Administrative expenses	**(107)**	(61)
Operating loss	**(31)**	(41)
Tax	**-**	-
Loss on ordinary activities after taxation	**(31)**	(41)
Gift aid payment	**-**	-
Retained loss for the year after payment of gift aid	**(31)**	(41)

The aggregate of the assets, liabilities and funds was:

	31 March 2022 £000	31 March 2021 £000
Assets	**74**	51
Liabilities	**(190)**	(136)
Funds	**(116)**	(85)

6 Investment income

Group	2021-22 £000	2020-21 £000
Dividends receivable	**97**	97
Rents receivable	**72**	73
	169	170

Notes *(continued)*

7 Analysis of expenditure

Group

		Direct costs £000	Support costs £000	2021-22 £000	2020-21 £000
Fundraising costs		**107**	**54**	**161**	134
Book and gift shop costs	Cost of sales	**51**	**-**	**51**	7
	Other	**101**	**-**	**101**	57
Investment management costs		**18**	**-**	**18**	12
Management of the let estate		**82**	**18**	**100**	82
		359	**72**	**431**	292
Cost of charitable activities					
Custodianship					
Historic buildings		**40**	**12**	**52**	32
Collection		**388**	**51**	**439**	255
		428	**63**	**491**	287
Access and learning					
Visitor operations		**710**	**243**	**953**	610
Exhibitions and publications		**44**	**18**	**62**	47
Education		**112**	**34**	**146**	103
Contemporary literature		**22**	**2**	**24**	29
		888	**297**	**1,185**	789
Total cost of charitable activities		**1,316**	**360**	**1,676**	1,076
Total expenditure		**1,675**	**432**	**2,107**	1,368

Notes *(continued)*

7 Analysis of expenditure *(continued)*

Allocation of support costs

	Fundraising	Management of let estate	Charitable activities	2021-22	2020-21
	£000	**£000**	**£000**	**£000**	£000
Management	**37**	**12**	**240**	**289**	219
Finance	**9**	**3**	**59**	**71**	76
Information technology	**5**	**2**	**32**	**39**	40
Human resources	**-**	**-**	**7**	**7**	1
Governance	**3**	**1**	**22**	**26**	17
	54	**18**	**360**	**432**	353

Support costs are allocated in line with salary costs based on an estimate of the actual time spent, which Trustees believe is consistent with the use of the resources. The cost allocation includes an element of judgement and the Trustees have had to consider the cost benefit of detailed calculations and record keeping. Therefore the support costs shown are a best estimate of the costs that have been so allocated.

The following costs are included in the management and administrative costs of The Wordsworth Trust and Dove Cottage Promotions Limited:

	Group		Charitable company	
	2021-22	2020-21	**2021-22**	2020-21
	£000	£000	**£000**	£000
Audit fees	**24**	20	**22**	18
Depreciation on owned fixed assets	**259**	100	**259**	100

Notes *(continued)*

7 Analysis of expenditure *(continued)*

Staff numbers and costs

The average number of staff employed during the year (excluding directors who are Trustees) was 39 (*2020-21: 38*). The Trust employs a number of seasonal and part-time staff; the average number of full-time equivalent employees was 33 (*2020-21: 31*). In 2020-21 a number of staff were furloughed and some voluntarily reduced their working hours temporarily but this did not happen in 2021-22. £Nil *(2020-21: £133,846)* was received from the Coronavirus Job Retention Scheme.

The total staff costs for the group were as follows:

	2021-22 £000	2020-21 £000
Wages and salaries	718	**683**
Employers' social security costs	65	**58**
Employers' pension contributions	37	**34**
Group total	**820**	775

One member of staff received emoluments totalling more than £60,000 for the year *(2020-21:None)*.

The Trust contributes to the defined contribution pension schemes for most employees. All eligible staff are enrolled into a qualifying defined contribution pension scheme. The pension charge for the year represents contributions payable by the Trust to the pension schemes and amounted to £36,902 (*2020-21: £33,878*). At the end of the year £9,547 in contributions was outstanding (*2020-21: £4,006*).

Day-to-day management of the Trust is delegated to the Senior Management Team (SMT). The employee benefits of the SMT, including employer pension contributions for the year, were £253,813 (*2020-21: £228,341*). During 2020-21 as a result of the pandemic members of SMT voluntarily reduced their days to four per week for between 3 and 4 months. The salary costs of SMT are allocated on a time spent basis across the restricted and unrestricted funds.

One goodwill payment in compensation for loss of employment on dismissal was made in the year *(2020-21: None)*.

The Trustees received no remuneration during the year. Travel and subsistence expenses of £4,940 *(2020-21: £450)* were paid to or on behalf of 12 trustees (*2020-21: 1*) during the year of which £238 is included in accruals at the year end. Nothing was paid in relation to travel and subsistence for the Trust's President *(2020-21: Nil)*.

Interest payable

	2021-22 £000	2020-21 £000
On bank loans and overdrafts	**18**	17

Notes *(continued)*

8 Transfers between funds

Transfers into unrestricted funds during the year comprised:

	2021-22 £000
Investment income transferred from the Designated Development Fund	24
Investment income transferred from the Endowment Development Fund	39
Investment income transferred from the Catalyst Endowment Fund	16
Total transfers	79

On 8 November 2014 Trustees passed a resolution in accordance with Regulation 3(2) of the Charities (Total Return) Regulations 2013 to invest the Endowment Development Fund on a total return basis.

The baseline value of the gift component of the fund was set as the value when the fund became permanent endowment in accordance with the agreement with the donor, the National Lottery Heritage Fund, on 1 January 2013. The balance of investment gains, investment losses, investment income and transfers to the general fund since this date represent the closing balance of unapplied total return.

At the same time in exercise of the power of investment in the Trust's Articles of Association Trustees also resolved to invest the Designated Development Fund on the same basis.

Adopting a power of total return allows the Trustees to invest permanently endowed funds to maximise total return and to apply an appropriate portion of the unapplied total return to income each year. Until a decision is made to transfer a portion of unapplied total return to income, the unapplied total return remains invested as part of the permanent endowment. The power allows the Trustees to decide in each year how much of the unapplied total return is transferred to income funds and so available for expenditure. Having considered their obligations under the duty of even-handedness, the Trustees made a transfer of a total of £65,000 *(2020-21 £65,000)* unapplied total return from both elements of the Development Fund to unrestricted income funds.

In making this decision the Trustees have taken account of the investment climate, the return on investment for the year and the income needs of the charity. The Trustees have taken advice from their Investment Sub-Committee and the Investment Managers, Cazenove Capital Management Ltd, as to the sustainability of the investment fund after making this transfer.

During the year 2020-21 as a direct result of the coronavirus pandemic the Trust sought and received in principle the permission of Arts Council England and the National Heritage Lottery Fund to use if necessary the Catalyst Endowment Fund and/or the Development Fund to support the costs of the Reimagining Wordsworth Project and the running costs of the Trust. During both 2021-22 and 2020-21 there has been no use of either of these funds for these purposes.

Notes *(continued)*

8 Transfers between funds *(continued)*

	Investment fund £000	Unapplied total return £000	Total £000
Opening value of the Endowment Development Fund			
Gift component	1,261	-	**1,261**
Unapplied total return	-	425	**425**
Total	1,261	425	**1,686**
Movements during the year			
Investment return: dividends and interest	-	41	**41**
Investment return: realised and unrealised gains/(losses)	-	122	**122**
Transfer	-	2	**2**
Investment management charges	-	(8)	**(8)**
Total	-	157	**157**
Unapplied total return allocated to income	-	(41)	**(41)**
Net movement during the year	-	116	**116**
Closing value at 31 March 2022			
Gift component	1,261	-	**1,261**
Unapplied total return	-	541	**541**
Total	1,261	541	**1,802**

	Investment fund £000	Unapplied total return £000	Total £000
Opening value of the Designated Development Fund			
Gift component	713	-	**713**
Unapplied total return	-	259	**259**
Total	713	259	**972**
Movements during the year			
Investment return: dividends and interest	-	24	**24**
Investment return: realised and unrealised gains	-	70	**70**
Transfer	-	-	**-**
Investment management charges	-	(5)	**(5)**
Donations received	1	-	**1**
Total	1	89	**90**
Unapplied total return allocated to income	-	(24)	**(24)**
Net movement during the year	1	65	**66**
Closing value at 31 March 2022			
Gift component	714	-	**714**
Unapplied total return	-	324	**324**
Total	714	324	**1,038**

Notes *(continued)*

9 Tangible fixed assets

Group	Jerwood Centre	Other freehold property	Assets under construction	Fixtures, fittings, equipment and motor vehicles	Total
	£000	£000	£000	£000	£000
Cost					
At 1 April 2021	3,442	1,610	5,121	368	10,541
Additions	-	9	531	21	561
Disposals/write off	-	(416)	-	(27)	(443)-
Transfers	-	4,414	(5,652)	1,238	-
At 31 March 2022	3,442	5,617	-	1,600	10,659
Depreciation					
At 1 April 2021	1,764	355	-	321	2,440
Charge for the year	50	100	-	109	259
Disposals/write off	-	(105)	-	(24)	(129)
At 31 March 2022	1,814	350	-	406	2,570
Net book value					
At 31 March 2022	**1,628**	**5,267**	**-**	**1,194**	**8,089**
At 31 March 2021	1,678	1,255	5,121	47	8,101

The total of non-depreciable assets included in other freehold property at the year-end was £279,204 *(2020-21: £279,204)*.

Assets under construction comprised the capitalised elements of the expenditure incurred as part of the Reimagining Wordsworth project which on completion of the project has been transferred to other freehold property or fixtures, fittings and equipment. The disposal/write down costs above include the write off of previous redevelopment costs not fully depreciated before the start of the Reimagining Wordsworth project.

Under the terms of the National Lottery Heritage Fund grant to support the Reimagining Wordsworth project the National Lottery Heritage Fund has taken a charge over the four properties owned by the Trust which were the main focus of the project. In 2020-21 prior to the transfer of the redevelopment costs the net book value of the properties covered by the charge was £832,783 with the redevelopment costs at the year end this is £4,847,612.

Notes *(continued)*

9 Tangible fixed assets *(continued)*

Charitable Company	Jerwood Centre	Other Freehold property	Assets under construction	Fixtures, fittings, equipment and motor vehicles	Total
	£000	£000	£000	£000	£000
Cost					
At 1 April 2021	3,442	1,610	5,121	341	10,514
Additions	-	9	531	21	561
Disposals/write off	-	(416)	-	(27)	(443)-
Transfers	-	4,414	(5,652)	1,238	-
At 31 March 2022	3,442	5,617	-	1,573	10,632
Depreciation					
At 1 April 2021	1,764	355	-	294	2,413
Charge for year	50	100	-	109	259
Disposals/write off	-	(105)	-	(24)	(129)
At 31 March 2022	1,814	350	-	379	2,543
Net book value					
At 31 March 2022	**1,628**	**5,267**	**-**	**1,194**	**8,089**
At 31 March 2021	1,678	1,255	5,121	47	8,101

10 Heritage assets

Dove Cottage, the home of William Wordsworth from 1799 to 1808, was acquired by the Trust in 1890 and is maintained as a visitor attraction 'for the eternal possession of those who love English poetry all over the world'.

The Trust acquires objects within the subject area: William Wordsworth and the Age of British Romanticism. To understand and interpret the context and significance of this subject, it is occasionally necessary to collect items before and after the accepted chronological framework for the Romantic period, 1750-1850. Priority areas for collecting are manuscripts, printed works, fine art and artefacts that advance the public knowledge and enjoyment of the works of William Wordsworth and the literature and culture of this period.

- The collection of manuscripts (30,000+) includes material of very great significance, drawing researchers and academics world-wide, and includes verse and prose manuscripts of William and Dorothy Wordsworth, Samuel Taylor Coleridge, Thomas De Quincey, and many others. The collection is considered the greatest collection by an author now housed in the place where the greatest works were written.

- The collection of books and pamphlets (numbering approx. 14,500 titles) include the following themes:

    - A portion of Wordsworth's own library of books which he owned at Dove Cottage and Rydal Mount, and a good number of titles that belonged to Coleridge or Southey. Some of these volumes have been annotated by Wordsworth or Coleridge.
    - A near complete copy of first and lifetime editions of printed books by Wordsworth and leading Romantic writers, including Coleridge, Southey, Keats and Shelley. In addition, early editions by their well and lesser known contemporaries covering the span of Romantic literature.
    - Guides, illustrated works and travel literature based on the Lake District from around 1750 to the present day.

Notes *(continued)*

10 Heritage assets *(continued)*

- Magazines and periodicals from the period 1750-1850.
- Critical and reference works and published letters of all the major figures of the period, as well as general works on Romantic literature and art.

- The collection of fine art (13,000+ items) encompasses portraits of the major figures and family members, as well as the development of the interpretation of landscape from the 18th century to the present day and includes:

  - Paintings and drawings of William and Dorothy Wordsworth and families, Coleridge, De Quincey and others of the period.
  - Paintings, drawings and prints of Lake District themes, including interpretation of landscape and aspects of cultural and working life.
  - Prints of the earliest views of the Lake District from the 1750s onwards.
  - A significant collection of c19th century photographs along the themes of portraits and landscape.

- A collection of artefacts (c.600 items) that relate to Wordsworth and his family and aspects of Lake District life and history incorporating items that reflect life in a typical Grasmere cottage of the period (c.1800), and includes furniture and utensils (including spinning wheels) relating to the social history of the period.

Items purchased for the collection are valued at cost. Donated items have been valued at the Curator's best estimate of current value at the time of acquisition since 2010. It is the responsibility of the Trust to preserve and conserve collection items for the benefit of the nation and due to their nature they are expected to have a long life. Depreciation is therefore not charged on collection items which are capitalised since this is deemed to be immaterial. Impairment reviews are carried out annually.

Preservation and Management

Expenditure which in the Trustees view is required to preserve or prevent further deterioration of individual items is recognised in the Statement of Financial Activities when incurred.

The Trust complies with PAS 197:2009, the BSI and Collections Trust's *Code of practice for cultural collections management,* works to SPECTRUM: the UK Museum Collections Management Standard and maintains a full catalogue of collection items including a description, the condition of the item, where it is kept and acquisition information.

The Trust has digitised much of its manuscript and fine art collections. These collections are variously available online either on the Trust's own website or by subscription to educational establishments on the AM Digital website. All newly acquired works of art are digitised as part of the cataloguing process.

The Trust actively encourages public engagement with the collection. Within the Jerwood Centre adjacent to the museum the Trust runs a research room where bona fide researchers may view original material. There is a programme of events throughout the year, aimed at audiences of all ages and a variety of backgrounds; monthly talks on site, workshops, specialist day courses and conferences. University academics and groups of students spend several days learning about the meaning of manuscripts and then create interpretative projects for wider audiences; several thousand school children visit the site each year and learn from resources developed from the collection. Outreach activities take facsimiles of our collections into the communities of Cumbria.

Notes *(continued)*

10 Heritage assets *(continued)*

Disposal

The Trust has a long term purpose, and holds and builds the permanent collection in relation to its stated objectives. The Trust accepts the principle that, except for sound curatorial reasons, there is a strong presumption against the disposal of any items in the museum's collection.

Items may be removed from the collection for the following reasons:

i. duplication within the collection;
ii. falling outside the collecting area of the Trust;
iii. being wrongly accessioned;
iv. a better copy being received;
v. poor condition.

Proposals to remove an item or items from the collection are the responsibility of the Curator, and will be presented for approval to the Collections Committee, followed by the full Board of Trustees.

Decisions to dispose of objects will not be made with the principal aim of generating funds. Any monies received by the Trust from the disposal of items will be applied for the benefit of the collection. This will normally mean the purchase of further acquisitions but in exceptional cases improvements relating to the care of collection may be justifiable. Where an object has been donated or purchased with external funding, any conditions relating to its disposal will always be adhered to.

Once a decision to dispose of an item has been taken, priority will be given to retaining the item in the public domain, unless it is to be destroyed. It will therefore be offered in the first instance, by exchange, gift or sale directly to other accredited museums likely to be interested in its acquisition.

	2021-22	2020-21
	£000	£000
Opening value of Heritage Assets		
Purchases	**2,790**	2,790
Donations at valuation	**660**	655
Transfer from Investment Property	**263**	263
Total	**3,713**	3,708
Acquisitions during the period		
Purchases	**-**	-
Donations at valuation	**54**	5
Transfer from Investment Property	**-**	-
Total	**54**	5
Closing value of Heritage Assets		
Purchases	**2,790**	2,790
Donations at valuation	**714**	660
Transfer from Investment Property	**263**	263
Total	**3,767**	3,713

Donated items are valued on acquisition based on evidence from a recognised source if received with the donation or at the Curator's best estimate of current value at the time of acquisition.

		Year to 31 March			15 months to 31 March
Five year financial summary of heritage asset transactions	**2022** **£000**	2021 £000	2020 £000	2019 £000	2018 £000
Purchases	**-**	-	1	-	-
Donations	**54**	5	68	81	111
Transfer from Investment Properties	**-**	-	-	263	-
Total acquisitions	**54**	5	69	344	111

There have been no disposals in the last five years.

Notes *(continued)*

11 Investment property – UK

Group and charitable company	**31 March 2022 £000**	31 March 2021 £000
Brought forward	**4,620**	4,620
Increase on revaluation	**1,570**	-
Carried forward	**6,190**	4,620

Investment properties with an original cost of £957,000 were valued as at the 13th April 2022 by Mr D J K Capps MRICS at £6,190,000 based on estimated open market values.

12 Fixed asset investments

	Group 31 March 2022 £000	Group 31 March 2021 £000	**Charitable company 31 March 2022 £000**	Charitable company 31 March 2021 £000
Ordinary £1 shares in Dove Cottage Promotions Limited	**-**	-	**15**	15
Development Fund investments	**2,840**	2,658	**2,840**	2,658
RS Woof Memorial Fund investments	**280**	261	**280**	261
Catalyst Endowment Fund investments	**869**	808	**869**	808
	3,989	3,727	**4,004**	3,742

Group and charitable company	Development Fund £000	RS Woof Memorial Fund £000	Catalyst Endowment £000	**Totals £000**
Opening market value	2,590	261	798	**3,649**
Additions	486	-	89	**575**
Disposals	(409)	-	(113)	**(522)**
Net investment gains	137	19	56	**212**
Closing market value	2,804	280	830	**3,914**
Cash on deposit	36	-	39	**75**
Accrued income	-	-	-	-
	2,840	280	869	**3,989**

All investments other than the subsidiary are listed on the London Stock Exchange. Investments in the following funds exceeded 5% of the total portfolio at 31 March 2022:

M&G Investment Management Global Dividend Fund
Troy Asset Management Trojan Fund
Troy Asset Management Trojan Income Fund
Vanguard S&P 500 Exchange Traded Fund

13 Stocks

Group	**31 March 2022 £000**	31 March 2021 £000
Goods held for resale	**37**	31

Notes *(continued)*

14 Debtors: amounts falling due within one year

	Group 31 March 2022 £000	Group 31 March 2021 £000	Charitable company 31 March 2022 £000	Charitable company 31 March 2021 £000
Trade debtors	**10**	10	**9**	10
Other taxes and social security	**-**	2	**-**	-
Prepayments	**21**	25	**19**	23
Accrued income	**35**	33	**35**	33
Amounts owed by subsidiary undertaking	**-**	-	**184**	132
	66	70	**247**	198

15 Creditors: amounts falling due within one year

	Group 31 March 2022 £000	Group 31 March 2021 £000	Charitable company 31 March 2022 £000	Charitable company 31 March 2021 £000
Trade creditors	**60**	109	**57**	107
Other taxes and social security	**15**	14	**15**	14
Other creditors	**12**	9	**12**	9
Bank loan	**74**	36	**74**	36
Accruals	**70**	78	**67**	76
	231	246	**225**	242

16 Creditors: amounts falling due after more than one year

		Group 31 March 2022 £000	Group 31 March 2021 £000	Charitable company 31 March 2022 £000	Charitable company 31 March 2021 £000
Bank loan	- due between 2 and 5 years	**295**	299	**295**	299
	- due after 5 years	**594**	665	**594**	665
		889	964	**889**	964

The interest only bank loan from 2015 was refinanced in January 2020. The new loan is on a capital and interest repayment basis with a term of five years, a repayment profile of fifteen years and an original capital repayment holiday of 12 months which was extended to 18 months. Capital repayments have been made since October 2021. Interest is charged at the base rate plus 1.65%. The loan is secured on four investment properties owned by the Trust. The amount outstanding represents 46% *(2021: 67%)* of the value of the properties charged.

Notes *(continued)*

17 Reconciliation of movement in funds

Group	Funds at 1 April 2021	Income	Expenditure	Transfers /investment gains	Funds at 31 March 2022
	£000	£000	£000	£000	£000
Unrestricted funds:					
General funds	**1,200**	1,901	(1,164)	(604)	**1,333**
Revaluation reserve	**3,945**	-	-	1,570	**5,515**
Warren Collection Fund	**59**	-	-	-	**59**
Collection Assets Fund	**3,713**	54	-	-	**3,767**
Reimagining Wordsworth - delivery	**17**	-	-	(17)	-
Designated Development Fund	**972**	24	(5)	47	**1,038**
Designated Property Improvement Fund	-	-	-	700	**700**
Restricted funds:					
Income funds	**38**	397	(409)	-	**26**
Acquisition funds	**2**	-	-	-	**2**
Reimagining Wordsworth – capital	**5,132**	-	(170)	519	**5,481**
Reimagining Wordsworth - delivery	**152**	475	(98)	(519)	**10**
Capital funds	**1,707**	-	(237)	-	**1,470**
Endowment funds:					
Endowment Development Fund	**1,686**	41	(8)	83	**1,802**
RS Woof Memorial Fund	**261**	11	(12)	20	**280**
Catalyst Endowment Fund	**808**	21	(4)	43	**868**
	19,692	2,924	(2,107)	1,842	**22,351**

The Revaluation Reserve has arisen on the valuation of investments and properties shown in notes 11 and 12.

The Warren Fund has been designated by the Trustees for the purchase of books, manuscripts and fine arts. The fund comprises the balance of an unrestricted legacy received during 2000.

The Collection Assets Fund represents the amount of heritage assets capitalised. This fund consists of a mixture of both restricted and unrestricted amounts, an allocation of which is not possible.

In 2015 the Trustees designated funds to the Reimagining Wordsworth project to develop the Town End site. Supported by the National Lottery Heritage Fund the development phase ran from January 2016 to January 2018. In March 2018 the National Lottery Heritage Fund announced support for the delivery phase started in May 2018 and was completed in 2021-22. Fundraising secured the remaining funding and this income was split between designated and restricted funds. National Lottery Heritage Fund income for both the development and the delivery phase of the project was treated as restricted income.

The Trustees have designated a proportion of the donation in 2021-22 from John R. Murray Charitable Trust to support the improvement of the wider estate.

The Designated Development Fund has been established by the Trust to provide an income that will contribute towards the Trust's core running expenses. The intention is to maintain an income generating fund. Exceptionally, the fund is expendable in the event of a 75% majority decision by the Trustees. The terms of the contract under which the Endowment Development Fund was established require that the Designated Development Fund be operated as an endowment, the result of a breach being that the amount given to establish the Endowment Development Fund will be repayable. However, these conditions do not directly apply to the Designated Development Fund, and so it continues to be disclosed as a designated fund within unrestricted funds.

The Endowment Development Fund was established by the Trust in order to build up a portfolio of investments to provide an alternative source of income. On 1st January 2013 the fund became permanent endowment. The full amount given to establish the fund is repayable in the event of a default. As a result of the financial pressures in 2020-21 due to the global pandemic and consequent lockdown the Trust received in principle permission from the body which financed the Endowment Development Fund to release its restrictions on the fund to allow the Trust to draw down some of the capital in these exceptional circumstances if required.

The RS Woof Memorial Fund is an endowment fund for the purposes of endowing the post of the Robert Woof Director of the Trust.

Notes *(continued)*

The Catalyst Endowment Fund is an endowment fund established with the aid of Arts Council England Catalyst Funding to support the general operating costs of the Trust. In 2020-21 the Arts Council England has given the Trust permission to draw down some of this funding should it need to do so to remain financially viable. The Trust must put in place a plan to replace any funding used.

18 Analysis of net assets between funds

	Unrestricted funds		Endowment funds			
Group	Unrestricted funds	Designated Development Fund	Development Fund	Other endowment funds	Restricted funds	Total funds
	£000	£000	£000	£000	£000	£000
Fund balances at 31 March 2022 represented by:						
Fixed assets	11,099	1,038	1,802	1,148	6,948	**22,035**
Current assets	1,395	-	-	-	41	**1,436**
Current liabilities	(231)	-	-	-	-	**(231)**
Creditors falling due after one year	(889)	-	-	-	-	**(889)**
	11,374	1,038	1,802	1,148	6,989	**22,351**
Fund balances at 31 March 2021 represented by:						
Fixed assets	9,597	972	1,686	1,069	6,837	**20,161**
Current assets	547	-	-	-	194	**741**
Current liabilities	(246)	-	-	-	-	**(246)**
Creditors falling due after one year	(964)	-	-	-	-	**(964)**
	8,934	972	1,686	1,069	7,031	**19,692**

In the opinion of the trustees, the group's assets are sufficient to fulfil the obligations of the group.

	Unrestricted Funds		Endowment Funds			
Charitable company	Unrestricted funds	Designated Development Fund	Development Fund	Other endowment funds	Restricted funds	Total funds
	£000	£000	£000	£000	£000	£000
Fund balances at 31 March 2022 represented by:						
Fixed assets	11,114	1,038	1,802	1,148	6,948	**22,050**
Current assets	1,505	-	-	-	41	**1,546**
Current liabilities	(225)	-	-	-	-	**(225)**
Creditors falling due after one year	(889)	-	-	-	-	**(889)**
	11,505	1,038	1,802	1,148	6,989	**22,482**
Fund balances at 31 March 2021 represented by:						
Fixed assets	9,612	972	1,686	1,069	6,837	**20,176**
Current assets	628	-	-	-	194	**822**
Current liabilities	(242)	-	-	-	-	**(242)**
Creditors falling due after one year	(964)	-	-	-	-	**(964)**
	9,034	972	1,686	1,069	7,031	**19,792**

19 Share capital

The charitable company is limited by guarantee and as such, has no share capital. In the event of the charitable company being wound up, the guarantee of each member is limited to £1.

Notes *(continued)*

20 Capital commitments

Capital commitments at the end of the financial year for which no provision has been made are as follows:

	31 March 2022	31 March 2021
	£000	£000
Authorised but not committed	-	-
Against which orders have been placed	**38**	545

The capital commitments noted represent the contractual relationships with a contractor involved in the delivery phase of the Reimagining Wordsworth project .

21 Related party transactions

In aggregate Trustees, co-opted committee members, the President and members of the SMT made donations totalling £3,431 during the year *(2021: £1,887)*. This can be split as follows:

	2021-22	2020-21
Unrestricted	**2,831**	1,287
Restricted	**600**	600
In kind	-	-
Total donations	**3,431**	1,887

22 Financial instruments

	Group 31 March 2022 £000	Group 31 March 2021 £000	Charitable company 31 March 2022 £000	Charitable company 31 March 2021 £000
Financial assets at amortised cost	**45**	43	**228**	175
Financial liabilities at amortised cost	**1,105**	1,196	**1,099**	1,192

Financial assets represent trade debtors, accrued income and amounts owed by the subsidiary undertaking. Financial liabilities represent trade and other creditors, accruals and the bank loan.

Notes *(continued)*

23 Consolidated analysis of changes in net debt

	Note	Group				Charitable company			
		1 April 2021	Cash flow	Other non cash movements	31 March 2022	1 April 2021	Cash flow	Other non cash movements	31 March 2022
		£000	£000	£000	£000	£000	£000	£000	£000
Cash at bank and in hand		640	693	-	1,333	624	675	-	1,299
Bank loan	15	(36)	37	(75)	(74)	(36)	37	(75)	(74)
Debt due within one year		(36)	37	(75)	(74)	(36)	37	(75)	(74)
Bank loans	16	(964)	-	75	(889)	(964)	-	75	(889)
Debt due after more than one year		(964)	-	75	(889)	(964)	-	75	(889)
Total net debt		**(360)**	**730**	**-**	**(370)**	**(376)**	**712**	**-**	**(336)**

THE WORDSWORTH TRUST

England & Wales - Charity number 1066184

Accounts

The Wordsworth Trust

Trustees' report and consolidated financial statements

Registered charity number 1066184

Registered company number 03442086

For the year to 31 March 2021

wordsworth
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Trustees' Annual Report

The Trustees are pleased to present their report together with the audited consolidated financial statements for the year ended 31 March 2021. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Companies Act 2006, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

The Wordsworth Trust is registered with the Charity Commission, registration number 1066184, and is a company limited by guarantee, registration number 03442086. The charitable company is governed by its Memorandum and Articles of Association. The Trust was incorporated on 30 September 1997 and the registered address is Dove Cottage, Grasmere, Cumbria, LA22 9SH. The Trustees' Annual Report also contains the information required under the Companies Act 2006 for a Directors' Report.

The Trust is honoured to have as Royal Patron, His Royal Highness the Prince of Wales.

The Honorary President of the Trust during the year was The Rt Hon Lord Smith of Finsbury PC.

Chair	Professor Sir Drummond Bone
Hon. Treasurer	Gesa Brinkmann ACA, CPA
The Robert Woof Director	Michael McGregor
Company Secretary	Amanda Pickup FCA

Trustees who served during the year

Professor Sir Drummond Bone
Professor Simon Bainbridge
Ms Gesa Brinkmann ACA, CPA
Mrs Mary Chuck
Ms Judith Cooke
Dr Anna Fleming
Mrs Johanna Goode
Mr David Heal
Mrs Diana Matthews JP DL
Professor David McKitterick
Dr Lucy Peltz (retired 18th March 2021)
Ms Jennifer Uglow OBE

The Trustees are the members of the charitable company and act as Directors for the purposes of company law. In the event of the charitable company being wound up, the guarantee of each member is limited to £1.

In accordance with the Articles of Association the following trustee will retire and, being eligible, will offer themself for re-appointment at the forthcoming Annual Retirement Meeting.

Professor Sir Drummond Bone

Trustees' annual report *(continued)*

OBJECTIVES AND ACTIVITIES

The Wordsworth Trust has been keeping Wordsworth's memory alive at Dove Cottage since it was founded 130 years ago.

During this time, the Wordsworth Trust has acquired many of the other historic buildings that neighbour Dove Cottage, secured the great majority of Wordsworth's manuscripts, established an archive, library and fine art collection that celebrate Romanticism and the cultural history of the Lake District, and created the Jerwood Centre, a conservation and research centre, so that these holdings can remain at Dove Cottage, one of the world's most important literary sites. In 2021 it created a transformed Museum, with larger galleries and improved displays, and reopened to visitors as 'Wordsworth Grasmere'.

The Wordsworth Trust's purposes are set out in its Memorandum and Articles of Association, and can be summarised as:

1. to provide a living memorial to William Wordsworth and his contemporaries by looking after Dove Cottage and its environs, and by preserving and developing a permanent collection; and

2. to advance public knowledge and enjoyment of the works of Wordsworth and the literature and culture of the Romantic period (*c.*1770–1850) through a wide range of public activities.

The Wordsworth Trust's aims are the same in their intent as these purposes. They provide public benefit through the advancement of education, heritage, culture and the arts, and thereby meet the definition of 'charitable purposes' provided by the 2011 Charities Act.

Wordsworth sought through his poetry 'to console the afflicted; to add sunshine to daylight by making the happy happier; to teach the young and the gracious of every age to see, to think and feel'. Our activities are inspired by this vision: of a world in which anyone, anywhere, can enrich their life through Wordsworth's ideas and philosophy, regardless of means or background. In carrying them out, we have therefore taken due regard of the Charity Commission's public benefit guidance.

Our activities, and the criteria that we use to measure their success, are reported in detail under 'Achievements and Performance'. While certain activities are aimed at specific beneficiary groups, most are open to anyone. They take place all year round and some are free of charge.

Trustees' annual report *(continued)*

Our public impact in numbers

	12 months to 31 Mar 2021				12 months to 31 Mar 2020				Variance
General visits to Wordsworth Grasmere				3,732				8,270	-55%
	Onsite	*Offsite*	*Digital*		*Onsite*	*Offsite*	*Digital*		
Young people in formal education (student-days)									
Secondary, primary and pre-school	*55*	*176*	*412*	643	*635*	*3,677*	-	4,312	-85%
Higher education – short courses	-	-	*301*	301	*503*	-	-	503	-40%
Higher education – other	-	-	*145*	145	*33*	-	-	33	339%
Teacher development opportunities	-	-	*5*	5	*29*	*34*	-	63	-83%
Total	***55***	***176***	**863**	**1,094**	***1,200***	***3,711***	-	**4,911**	**-78%**
Participation in events and activities for families[i]	***210***	-	-	**210**	***118***	***1,164***	-	**1,282**	**-84%**
Participation in informal learning activities									
Elderly / vulnerable adults	-	*3*	*581*	584	*85*	*829*	-	914	-36%
Young people (excluding family activities)	-	-	*272*	272	*17*	*229*	-	246	11%
General audiences	-	*4*	*1,393*	1,397	*17*	*1,075*	-	1,092	28%
Total	-	***7***	***2,246***	**2,253**	***119***	***2,133***	-	**2,252**	**0%**
Attendances at talks, poetry readings and other events (excluding family events)	*38*	-	*1,366*	**1,404**	***1,498***	***684***	-	**2,182**	**-36%**
Interactions via new media									
Website (unique views)				183,179				197,366	-7%
Views of online videos[ii]				160,912				204,684	72%
Social media followers (31 March 2021)				48,575				44,667	9%
Total				**392,666**				**446,717**	**17%**
Research visits (research-days)				**44**				**157**	**-72%**
Publications									
New titles				-				2	-100%
Sales (all titles)				186				222	-16%
Participants in vocational training (starting in year)				3				**14**	**-79%**
Volunteers[iv]				**17**				**24**	**-29%**

[i] Includes 142 family members on discovery trails at Wordsworth Grasmere. These are therefore also included in the figure of 3,732 general visits.

[ii] Attendance at digital events is likely to be understated as it is the number of log-ins and doesn't take account of, for example, members of a household sharing a device.

[iii] Includes 979 viewings of videos aimed at families and young children.

[iv] People who did volunteer work on a regular basis and / or for sustained periods of time.

Trustees' annual report *(continued)*

ACHIEVEMENTS AND PERFORMANCE

1. Overview of progress against strategy

For many years, our strategy had been focused on April 2020 as a time for celebration: the 250th anniversary of Wordsworth's birth, and the first phase of opening Wordsworth Grasmere as a major new visitor destination following the £6.5m Reimagining Wordsworth project. Instead, we began the year with cancelled festivities, building works on hold and the stark financial reality of a prolonged period of closure. We were far from alone amongst cultural organisations in having our programmes and finances thrown into turmoil by the coronavirus pandemic. However, with our free reserves already depleted by a planned lack of trading in 2019 to carry out Reimagining Wordsworth and the loss of a milestone publicity opportunity that could never be repeated, April 2020 certainly felt like the cruellest month as we switched our focus from celebration to survival.

We therefore wish to start by thanking everyone who has helped the Wordsworth Trust at a time of real need this year. Our staff showed tremendous flexibility, and in many cases made financial sacrifices, as we took advantage of the Government's Coronavirus Job Retention Scheme and reduced our operation to a minimum in the initial stages of the pandemic. Our funders responded to the crisis with exemplary speed: the Emergency Fund and Culture Recovery Fund grants that we received from Arts Council England and the Wolfson Foundation's Covid Support Fund grant have been a lifeline. We are also extremely grateful to the National Lottery Heritage Fund for increasing its funding for the delayed Reimagining Wordsworth project, and to Lakeland District Council and Cumbria County Council, whose financial support was also an essential boost to our sustainability. We thank the Sir John Fisher Foundation for its continued support for our curators, the Michael Marks Charitable Trust, who enabled us to go on celebrating the best of poetry pamphlet publishing, and the Poet Laureate Simon Armitage and the T.S. Eliot Foundation, who are supporting new poetry activities for young people in disadvantaged areas of Cumbria, and all those other organisations and individuals who gave us their generous support during the year, including the Wyfold Charitable Trust, Mike Crump, John and Barbara Forsyth, Bruce Graver, Patricia Grodd and Michael Stone, the Murray family, Gillian Newbery, Nicholas and Cecilia Powell, Tony Reavell, Heidi Snow, John and Clare Spedding, Malcolm Thorogood, Bill Zachs, the Friends of Lancaster University in America, and our many loyal Patrons and Friends.

There were many achievements in the year. Opening the reimagined Dove Cottage mid-pandemic in August was a considerable achievement, and feedback was immediately positive – an encouraging sign for the opening of the full Wordsworth Grasmere experience in 2021/22. The arrival of the Moss Hut – the wonderful creation of the artist Charlie Whinney – also in August, was another major milestone. The pandemic reinforced the importance of museums to their local communities; our own digital exhibition, *A Tale in Every Thing* (co-curated with Grasmere Women's Institute and the Grasmere History Group) is a lasting record of the village under lockdown. Necessity accelerated our adoption of digital technology in other ways too – as the table on page 3 shows, while the number of people benefiting from our usual onsite and offsite activities have inevitably dropped this year, in other areas they increased as the Internet extended our reach. The Black Lives Matter movement energised cultural organisations across the world, and it reminded us of our own responsibility to reflect UK society in its full diversity – as an organisation, in the people that we reach and in the stories that we tell.

Neither did Wordsworth's 250th birthday year go uncelebrated. His Royal Highness The Prince of Wales, in his capacity as our Royal Patron, gave a moving reading from 'Tintern Abbey' for BBC Radio 4 on 7 April, reminding us that we can turn to Wordsworth for hope and solace at times of crisis. We worked with the Royal Mint and the Royal Mail to commemorate the anniversary in coins and stamps, and with Hay Festival and the Arts & Humanities Research Council to bring Wordsworth to a worldwide digital audience on 22–23 May. We were delighted to host the BBC's 'Contains Strong

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

Language Festival' in September, and to present a reading by the Poet Laureate, Simon Armitage, from Dove Cottage on 1 October, National Poetry Day.

We end the year with cautious optimism. The UK vaccination programme gives grounds for hope that normality can start to return, and the leisure industry, including museums, has a roadmap for reopening. Our own Museum is nearing completion, marking the end of the Reimagining Wordsworth project, and its transformation is magnificent: a worthy tribute to Wordsworth as a poet for our times. The market context in which we are completing Reimagining Wordsworth has been dramatically changed by the pandemic; however, we have an exciting new offer, and a new business plan to help us maximise its potential and meet the challenges ahead.

2. Public benefit

a) Measuring our performance

We monitor our activities by beneficiary group, as shown in the table on page 3. As well as the statistical measures shown here, we talk to our beneficiaries and invite their feedback to ensure that we are meeting their needs and aspirations.

b) Wordsworth Grasmere

The reinterpreted Dove Cottage opened on 15 August, giving visitors the most authentic sense possible of the Wordsworths' day-to-day lives in a modest home where great poetry was created. To allow social distancing, our new, large Learning Space (completed in 2019/20, also as part of the Reimagining Wordsworth project) was temporarily converted into a shop and ticketing point. Other Covid-secure measures included setting up a new system of timed tours and an online bookings facility. Adapting a visitor attraction before it had even opened had its challenges, and we consider it a major achievement to have launched the first phase of the Reimagining Wordsworth project within the public health restrictions and amidst ongoing building works.

The new experience, including the introductory film and the new Café, received a tremendous response from the 3,732 people who visited before we closed again for the 'firebreak' lockdown at the start of November. Visitor numbers were undoubtedly affected by the fact that many of the nearest population centres to the Lake District were subject to movement restrictions during autumn 2020, even though Cumbria itself remained in the lowest level of restrictions, Tier 1.

The creation of the new Museum resumed after a temporary closure of the construction site at the start of the first lockdown. Meanwhile, our committed team of volunteers helped to prepare the outdoor areas, including the developing the Sensory Garden and the audio interpretation, both of which can be enjoyed by the thousands of walkers and other people who pass through the site.

The Garden–orchard also opened on 15 August, but research and planting (also part of the Reimagining Wordsworth project) continued throughout the year. Species that the Wordsworths wouldn't have known have been removed and new plants introduced, including a vegetable garden.

c) Formal education

Inevitably, formal education work in the year was significantly reduced, as primary and secondary schools went into prolonged lockdown and our own education team was furloughed. However, the relatively low statistic of 643 schoolchildren reached in the year belies some stimulating activities, including virtual tours of Dove Cottage and the Garden–orchard, visits to the new Learning Space,

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

and two workshops for Shap Primary School led by the poet John Hegley in a crossover activity that also involved the Shap Writers, regular clients of our outreach team. As well as planning activities for schools in the new Museum and the outdoor spaces that have been created as part of the Reimagining Wordsworth project, our education team worked with Lancaster University on educational materials for schools and libraries focused on Wordsworth's 'spots of time'.

Higher education workshops and courses were run entirely by video conference in the year. Participating students always describe the magical, life-changing experience of being here, studying the manuscripts while immersed in Dove Cottage and its surroundings, so we do not pretend that the digital experience was comparable; however the number of students who benefited (446) compared favourably with the previous year (536).

d) Families and young people

Despite the disruptions of the year, attendances at activities for families actually increased (from 118 to 210), as we took advantage of the new Learning Space to put on craft workshops during the autumn half term and in the run-up to Christmas, and devised discovery trails in the new Woodland and Sensory Garden. Embedding activities for families across the whole of the Wordsworth Grasmere experience is a priority for 2021/22.

There were no offsite activities as our usual community venues were largely closed. Instead, we created activity sheets for distribution to families via the Cumbria Library Service and our own social media channels; however, take-up is not easy to measure and so we haven't included these within our figures. Viewings of online videos include 979 viewings of 11 films created by our learning team for families with young children to watch at home.

e) Informal learning

Our informal learning activities were carried our almost entirely by digital means, but the number of people benefiting from them (2,253) remained in line with the previous year. This vindicated our early decision to maintain contact with the more vulnerable groups that we work with at this precarious time, which this year included people diagnosed with long Covid and their carers.

Established activities continued, including the 'What are Words Worth?' reading groups (in Cockermouth, Kendal and villages on the Solway coast), the 'Poetry and Paint' workshops (in the Eden valley), and meetings of the Dove Cottage Young Poets (for 14–23 year-olds in South Lakeland). We also started the Untrodden Ways Poetry Club for 11–14 year-olds (like the Dove Cottage Young Poets, this is facilitated by Cumbrian poet Kim Moore), and worked with army veterans, some living with PTSD, on a project based on Wordsworth's 'The Discharged Solider'. We hosted a virtual visit by refugees from Afghanistan, Congo, Egypt, Eritrea, Ghana, Iran, Kurdistan and Sudan, building on a partnership with the Children's Society and Grasmere's Glenthorne Quaker Centre started in 2019/20. Other partners and beneficiary groups included the Barrow Blind Society, the West Cumbria Carers, Hames Hall Residential Home in Cockermouth, and the Northern Fells Group, which combats rural isolation and helps people to live independently in villages in north Cumbria.

f) Events

Our events programme was cancelled completely for the first five months of the year and with offsite venues inevitably closed, the relatively modest 36% drop in attendances for the year as a whole is really a tribute to the success of the digital events programme that we launched in September. 'Go to the Poets, they will Speak to Thee' featured live readings by a diverse range of poets curated and

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

hosted by Kim Moore, and included a Wordsworth-themed open microphone session and lively debate; and 'Disparate Romantics' brought specialist speakers including Jonathan Bate, Stephen Gill and Saeko Yoshikawa into conversation with Simon Bainbridge of Lancaster University and our Curator & Head of Learning, Jeff Cowton. Each event was subtitled and subsequently made available on our YouTube channel, contributing to the 72% increase in viewings of online videos in the year. Our established programme of 'Discover Poetry' events led by Polly Atkin resumed over the autumn and winter, and Simon Armitage's reading from Dove Cottage on National Poetry Day helped introduce a new audience to our programme.

g) Other performance measures

The preparation of objects for display in the new Museum provided an opportunity to carry out minor treatment and repairs on some of the jewels in our collection, including remounting the portraits of Wordsworth by Henry Edridge and Benjamin Robert Haydon, and James Bourne's *c.*1800 drawing of Dove Cottage.

The collection benefited from several generous gifts during the year, including early editions and critical works relating to Harriet Martineau (the bequest of Barbara Todd and the gift of Maureen Colquhoun), a collection of printed books including an 1835 edition of *Yarrow Revisited*, plus photographs, postcards and other items of local historical interest (the gift of Delia Twamley), a first edition of Paul Woodroffe's illustrated *Ancient Mariner* (the gift of Joan Lagoe), and a series of 1850s pencil drawings of historic buildings including Rydal Mount, the poet's home from 1813 (the gift of Jennifer Blamire McConnell).

Our Curator, Jeff Cowton, gave two free online talks about Reimagining Wordsworth, for the University of Cumbria's 'Changing Perceptions of a Cultural Landscape' and Newcastle University's 'Insights' events programmes respectively.

Trustees' annual report *(continued)*

FUTURE PLANS

Our immediate priority for 2021/22 was to open Wordsworth Grasmere, which we successfully achieved in May 2021 when we opened Dove Cottage, the Museum and the Café in line with the Government's roadmap for safely opening indoor venues in England. Prior to May we were able to welcome visitors to the Garden-orchard, the Sensory Garden and the Woodland.

After opening, we will continue to devise new ways of making visiting Wordsworth Grasmere as joyous and inspiring an experience as we can. Our plans include recruiting volunteers to help visitors feel welcome, creating fun and exciting activities in the Museum and in our new outdoor spaces with a special focus on families, promoting new self-guided Wordsworth trails, marking 200 years since the publication of Thomas De Quincey's *Confessions of an English Opium-eater* in September, and opening two new exhibitions: *Still Glides the Stream* (about the River Duddon and the sonnets that it inspired Wordsworth to write); and a celebration of Dorothy Wordsworth to mark the 250th anniversary of her birth in December. Interactive activities themed around the Moss Hut will help people, wherever they are, create their own Wordsworthian space for conversation, creativity and wellbeing.

The Reimagining Wordsworth project has been over ten years in the making. Even in real terms, it is the biggest financial project in our 130-year history. As we start to consolidate the £6.5 million investment that we have made, we will also implement our new business plan, and position ourselves to be as responsive as possible to the changed, and changing, market context in which Reimagining Wordsworth has been completed.

FINANCIAL REVIEW

1. Summary

The net income for the year, including investment gains and losses, was £2,101,000 *(2019-20: £2,234,000 net income).*

During the financial year 2020-21 we have had the combined impact of being in the delivery phase of the Reimagining Wordsworth project and the Covid pandemic. The museum was closed for the whole year and although Dove Cottage and the café both had periods of opening between lockdowns this has had a huge impact on visitor numbers and income. The continued closure of the site until May 2021 and, on opening, the reduction in capacity and the loss of the overseas groups market will have an on-going impact on the financial results for 2021-22. This reduction in income and visitor numbers is in stark contrast to the expectations for 2020-21, based on the opening of the new museum and the impact of the celebrations surrounding Wordsworth's 250th anniversary. The Covid crisis has come at a particularly tough time for us as our reserves have been used to support us through the delivery phase of the project. However we have been supported generously throughout 2020-21 which has resulted in a more positive outcome for the year than we could have anticipated.

The impact of the Reimagining Wordsworth project can be seen in a number of areas in the financial statements. The delivery phase started in May 2018 following the approval of the bid to the National Lottery Heritage Fund and continued to spring 2021. The project was subject to some delays before the onset of Covid but the pandemic has exacerbated those delays as the contractors had to stop work completely for a period of six weeks, and on restarting had to work within social distancing rules. However the work is now complete and the site is fully open to visitors, albeit with reduced capacity due to Covid safety measures. The National Lottery Heritage Fund has supported the project with a 73% grant of £4.4m. This is an increase of £384,000 which was agreed by the National Lottery Heritage Fund during the year to support the project overspend. The remaining funding comes from the government, foundations and individual supporters.

Trustees' annual report *(continued)*

Financial review *(continued*

During the year the expenditure on the delivery phase was £1,577,000 *(2019-20: £3,264,000)* of which £1,529,000 *(2019-20: £2,998,000)* was capitalised as assets under construction. The balance was treated as expenditure. Grant income received from the National Lottery Heritage Fund amounted to £1,192,000 *(2019-20: £2,548,000)*. Other grant income that had been pledged in previous years but has been received in 2020-21 is itemised in note 3 to the accounts.

Salary costs for the year amount to £775,000 *(2019-20: £894,000)*. There was no pay award in April 2020 except for the implementation of the increase to the national living wage. A number of staff during the year were put on furlough and part time furlough depending on their role. For staff on furlough who were not funded directly through another grant scheme we claimed support through the Coronavirus Job Retention Scheme.

Income from admissions in the year has been £32,000 *(2019-20: £42,000)* reflecting the impact of the lockdowns on trading. When the site re-opened in August 2020 we were working on a limited capacity and with a smaller market. There have been no overseas groups and only very limited numbers of UK group tours since the start of the pandemic and this continues in to 2021-22. Research indicates that there is also a nervousness about visiting indoor attractions. Whilst trading conditions are improving in 2021-22 the restrictions on capacity and changes in the visitor market mean that it will be a challenging year.

We have been supported very generously by the government receiving money from the Arts Council Emergency Fund, the Culture Recovery Fund, Cumbria County Council and South Lakeland District Council in 2020-21. We have also received Culture Recovery Fund support in 2021-22. Other foundations and supporters have kindly given us income during the year; these are itemised in note 3 to the accounts.

The National Portfolio Organisation grant we receive from Arts Council England as part of the Cumbria Museum Consortium was renewed with effect from 1 April 2018 for four years; it is now running to 31 March 2023 following the grant on an extension year as part of the Arts Council's Covid recovery measures.

Expenditure against other restricted funds includes depreciation of £51,000 on the Jerwood Centre and £4,000 on other assets which were funded by grants in prior years.

Trading conditions for the trading subsidiary Dove Cottage Promotions Ltd (DCP) have again been severely impacted by the enforced closure due to the pandemic leading to reduced visitor numbers throughout the year. The café, which had been developed as part of Reimagining Wordsworth but was flooded in February 2020 by Storm Ciara, was close to re-opening when the pandemic struck. It has had some short periods of trading through the year but these have been subject to restrictions imposed by the pandemic, so has never been able to work at full capacity. Similarly on the retail side the new shop in the museum was only able to open in May 2021 at the end of the third lockdown. There have been some retail sales during the year through the café and the temporary ticket office when we were open from August to December 2020 but these have been very limited. As a consequence the loss for the year is £41,000 *(2019-20: £52,000)*. £9,000 was received in the year as a result of a business interruption claim for loss of trading due to the impact of the flood. In May 2021 the new shop opened in the museum and from late July 2021 the café and its retail space should be working back to near capacity after a period of operating on a takeaway-only basis.

Trustees' annual report *(continued)*

Financial review *(continued)*

2. Investments

We own several properties in Town End, Grasmere in the vicinity of Dove Cottage as investment assets with the rental income being an important source of revenue. The capital appreciation on the properties helps sustain our long term financial security. The properties are let to a mix of our staff and third parties and rents are assessed against market rates. One property is a guest house and is let on a commercial lease. Rental income for the year was £73,000 *(2019-20: £96,000)*. This reduced in the year as there were fewer members of staff living onsite as a result of the pandemic, with us having no seasonal staff in the year and fewer trainees.

We have four discrete investment funds which are managed by Cazenove Capital Management (the wealth management arm of Schroder plc): the Development Fund, the RS Woof Memorial Fund, which permanently endows the post of the Robert Woof Director, the Catalyst Endowment Fund and the Reserve Fund, which is held in the balance sheet under cash at bank. There are no ethical restrictions on any of the funds under management but we agreed the following statement on environmental, social and governance issues in investing.

"The Wordsworth Trust recognises the importance of responsible investing and also that environmental, social and governance (ESG) issues can have substantial investment implications. The Trust requires its Investment Managers to have adopted a Responsible Investment policy, such as the United Nations Principles for Responsible Investment (UNPRI) and the UK Stewardship Code. The Trust also expects that, wherever possible, managers of third party funds consider ESG issues to be an integral part of the investment process and that its own investment managers encourage managers of third party funds in this endeavour."

The Development Fund comprises both a permanent endowment and a designated element. Due to the restrictions placed upon the entire Development Fund by the donor of the endowment element, both components of the fund must be treated as permanent endowment. The fund overall is invested on a total return basis and the managers have investment discretion to meet a target total return of CPI + 2%. In June 2020 as part of our reaction to the Covid crisis we received permission in principle from the donor of the endowment to have some of the restrictions lifted, which allows us to use some of the Development Fund to support us through this crisis and to cover any potential overspend on the Reimagining Wordsworth project.

Trustees plan to allocate at least £50,000 per year on a regular basis from the entire fund to income in order to aid planning within the organisation. In 2020-21 they decided to allocate £16,250 per quarter. In making this allocation Trustees have sought the opinion of the investment manager and considered the impact on both current and future beneficiaries. At 31 March 2021 the unapplied total return amounted to £425,000 *(31 March 2020: £162,000)* in the Endowment Development Fund and £261,000 *(31 March 2020: £108,000)* in the designated element of the Fund. Over the year the FTSE-100 Total Return Index has risen 21.9% over the year to 31 March 2021. The Development Fund generated a total return of 21.4% against a target of 2.7% (CPI + 2% for the year to 31 March 2020) and a benchmark of 14.8%.

Part of the Development Fund is invested in a responsible multi-asset fund and £100,000 was invested. This generated a return in the year of 26%.

Trustees' annual report *(continued)*

Financial review *(continued)*

The Catalyst Endowment Fund is invested with a prudent approach to risk, to maximise income consistent with maintaining the real value of the capital. There has been a slight shift in this approach in 2020-21 towards increasing the capital value. It has a higher requirement for income than the Development Fund being set at 3.5%. The fund saw an increase in value of £118,400 over the year and generated a return of 20.4%. Arts Council England has agreed in principle to allow us to access the funding they provided for the Catalyst Endowment Fund to support us through the Covid crisis with the condition that we plan to reinvest the money in the future.

The purpose of the RS Woof Memorial Fund is to endow the position of the Robert Woof Director. To this end the objective of the fund is to maximise income while maintaining the capital value. It has a more defensive mandate, but over the year saw an increase of £10,800 in capital value while generating a return of 8.1%.

All our fixed asset investments are managed for the longer term and Trustees remain confident that the long-term outlook remains favourable. The capital values of investments have increased over the year recovering well from the sharp falls in stock markets in late March 2020. Whilst this is encouraging the Trustees recognise that the short term outlook is still uncertain.

The Reserve Fund investment is held as cash and is effectively money held on deposit, representing cash reserves and money received in advance to support the Reimagining Wordsworth project. During 2020-21 no cash was needed from this fund to support our cash requirements although in June 2021 £150,000 has been drawn down. As this fund is held in cash the return over the year was 0.1%.

The results of our trading subsidiary, Dove Cottage Promotions Limited, which runs a book and gift shop and a cafe, are summarised in note 5 to the accounts. With the site being closed for large parts of the year due to the pandemic leading to much reduced visitor numbers there was a trading loss of £41,000 in the year *(2019-20: Loss £52,000)*. Margins however were comparable to previous years. The company has not made a gift aid payment to the Trust for this year *(2019-20: Nil)*.

3. Reserves

We maintain reserves to enable us to fulfil our charitable remit by providing for business continuity, security for our collection, and the maintenance of our properties in circumstances where our revenue requirements may not be covered by short-term income. The reserves are managed to offer the best return for the charity while remaining relatively liquid to meet our needs.

The Trustees periodically review their reserves policy as part of the risk management process, and they have identified several main reasons for holding reserves:

- To allow the financing of a controlled reduction in expenditure should extraordinary events beyond the our control generate a long-term reduction in income streams.
- To provide short-term support in circumstances where a temporary interruption to income means it is not appropriate to lose the skills and knowledge of the staff team or to curtail our programme of events.
- To accommodate the fact that many of our major events such as exhibitions and conferences are planned, and therefore expenditure is committed, months, if not years, in advance while income from these events in terms of admissions is not received until after the event opening. This misalignment of income and expenditure is a main consideration in determining an adequate level of reserves.
- To provide support during the redevelopment of any part of the site which could lead to a loss in income.

Trustees' annual report *(continued)*

Financial review *(continued)*

The level of reserves therefore varies depending on the specific circumstances and cannot be expressed as an exact figure. However, after taking all of these factors into consideration the Trustees believe a free reserve (funds not tied to fixed assets, designated or restricted funds) of relatively liquid assets equivalent to the external income required to fund between three and six months' budgeted expenditure is appropriate.

At the end of the year our total funds are £19,692,000. Of this £2,755,000 are endowment funds and £7,031,000 are restricted funds which are not available for the general purposes of the charity. The Designated Development Fund of £972,000 must be treated as permanent endowment under the terms of the Endowment Development Fund as described in note 17 to the accounts. Of the other three designated funds the Collection Assets Fund (£3,713,000) represents our heritage assets and cannot be realised with the sale of the collection. The designated Warren Collection Fund of £59,000 is held as cash or near cash and is available to spend at any time on the acquisition of heritage assets. Investment properties held in the unrestricted funds totalled a further £4,620,000. To purchase investment properties and fixed assets and to provide working capital Trustees had taken out a long-term interest only loan of £1,000,000. This loan was refinanced in January 2020 to a repayment loan with a term of five years and a repayment profile of 15 years.

The Trustees have reviewed the method of calculation of free reserves in line with guidance produced by the Charity Commission (including reflecting an allocation of the tangible fixed assets and investment properties we hold). They consider period end free reserves are £177,000 *(2019-20: £-98,000)*. The Trustees believe between three and six months' budgeted expenditure is an acceptable measure for the level of free reserves. Based on the year 2020-21 three months expenditure would be around £285,000.

The Trustees anticipated that during the Reimagining Wordsworth delivery phase reserves would fall to zero or into a negative position which they did at the end of 2019-20. In 2020-21 the free reserves have increased due to the amount of unrestricted funding we have received to help us deal with the pressures of the pandemic. As well as support from South Lakeland District Council, Cumbria County Council, the Wolfson Foundation and others we have received extensive funding from the Arts Council Emergency Fund and the Culture Recovery Fund. Alongside this we worked hard to mitigate the impact of the lockdown through use of the Coronavirus Job Retention Scheme, minimising general expenditure, not filling staff vacancies and some staff voluntarily reducing their contracts to 80%. As 2021-22 will be another financially challenging year these increased reserves will help us greatly. It is hoped however that as restrictions are lifted over the coming months the income from admissions and the secondary spend in both the café and the shop will grow and we will start to build our reserves further.

4. Fundraising

The activities reported here are only achieved with the generous financial support of many institutions and individuals, and fundraising is an ongoing activity. We currently employ 1.5 FTE fundraising staff members, and our fundraising costs also reflect the Director's involvement in the effort.

Fundraising activity is overseen by the Development Manager, who reports quarterly to Trustees.

Trustees' annual report *(continued)*

Financial review *(continued)*

We are registered with the Fundraising Regulator, and we gave due consideration to its codes of practice when they were updated in October 2019, including the general principles of fairness, respect and being sensitive to people who may be in vulnerable circumstances. We adopted a new Donations Policy in July 2020, to ensure transparency of decision-making in relation to our supporters. The Donations Policy is published on our website, along with our Feedback Policy and Privacy Notice, both of which explain how we would respond to any complaints about our fundraising. We did not receive any such complaints, nor did we use any fundraising consultants or agencies, during the year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

1. Board of Trustees

The Board of Trustees is responsible for our overall management and strategic direction, and comprises between 5 and 15 members. Board members come from a range of backgrounds including Wordsworth and Romantic scholars, museum professionals, educationalists and business people. In January 2019 the Board reviewed and adopted updated the Articles of Association.

When filling vacancies, the Board reviews its existing skills to ensure it can draw on a range of relevant experience in fulfilling its obligations. It also seeks to ensure that the Board reflects the diversity of our beneficiaries. Trustees are appointed by the Board, and candidates are subject to a vetting process to verify their suitability as a charity trustee. We advertise to recruit new Trustees with appropriate qualifications, backgrounds and experience. Candidates are shortlisted and interviewed by the Nominations Committee, which makes recommendations to the Board as a whole.

On appointment, Trustees complete a register of interests and undertake an induction programme that includes familiarisation with our purposes and operation, our strategies and objectives. They receive copies of our main documents including financial statements and business plan and meet senior employees and other staff. There is ad hoc training for Trustees after appointment. There are job descriptions for the position of trustee and the posts of Chair and Honorary Treasurer.

Each Trustee retires from office at the third Annual Retirement Meeting following the commencement of their term of office. Retiring Trustees may be reappointed but those appointed before 1st April 2019 can serve for no more than twelve continuous years and those appointed on or after 1st April 2019 can serve for no more than nine continuous years.

The Trustees have no interest in the Trust's surplus or assets, receive no remuneration and must comply with the Trust's Conflict of Interest Policy.

To assist in the performance of its role, the Board has established several standing committees. Individual Trustees serve on a number of committees which consider specific matters in greater detail and make recommendations on those matters to the Board as a whole.

- Collection and Learning Committee – oversees the development, management and care of the permanent collection, and the public benefit the collection generates through the programme of exhibitions, learning and outreach.
- Estate Committee – monitors the development and maintenance of Dove Cottage, its garden and all the other properties owned or occupied by the Trust in Town End, Grasmere.
- Finance Committee – makes recommendations to the Board on financial policies, goals and budgets and reviews financial performance against those targets.

Trustees' annual report *(continued)*

Structure, governance and management *(continued)*

- Communications and Fundraising Committee – monitors the effectiveness of and makes recommendations to the Board on the development and direction of fundraising activities and the marketing and communications strategy.
- Investment Committee – has responsibility for monitoring the performance of the investment managers, for making recommendations regarding their appointment and on investment policy. The Investment Committee includes co-opted members with particular investment expertise.
- Nominations Committee – considers the skills and diversity of the Board, develops succession plans for Trustees and key office holders and seeks to identify suitable candidates for the roles of trustee, Chair, Vice Chair Treasurer and Director of the charity for consideration by the full Board.
- Project Committee - oversees the process for the completion of the Reimagining Wordsworth project.
- Remuneration Committee – makes recommendations regarding the salaries of the Robert Woof Director and the Senior Management Team and reviews issues relating to pay and conditions across the organisation.

Two Trustees along with the Robert Woof Director form the board of the trading subsidiary, Dove Cottage Promotions Ltd.

The Board approves the annual plans and budgets against which our performance is assessed. Day-to-day management of the Trust is delegated to the Robert Woof Director and the senior management team (SMT). The Board met four times during 2020-21, to receive and review minutes from the standing committees and reports from the SMT. They also met on an ad hoc basis to review the impact of the pandemic on the operation of the Trust.

2. Senior management team

The SMT provides the Board with departmental reports and quarterly management accounts for each meeting. The members of the SMT attend the Board meetings. The Director is responsible to the Board for the financial performance against annual budgets and for the charitable impact of the Trust. The SMT are the Key Management Personnel for the Trust.

Salaries for the SMT members are reviewed annually at the same time as all other staff and in both 2020-21 and 2019-20 pay awards were on the same basis. As with all positions at the Trust SMT salaries are on occasion benchmarked against salaries in comparable organisations.

During the year to 31 March 2021 the SMT comprised:

The Robert Woof Director	Michael McGregor
Curator and Head of Learning	Jeff Cowton MBE
Development Manager	Mark Bains
Finance and Operations Director	Amanda Pickup
Head of Visitor Experience	Stephanie Byast

3. Risk Management

The Trustees keep the major risks to which the charity is exposed under review and seek to mitigate against those risks which could, if they occur, have a severe impact on our ability to achieve our strategic targets. Where appropriate, insurance has been taken out. Despite this, Trustees are aware that any system of control can provide only reasonable and not absolute assurance against material loss or misstatement.

Trustees' annual report *(continued)*

Structure, governance and management *(continued)*

In the opinion of the Trustees, we have established resources and review systems, which under normal conditions should allow these risks to be mitigated to an acceptable level in day-to-day operations. During the delivery phase of the Reimagining Wordsworth project a separate project risk register is being maintained. The Trustees have identified the following as being the main risks to which the charity is exposed:

Risk category	Type of risk	Mitigation
Financial	Adequacy of cash reserves in the short term following completion of the Reimagining Wordsworth project and the impact of the Covid crisis.	The Reimagining Wordsworth project will address the Trust's long-term sustainability and will assist in building cash and reserves. The Reserve investment fund was transferred to cash to support cashflow through the project. The balance remains in cash as it may be required to support the cashflow in 21/22 depending on trading conditions for the remainder of the year.
Environmental	Significant downturn in visitor numbers.	Reimagining Wordsworth site development. Implementation of the project Activity Plan and regular updating of offer. Market research including review of competitors' offer and revised business plan. Diversification of income streams.
Funding	The loss of support from a major funding agreement on expiry.	Communication with grant giving bodies. Monitoring to ensure delivery on existing funding agreements, achieving targets and outcomes. Adequate preparation and resource to ensure detailed and imaginative bids are developed. Development of fundraising strategy.
Funding	Loss of public confidence in fund raising activity.	Registration with the Fundraising Regulator. Adherence to established codes of practice.
Governance	Failure to follow good governance practice.	Nominations Committee. Trustee induction and identification of training needs. Conflict of interest policy. Approved strategy, operating plan and annual budgets. Job descriptions.
Health and Safety	Failure to comply with Health & Safety and safeguarding obligations.	On-going review of H&S policies. Regular reviews of Safeguarding policy and training for all staff. Periodic review by Management Committee. Insurance.
Operational	Major damage or destruction of Dove Cottage.	Intruder and fire alarm systems improved as part of Reimagining Wordsworth project. Improvements to the stability of Dove Cottage including a reduction in risk from water damage, a new heating system and roof and general repairs to the fabric of the building.
Operational	Theft of, environmental or accidental damage to collection assets or damage as a result of repeated use.	Collection stored in locations with BMS to BS5454 and Government Indemnity Scheme standards built into the new museum. Monitoring of statutory regulations. Insurance.
Financial	Poor financial management and/or control or breach of financial trust.	Policies codified in the Financial Control Manual. Insurance. Pre-employment checks. Trustee reporting and audit.
Personnel	Inability to retain and recruit key staff.	Review salary and benefit packages. Staff appraisal system. Provide a comfortable working environment with a positive organisational culture.
Regulatory	Failure to comply with external regulations.	Monitor regulations and changes to them. Staff training. Collection management policies. Insurance cover.

Trustees' annual report *(continued)*

Structure, governance and management *(continued)*

5. Principal advisors

Principal solicitors:
Bates Wells
10 Queen Street Place
London
EC4R 1BE

Principal bankers:
Barclays Bank plc
Barclays House
Oxenholme Road
Kendal
LA9 7RL

Investment advisors:
Cazenove Capital
1 London Wall Place
London
EC2Y 5AU

Registered auditor:
RSM UK Audit LLP
Bluebell House
Brian Johnson Way
Preston
PR2 5PE

DISCLOSURE OF INFORMATION TO AUDITOR

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

RSM UK Audit LLP have indicated their willingness to be appointed for another term and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

By order of the board.

Ms Judith Cooke
Vice Chair of Trustees

Judith Cooke

16th October 2021

Registered company number 03442086
Registered charity number 1066184

Statement of responsibilities of the Trustees of The Wordsworth Trust in respect of the Trustees' Annual Report and the financial statements

The Trustees, who are also directors of The Wordsworth Trust for the purposes of company law, are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law they are required to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the income and expenditure of the group for that period. In preparing each of the group and charitable company financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charitable company will continue its activities

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and the group and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

Statement as to disclosure to the auditors

In so far as the Trustees are aware at the time of approving the Trustees' Annual Report:

- there is no relevant information, being information needed by the auditor in preparing their report, of which the auditor is unaware; and
- the Trustees, having made enquiries of fellow Trustees and having taken all the steps they are obliged to take as a trustee in order to make themselves aware of any relevant audit information, have established that the auditor is aware of that information.

By order of the board.

Judith Cooke

Ms Judith Cooke
Vice Chair of Trustees

16th October 2021

Independent auditor's report to the members of The Wordsworth Trust

Opinion

We have audited the financial statements of The Wordsworth Trust (the 'charitable company') for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives

Independent auditor's report to the members of The Wordsworth Trust *(continued)*

rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 17, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the

Independent auditor's report to the members of The Wordsworth Trust *(continued)*

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, reviewing minutes of meetings held in the year for any instances for non-compliance and remaining alert to new or unusual transactions which may not be in accordance with the governing document.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

Independent auditor's report to the members of The Wordsworth Trust *(continued)*

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

KAREN MUSGRAVE (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Bluebell House
Brian Johnson Way
Preston
PR2 5PE

Date 22 October 2021

Consolidated statement of financial activities (incorporating income & expenditure account)

for the year ended 31 March 2021

		Unrestricted funds		Endowment funds			Total	Total
		Unrestricted funds	Designated Development Fund	Development Fund	Other Endowment Funds	Restricted funds	2020-21	2019-20
	Notes	£000	£000	£000	£000	£000	£000	£000
Income and endowments from:								
Donations and legacies	3	934	1	-	-	1,687	2,622	3,827
Charitable activities								
Admission fees and sales	4	40	-	-	-	-	40	100
Other trading activities								
Book and gift shop sales	5	27	-	-	-	-	27	63
Investments	6	74	24	41	31	-	170	220
Other		53	-	-	-	-	53	46
Total income		1,128	25	41	31	1,687	2,912	4,256
Expenditure on:								
Raising funds								
Fundraising costs		127	-	-	7	-	134	147
Book and gift shop costs		64	-	-	-	-	64	110
Investment management costs		-	3	6	3	-	12	17
Management costs of the let estate		82	-	-	-	-	82	99
Charitable activities								
Custodianship		191	-	-	2	94	287	397
Access and learning		372	-	-	2	415	789	881
Total expenditure	7	836	3	6	14	509	1,368	1,651
		292	22	35	17	1,178	1,544	2,605
Net gains on investments		-	155	269	133	-	557	(371)
Net income		292	177	304	150	1,178	2,101	2,234
Transfers between funds	8	90	(25)	(44)	(21)	-	-	-
Net movements in funds		382	152	260	129	1,178	2,101	2,234
Reconciliation of funds								
Total funds bf at 1 April 2020		8,552	820	1,426	940	5,853	17,591	15,357
Total funds cf at 31 March 2021		8,934	972	1,686	1,069	7,031	19,692	17,591

The notes on pages 25 to 47 form a part of these financial statements.

The net income and resulting net movement in funds arise from continuing operations.

The charitable company has no recognised gains or losses other than the net movement of funds for the period.

There is no material difference between the reported results and the historical results of the charitable company.

Balance Sheet
at 31 March 2021

	Notes	Group		Charitable company	
		31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
Fixed assets					
Tangible assets	9	**8,101**	6,650	**8,101**	6,650
Heritage assets	10	**3,713**	3,708	**3,713**	3,708
Investment property	11	**4,620**	4,620	**4,620**	4,620
Investments	12	**3,727**	3,183	**3,742**	3,198
Total fixed assets		**20,161**	18,161	**20,176**	18,176
Current assets					
Stocks	13	**31**	**27**	-	-
Debtors	14	**70**	**418**	**198**	510
Cash at bank and in hand		**640**	**462**	**624**	437
Total current assets		**741**	907	**822**	947
Creditors: Amounts falling due within one year	15	**(246)**	(477)	**(242)**	(474)
Net current assets		**495**	430	**580**	473
Total assets less current liabilities		**20,656**	18,591	**20,756**	18,649
Creditors: Amounts falling due after more than one year	16	**(964)**	(1,000)	**(964)**	(1,000)
Total net assets		**19,692**	17,591	**19,792**	17,649
The funds of the charity					
Undesignated funds:					
General funds	17	**1,200**	826	**1,300**	884
Revaluation reserve	17	**3,945**	3,945	**3,945**	3,945
		5,145	4,771	**5,245**	4,829
Designated funds:					
Warren Collection Fund	17	**59**	59	**59**	59
Collection Assets Fund	17	**3,713**	3,708	**3,713**	3,708
Reimagining Wordsworth – Delivery	17	**17**	17	**17**	17
Designated Development Fund	17	**972**	820	**972**	820
Total unrestricted funds		**9,906**	9,375	**10,006**	9,433
Restricted funds:	17	**7,031**	5,853	**7,031**	5,853
Endowment funds:					
Endowment Development Fund	17	**1,686**	1,423	**1,686**	1,423
RS Woof Memorial Fund	17	**261**	250	**261**	250
Catalyst Endowment Fund	17	**808**	690	**808**	690
Total charity funds		**19,692**	17,591	**19,792**	17,649

As permitted by s408 of the Companies Act 2006, the charitable company has not presented its own statement of financial activities and related notes as it prepares group accounts.

The charitable company has made a surplus of £2,142k in the year to 31 March 2021 (£2,286k surplus in the year to 31 March 2020).

These financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Approved by the board of Trustees on 16th October 2021 and signed on its behalf by:

Ms Judith Cooke
Vice Chair of Trustees

Judith Cooke

Registered company number 03442086
Registered charity number 1066184

Consolidated statement of cash flows

For the year to 31 March 2021

	2020-21 £000	2019-20 £000
Cash flows from operating activities		
Net cash provided by operating activities	1,559	2,630
Cash flows from investing activities		
Dividends and interest allocated to income	97	124
Rents from investment properties	73	96
Purchase of fixed assets	(1,551)	(3,014)
Acquisition of heritage assets	-	(1)
Proceeds from sales of investments	-	-
Proceeds from sales of assets	-	1
Purchase of investments	-	-
Net cash used in investing activities	(1,381)	(2,794)
Cash flows from financing activities		
Repayments of borrowing	-	-
Receipts of endowment	-	-
Cash used in financing activities	-	-
Change in cash and cash equivalents in the period:	178	(164)
Cash and cash equivalents at start of year	462	626
Cash and cash equivalents at end of year	640	462
Reconciliation of net income to net cash used in operating activities		
Net income	2,101	2,234
Adjustments for:		
Depreciation	100	133
(Gains)/Losses on investments	(557)	371
Dividends and interest	(97)	(124)
Rent on investment properties	(73)	(96)
Gifts in kind	(5)	(68)
Receipts of endowment	1	-
Investment management costs	12	17
(Increase)/Decrease in stocks	(4)	4
Decrease/(Increase) in debtors	348	(156)
(Decrease)/Increase in creditors	(267)	315
Net cash provided by operating activities	1,559	2,630

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the group's financial statements.

Basis of preparation

The Wordsworth Trust (the "Trust") is a registered charity and a company limited by guarantee and incorporated and domiciled in England and Wales.

These group and parent company financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the Trust's governing document, the Companies Act 2006, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014. The presentation currency of these financial statements is sterling.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Statement of Financial Activities or cash flow statement or with related notes is included; and
- Key Management Personnel compensation has not been included a second time as they are included for the group

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The Wordsworth Trust meets the definition of a public benefit entity under FRS 102.

Measurement convention

The financial statements are prepared on the historical cost basis except for investment property that is stated at fair value.

Basis of consolidation

These consolidated financial statements consolidate the results of the Trust and its wholly owned subsidiary undertaking, Dove Cottage Promotions Limited (registered number 02091130), on a line-by-line basis.

These accounts are made up to 31 March 2021 and are based on the accounts of the subsidiary undertaking which are coterminous with those of the Trust.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

Going concern

The Trustees having reviewed future financial forecasts and considered the difficult trading conditions as a result of the coronavirus pandemic and the impact of these on the Trust but have a reasonable expectation that the Trust, supported by secured funding, has adequate resources to continue in operational existence for the foreseeable future, a period that is not less than twelve months from the date of signing the financial statements. Thus, on this basis, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes (continued)

1 Accounting policies *(continued)*

Related party transactions

Transactions with those subsidiary undertakings whose voting rights are 100% controlled within the group are not disclosed, as provided for in FRS 102, section 33. Transactions with other parties are detailed in note 21.

Fixed asset investments

Fixed asset investments are included at the quoted mid-market price ruling at the balance sheet date. Realised and unrealised gains and losses on investments are shown in the Statement of Financial Activities and represent the change in market value from the beginning of the year.

Unquoted investments are included at the share capital value.

Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the Statement of Financial Activities in the period that they arise; and

ii. no depreciation is provided in respect of investment properties applying the fair value model.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Property	-	between thirty two and fifty years
Plant	-	fifteen years
Motor vehicles	-	four years
Fixtures, fitting and equipment	-	between three and five years

Fixed assets purchased below £500 are not capitalised.

Heritage assets

Items purchased for the collection are valued at cost. Donated items have been valued at the Curator's best estimate of current value at the time of acquisition since 2010. It is the responsibility of the Trust to preserve and conserve Collection items for the benefit of the nation and due to their nature they are expected to have a long life. Depreciation is therefore not charged on collection items which are capitalised since this is deemed to be immaterial. Impairment reviews are carried out annually.

Stocks

Stocks consist of purchased goods for resale and are stated at the lower of cost and estimated selling price less costs to complete and sell.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Notes (continued)

1 Accounting policies *(continued)*

Creditors

Creditors are recognised where the Trust has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount due to settle the obligation can be reasonably measured or estimated. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Income

All income is recognised once the Trust has entitlement to the resources, it is probable that the resources will be received and the monetary value can be measured with sufficient reliability.

Donations and grants

Income from donations and grants is credited to the Statement of Financial Activities when receivable. Where such income is received in advance the income is deferred until the Trust becomes entitled to the resources. Legacies are recognised on an accruals basis to the extent that the Trust has been notified that it is a beneficiary and there is a clear indication of the amounts involved.

Government grants

Government grants are recognised in income when received or, for grants that specify performance conditions, when received or receivable when there is a reasonable assurance that the grant conditions will be met and the grants will be received. A grant received before the recognition criteria are satisfied is recognised as a liability.

Income from charitable activities

Income from admissions to Dove Cottage and Museum and for charitable activities undertaken by the Trust is recognised when receivable. Related gift aid is also accounted for on a receivable basis.

Book and gift shop sales

Trading income from the book and gift shop operated by the Trust's trading subsidiary represents the value of goods sold net of VAT and this is recognised at the point of sale.

Investment income

Investment income and gains of the Development Fund are split between the Designated and Endowment funds based on the opening value of their investments. Investment income generated on restricted funds remains restricted.

Rents and interest are included when receivable at an amount which includes any tax recoverable from HMRC.

Expenditure

Expenses are accounted for on an accruals basis.

Direct charitable expenditure includes the direct costs of the activities. Support costs are also incurred to enable the Trust to provide these activities. Where such costs relate to more than one functional cost category, they have been apportioned as a percentage of staff time employed on the relevant activity.

Pension costs

The Trust contributes to the defined contribution pension schemes of some employees. The assets of the schemes are held separately from those of the Trust in independently administered funds. The amount charged in the Statement of Financial Activities represents the contributions payable to the schemes in respect of the accounting period.

Notes *(continued)*

1 **Accounting policies** *(continued)*

Fund accounting

Funds held by the Trust are either:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objectives at the discretion of the Trustees.

Designated funds – these are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

Designated Development Fund – a designated unrestricted fund shown separately from the Endowment Development Fund, since it is expendable in the event of a 75% majority decision by the Trustees. However this fund must be treated as if it were an endowment fund, otherwise the whole of the Endowment Development Fund becomes repayable.

Restricted funds – these are funds that can only be used for restricted purposes within the objects of the Trust. Restrictions arise when specified by the donor or when funds are raised for a restricted purpose.

Endowment Development Fund – a permanent endowment fund created to provide an additional income stream for the Trust.

RS Woof Memorial Fund – a permanent endowment fund to be used to endow the post of the Robert Woof Director of the Trust.

Catalyst Endowment Fund – supported by Arts Council England, this is a restricted endowment fund established to support the general operating costs of the Trust.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Where a grant or donation is received to fund a capital item or where an asset is donated, if there is an obligation relating to the future use or retention of the relevant asset, the balance relating to that asset is held within restricted funds as long as that restriction exists. Where there is no such restriction, the restricted income relating to the purchase of capital items is transferred to unrestricted funds in the Statement of Financial Activities.

Taxation

The Wordsworth Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge has arisen in the year.

For Dove Cottage Promotions Limited tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Irrecoverable VAT

Irrecoverable VAT is accounted for in the expenditure category under which the cost is incurred.

Notes *(continued)*

1 Accounting policies *(continued)*

Critical accounting judgements and key sources of estimation uncertainty

In applying the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Trustees' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical accounting judgements
The critical accounting judgements that the Trustees have made in the process of applying the charity's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

- **Classification of investment properties**

In assessing whether properties held should be classified as investment properties or tangible fixed assets, the Trustees have considered the motivations behind the continued ownership of such assets. In respect of certain properties classified as investment properties there are multiple motivations. In determining the classification of these properties the Trustees have made an assessment that, on balance, classification as investment property most accurately reflects the position.

Key sources of estimation uncertainty
The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Valuation of heritage assets**

The methods undertaken to attribute a value to donated heritage assets is disclosed on page 26. The valuation is inherently an estimate. In performing the valuation, the Curator utilises a variety of factors to enhance the accuracy of the investment including using information provided by the donor on the purchase price of the donations, information regarding the valuations or sales price of the same or similar items and his own knowledge and awareness of the current market for such items.

- **Determining residual values and useful economic lives of property, plant and equipment**

The charity depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes. Judgement is applied by management when determining the residual values for plant, machinery and equipment. When determining the residual value management aim to assess the amount that the Trust would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

Notes *(continued)*

2 Statement of Financial Activities comparative figures

The Charities SORP requires comparative figures to be presented for every figure given in the statement of financial activities. Consolidated figures for the year ended 31 March 2020 are given below.

	Unrestricted funds		Endowment funds			Total
	Unrestricted funds	Designated Development Fund	Development Fund	Other Endowment Funds	Restricted funds	2019-20
	£000	£000	£000	£000	£000	£000
Income and endowments from:						
Donations and legacies	171	1	-	-	3,655	3,827
Charitable activities						
Admission fees and sales	100	-	-	-	-	100
Other trading activities						
Book and gift shop sales	63	-	-	-	-	63
Investments	99	29	50	42	-	220
Other	46	-	-	-	-	46
Total income	479	30	50	42	3,655	4,256
Expenditure on:						
Raising funds						
Fundraising costs	134	-	-	7	6	147
Book and gift shop costs	110	-	-	-	-	110
Investment management costs	-	4	8	5	-	17
Management costs of the let estate	99	-	-	-	-	99
Charitable activities:						
Custodianship	166	-	-	2	229	397
Access and learning	331	-	-	2	548	881
Total expenditure	840	4	8	16	783	1,651
	(361)	26	42	26	2,872	2,605
Net losses on investments	-	(92)	(159)	(120)	-	(371)
Net income/(expenditure)	(361)	(66)	(117)	(94)	2,872	2,234
Transfers between funds	112	(30)	(51)	(31)	-	-
Net movements in funds	(249)	(96)	(168)	(125)	2,872	2,234
Reconciliation of funds:						
Total funds brought forward at 1 April 2019	8,801	916	1,594	1,065	2,981	15,357
Total funds carried forward at 31 March 2020	8,552	820	1,426	940	5,853	17,591

Notes *(continued)*

3 Donations and legacies

	Unrestricted funds	Designated Development Fund	Restricted funds	2020-21	2019-20
	£000	£000	£000	£000	£000
National Lottery Heritage Fund	-	-	1,192	1,192	2,548
Arts Council England (NPO Grant)	-	-	329	329	332
Arts Council England (Culture Recovery Fund)	218	-	-	218	-
Arts Council England (Emergency Fund)	209	-	-	209	-
Wolfson Foundation	145	-	-	145	300
Coronavirus Job Retention Scheme	134	-	-	134	-
Northern Cultural Regeneration Fund	-	-	93	93	353
South Lakeland District Council	75	-	-	75	15
John R. Murray Charitable Trust	50	-	-	50	30
Michael Marks Charitable Trust	-	-	24	24	22
The late Doreen Reynolds	23	-	-	23	-
Sir John Fisher Foundation	-	-	22	22	23
Lancaster University	-	-	20	20	20
The late Sarah Wilkes	16	-	-	16	-
Wyfold Charitable Trust	10	-	-	10	-
Cumbria County Council	10	-	-	10	10
Old Possum's Practical Trust	-	-	5	5	-
Dr William Zachs	4	-	-	4	-
Patricia Grodd and Michael Stone	4	-	-	4	8
Delia Twamley	3	-	-	3	-
Clare and John Spedding	1	-	-	1	1
Michael Crump	-	-	1	1	-
Professor Bruce Graver	1	-	-	1	-
Gillian Newbery	1	-	-	1	-
Professor Heidi Snow	1	-	-	1	-
Nicole and Malcolm Thorogood	1	-	-	1	-
The late May Blenkinsopp	-	-	-	-	43
W.W. Spooner Charitable Trust	-	-	-	-	36
The Estate of the late Charles Plouviez	-	-	-	-	16
Tamsin Abbott	-	-	-	-	15
Children and the Arts	-	-	-	-	7
The late Dr W. H. Kelliher	-	-	-	-	5
Professor Sir Drummond Bone	-	-	-	-	2
The late Kisty Creighton	-	-	-	-	2
Cumbria Gardens Trust	-	-	-	-	2
Anonymous	-	-	-	-	1
Dr Cecilia and Nicholas Powell	-	-	-	-	1
Friends	8	-	-	8	12
Patrons	11	-	-	11	15
Gift Aid and others (£2,000 or below)	9	1	1	11	8
	934	1	1,687	2,622	3,827

Government grant income received in the year amounted to £739,000 (*2019-20: £378,000*) of which £596,000 (*2019-20:£Nil*) was Covid support.

Notes *(continued)*

4 Income from charitable activities

	2020-21 £000	2019-20 £000
Admission fees	32	42
Short course programme	8	58
Publications	-	1
Less sales to subsidiary	-	(1)
	40	100

5 Commercial trading activity income

The charitable company has one trading subsidiary, Dove Cottage Promotions Limited, a company incorporated in England and Wales (company registration number 02091130). The charitable company owns the entire share capital of this company being 15,000 £1 ordinary shares. Dove Cottage Promotions Limited operated a book and gift shop and a café throughout the year.

A summary of the trading result of Dove Cottage Promotions Limited is shown below. Audited financial statements for the year ended 31 March 2021 are filed with the Registrar of Companies. A Gift Aid donation of the taxable profit of £Nil (*2019-20: £Nil*) was made to The Wordsworth Trust.

	2020-21 £000	2019-20 £000
Turnover	27	63
Cost of sales	(7)	(29)
Gross profit	20	34
Administrative expenses	(61)	(86)
Operating loss	(41)	(52)
Tax	-	-
Loss on ordinary activities after taxation	(41)	(52)
Gift aid payment	-	-
Retained loss for the year after payment of gift aid	(41)	(52)

The aggregate of the assets, liabilities and funds was:

	31 March 2021 £000	31 March 2020 £000
Assets	51	57
Liabilities	(136)	(101)
Funds	(85)	(44)

6 Investment income

Group	2020-21 £000	2019-20 £000
Dividends receivable	97	124
Rents receivable	73	96
	170	220

Notes *(continued)*

7 Analysis of expenditure

Group

		Direct costs £000	Support costs £000	2020-21 £000	2019-20 £000
Fundraising costs		94	40	134	147
Book and gift shop costs	Cost of sales	7	-	7	29
	Other	57	-	57	81
Investment management costs		12	-	12	17
Management of the let estate		68	14	82	99
		238	54	292	373
Cost of charitable activities					
Custodianship					
Historic buildings		26	6	32	54
Collection		217	38	255	343
		243	44	287	397
Access and learning					
Visitor operations		398	212	610	678
Exhibitions and publications		33	14	47	58
Education		76	27	103	117
Contemporary literature		27	2	29	28
		534	255	789	881
Total cost of charitable activities		777	299	1,076	1,278
Total expenditure		1,015	353	1,368	1,651

Notes *(continued)*

7 Analysis of expenditure *(continued)*

Allocation of support costs

	Fundraising	Management of let estate	Charitable activities	2020-21	2019-20
	£000	£000	£000	£000	£000
Management	23	8	188	219	189
Finance	10	3	63	76	71
Information technology	5	2	33	40	32
Human resources	-	-	1	1	3
Governance	2	1	14	17	28
	40	14	299	353	323

Support costs are allocated in line with salary costs based on an estimate of the actual time spent, which Trustees believe is consistent with the use of the resources. The cost allocation includes an element of judgement and the Trustees have had to consider the cost benefit of detailed calculations and record keeping. Therefore the support costs shown are a best estimate of the costs that have been so allocated.

The following costs are included in the management and administrative costs of The Wordsworth Trust and Dove Cottage Promotions Limited:

	Group		Charitable company	
	2020-21	2019-20	2020-21	2019-20
	£000	£000	£000	£000
Audit fees	20	18	18	16
Depreciation on owned fixed assets	100	133	100	133

Notes *(continued)*

7 Analysis of expenditure *(continued)*

Staff numbers and costs

The average number of staff employed during the year (excluding directors who are Trustees) was 38 (*2019-20: 38*). The Trust employs a number of seasonal and part-time staff; the average number of full-time equivalent employees was 31 (*2019-20: 33*). During 2020-21 a number of staff were furloughed and some voluntarily reduced their working hours temporarily. £133,846 was received from the Coronavirus Job Retention Scheme.

The total staff costs for the group were as follows:

	2020-21 £000	2019-20 £000
Wages and salaries	**683**	790
Employers' social security costs	**58**	67
Employers' pension contributions	**34**	37
Group total	**775**	894

No members of staff received emoluments totalling more than £60,000 for the year *(2019-20:One)*.

The Trust contributes to the defined contribution pension schemes for most employees. All eligible staff are enrolled into a qualifying defined contributions pension scheme. The pension charge for the year represents contributions payable by the Trust to the pension schemes and amounted to £33,878 (*2019-20: £37,194*). At the end of the year £4,006 in contributions was outstanding (*2019-20: £2,618*).

Day-to-day management of the Trust is delegated to the Senior Management Team (SMT). The employee benefits of the SMT, including employer pension contributions for the year, were £228,341 (*2019-20: £236,145*). During 2020-21 as a result of the pandemic members of SMT voluntarily reduced their days to four per week for between 3 and 4 months. The salary costs of SMT are allocated on a time spent basis across the restricted and unrestricted funds.

No ex-gratia payments on termination of employment were made in the year. *(2019-20: One £1,416)*.

The Trustees received no remuneration during the year. Travel and subsistence expenses of £450 *(2019-20: £6,339)* were paid to or on behalf of 1 trustee (*2019-20: 12*) during the year of which £80 is included in accruals at the year end. Nothing was paid in relation to travel and subsistence for the Trust's President *(2019-20: £264)*.

Interest payable

	2020-21 £000	2019-20 £000
On bank loans and overdrafts	**17**	24

Notes *(continued)*

8 Transfers between funds

Transfers into unrestricted funds during the year comprised:

	2020-21 £000
Investment income transferred from the Designated Development Fund	25
Investment income transferred from the Endowment Development Fund	41
Investment income transferred from the Catalyst Endowment Fund	21
Investment income transferred from the Designated Development Fund – correction from earlier year	3
Total transfers	90

On 8 November 2014 Trustees passed a resolution in accordance with Regulation 3(2) of the Charities (Total Return) Regulations 2013 to invest the Endowment Development Fund on a total return basis.

The baseline value of the gift component of the fund was set as the value when the fund became permanent endowment in accordance with the agreement with the donor, the National Lottery Heritage Fund, on 1 January 2013. The balance of investment gains, investment losses, investment income and transfers to the general fund since this date represent the closing balance of unapplied total return.

At the same time in exercise of the power of investment in the Trust's Articles of Association Trustees also resolved to invest the Designated Development Fund on the same basis.

Adopting a power of total return allows the Trustees to invest permanently endowed funds to maximise total return and to apply an appropriate portion of the unapplied total return to income each year. Until a decision is made to transfer a portion of unapplied total return to income, the unapplied total return remains invested as part of the permanent endowment. The power allows the Trustees to decide in each year how much of the unapplied total return is transferred to income funds and so available for expenditure. Having considered their obligations under the duty of even-handedness, the Trustees made a transfer of a total of £65,000 *(2019-20: £65,000)* unapplied total return from both elements of the Development Fund to unrestricted income funds.

In making this decision the Trustees have taken account of the investment climate, the return on investment for the year and the income needs of the charity. The Trustees have taken advice from their Investment Sub-Committee and the Investment Managers, Cazenove Capital Management Ltd, as to the sustainability of the investment fund after making this transfer.

During the year 2020-21 as a direct result of the coronavirus pandemic the Trust sought and received in principle the permission of Arts Council England and the National Heritage Lottery Fund to use if necessary the Catalyst Endowment Fund and/or the Development Fund to support the costs of the Reimagining Wordsworth Project and the running costs of the Trust. During 2020-21 there has been no use of either of these funds for these purposes.

Notes *(continued)*

8 Transfers between funds *(continued)*

	Investment fund £000	Unapplied total return £000	Total £000
Opening value of the Endowment Development Fund			
Gift component	1,261	-	**1,261**
Unapplied total return	-	162	**162**
Total	1,261	162	**1,423**
Movements during the year			
Investment return: dividends and interest	-	41	**41**
Investment return: realised and unrealised gains/(losses)	-	269	**269**
Transfer	-	2	**2**
Investment management charges	-	(8)	**(8)**
Total	-	304	**304**
Unapplied total return allocated to income	-	(41)	**(41)**
Net movement during the year	-	263	**263**
Closing value at 31 March 2021			
Gift component	1,261	-	**1,261**
Unapplied total return	-	425	**425**
Total	1,261	425	**1,686**

	Investment fund £000	Unapplied total return £000	Total £000
Opening value of the Designated Development Fund			
Gift component	712	-	**712**
Unapplied total return	-	108	**108**
Total	712	108	**820**
Movements during the year			
Investment return: dividends and interest	-	24	**24**
Investment return: realised and unrealised gains	-	155	**155**
Transfer	-	1	**1**
Investment management charges	-	(4)	**(4)**
Donations received	1	-	**1**
Total	1	176	**177**
Unapplied total return allocated to income	-	(25)	**(25)**
Net movement during the year	1	151	**152**
Closing value at 31 March 2021			
Gift component	713	-	**713**
Unapplied total return	-	259	**259**
Total	713	259	**972**

Notes *(continued)*

9 Tangible fixed assets

Group	Jerwood Centre	Other freehold property	Assets under construction	Fixtures, fittings, equipment and motor vehicles	Total
	£000	£000	£000	£000	£000
Cost					
At 1 April 2020	3,442	1,610	3,592	346	8,990
Additions	-	-	1,529	22	1,551
Disposals	-	-	-	-	-
At 31 March 2021	3,442	1,610	5,121	368	10,541
Depreciation					
At 1 April 2020	1,714	324	-	302	2,340
Charge for the year	50	31	-	19	100
Disposals	-	-	-	-	-
At 31 March 2021	1,764	355	-	321	2,440
Net book value					
At 31 March 2021	**1,678**	**1,255**	**5,121**	**47**	**8,101**
At 31 March 2020	1,728	1,286	3,592	44	6,650

The total of non-depreciable assets included in other freehold property at the year-end was £279,204 *(2019-20: £279,204)*.

Assets under construction comprises the capitalised elements of the expenditure incurred as part of the Reimagining Wordsworth project.

Under the terms of the National Lottery Heritage Fund grant to support the Reimagining Wordsworth project the National Lottery Heritage Fund has taken a charge over the four properties owned by the Trust which are the main focus of the project. The net book value of the properties covered by the charge is £832,783 *(2019-20: £853,638)*.

Notes *(continued)*

9 Tangible fixed assets *(continued)*

Charitable Company	Jerwood Centre	Other Freehold property	Assets under construction	Fixtures, fittings, equipment and motor vehicles	Total
	£000	£000	£000	£000	£000
Cost					
At 1 April 2020	3,442	1,610	3,592	319	8,963
Additions	-	-	1,529	22	1,551
Disposals	-	-	-	-	-
At 31 March 2021	3,442	1,610	5,121	341	10,514
Depreciation					
At 1 April 2020	1,714	324	-	275	2,313
Charge for year	50	31	-	19	100
Disposals	-	-	-	-	-
At 31 March 2021	1,764	355	-	294	2,413
Net book value					
At 31 March 2021	**1,678**	**1,255**	**5,121**	**47**	**8,101**
At 31 March 2020	1,728	1,286	3,592	44	6,650

10 Heritage assets

Dove Cottage, the home of William Wordsworth from 1799 to 1808, was acquired by the Trust in 1890 and is maintained as a visitor attraction 'for the eternal possession of those who love English poetry all over the world'.

The Trust acquires objects within the subject area: William Wordsworth and the Age of British Romanticism. To understand and interpret the context and significance of this subject, it is occasionally necessary to collect items before and after the accepted chronological framework for the Romantic period, 1750-1850. Priority areas for collecting are manuscripts, printed works, fine art and artefacts that advance the public knowledge and enjoyment of the works of William Wordsworth and the literature and culture of this period.

- The collection of manuscripts (30,000+) includes material of very great significance, drawing researchers and academics world-wide, and includes verse and prose manuscripts of William and Dorothy Wordsworth, Samuel Taylor Coleridge, Thomas De Quincey, and many others. The collection is considered the greatest collection by an author now housed in the place where the greatest works were written.

- The collection of books and pamphlets (numbering approx. 14,500 titles) include the following themes:

    - A portion of Wordsworth's own library of books which he owned at Dove Cottage and Rydal Mount, and a good number of titles that belonged to Coleridge or Southey. Some of these volumes have been annotated by Wordsworth or Coleridge.
    - A near complete copy of first and lifetime editions of printed books by Wordsworth and leading Romantic writers, including Coleridge, Southey, Keats and Shelley. In addition, early editions by their well and lesser known contemporaries covering the span of Romantic literature.
    - Guides, illustrated works and travel literature based on the Lake District from around 1750 to the present day.

Notes *(continued)*

10 Heritage assets *(continued)*

- Magazines and periodicals from the period 1750-1850.
- Critical and reference works and published letters of all the major figures of the period, as well as general works on Romantic literature and art.

- The collection of fine art (13,000+ items) encompasses portraits of the major figures and family members, as well as the development of the interpretation of landscape from the 18th century to the present day and includes:

  - Paintings and drawings of William and Dorothy Wordsworth and families, Coleridge, De Quincey and others of the period.
  - Paintings, drawings and prints of Lake District themes, including interpretation of landscape and aspects of cultural and working life.
  - Prints of the earliest views of the Lake District from the 1750s onwards.
  - A significant collection of c19th century photographs along the themes of portraits and landscape.

- A collection of artefacts (c.600 items) that relate to Wordsworth and his family and aspects of Lake District life and history incorporating items that reflect life in a typical Grasmere cottage of the period (c.1800), and includes furniture and utensils (including spinning wheels) relating to the social history of the period.

Items purchased for the collection are valued at cost. Donated items have been valued at the Curator's best estimate of current value at the time of acquisition since 2010. It is the responsibility of the Trust to preserve and conserve collection items for the benefit of the nation and due to their nature they are expected to have a long life. Depreciation is therefore not charged on collection items which are capitalised since this is deemed to be immaterial. Impairment reviews are carried out annually.

Preservation and Management

Expenditure which in the Trustees view is required to preserve or prevent further deterioration of individual items is recognised in the Statement of Financial Activities when incurred.

The Trust complies with PAS 197:2009, the BSI and Collections Trust's *Code of practice for cultural collections management*, works to SPECTRUM: the UK Museum Collections Management Standard and maintains a full catalogue of collection items including a description, the condition of the item, where it is kept and acquisition information.

The Trust has digitised much of its manuscript and fine art collections. These collections are variously available online either on the Trust's own website or by subscription to educational establishments on the AM Digital website. All newly acquired works of art are digitised as part of the cataloguing process.

The Trust actively encourages public engagement with the collection. Within the Jerwood Centre adjacent to the museum the Trust runs a research room where bona fide researchers may view original material. There is a programme of events throughout the year, aimed at audiences of all ages and a variety of backgrounds; monthly talks on site, workshops, specialist day courses and conferences. University academics and groups of students spend several days learning about the meaning of manuscripts and then create interpretative projects for wider audiences; several thousand school children visit the site each year and learn from resources developed from the collection. Outreach activities take facsimiles of our collections into the communities of Cumbria.

Notes *(continued)*

10 Heritage assets *(continued)*

Disposal

The Trust has a long term purpose, and holds and builds the permanent collection in relation to its stated objectives. The Trust accepts the principle that, except for sound curatorial reasons, there is a strong presumption against the disposal of any items in the museum's collection.

Items may be removed from the collection for the following reasons:

i. duplication within the collection;
ii. falling outside the collecting area of the Trust;
iii. being wrongly accessioned;
iv. a better copy being received;
v. poor condition.

Proposals to remove an item or items from the collection are the responsibility of the Curator, and will be presented for approval to the Collections Committee, followed by the full Board of Trustees.

Decisions to dispose of objects will not be made with the principal aim of generating funds. Any monies received by the Trust from the disposal of items will be applied for the benefit of the collection. This will normally mean the purchase of further acquisitions but in exceptional cases improvements relating to the care of collection may be justifiable. Where an object has been donated or purchased with external funding, any conditions relating to its disposal will always be adhered to.

Once a decision to dispose of an item has been taken, priority will be given to retaining the item in the public domain, unless it is to be destroyed. It will therefore be offered in the first instance, by exchange, gift or sale directly to other accredited museums likely to be interested in its acquisition.

	2020-21	2019-20
	£000	£000
Opening value of Heritage Assets		
Purchases	**2,790**	2,789
Donations at valuation	**655**	587
Transfer from Investment Property	**263**	263
Total	**3,708**	3,639
Acquisitions during the period		
Purchases	**-**	1
Donations at valuation	**5**	68
Transfer from Investment Property	**-**	-
Total	**5**	69
Closing value of Heritage Assets		
Purchases	**2,790**	2,790
Donations at valuation	**660**	655
Transfer from Investment Property	**263**	263
Total	**3,713**	3,708

Donated items are valued on acquisition based on evidence from a recognised source if received with the donation or at the Curator's best estimate of current value at the time of acquisition.

		Year to 31 March		15 months to 31 March	Year to 31 December
Five year financial summary of heritage asset transactions	**2021 £000**	2020 £000	2019 £000	2018 £000	2016 £000
Purchases	-	1	-	-	-
Donations	**5**	68	81	111	46
Transfer from Investment Properties	-	-	263	-	-
Total acquisitions	**5**	69	344	111	46

There have been no disposals in the last five years.

Notes *(continued)*

11 Investment property - UK

Group and charitable company	**31 March 2021 £000**	31 March 2020 £000
Brought forward	**4,620**	4,620
Increase on revaluation	-	-
Carried forward	**4,620**	4,620

Investment properties with an original cost of £957,000 were valued as at the 31st March 2019 by Mr D J K Capps MRICS at £4,620,000 based on estimated open market values.

12 Fixed asset investments

	Group 31 March 2021 £000	Group 31 March 2020 £000	**Charitable company 31 March 2021 £000**	Charitable company 31 March 2020 £000
Ordinary £1 shares in Dove Cottage Promotions Limited	-	-	**15**	15
Development Fund investments	**2,658**	2,243	**2,658**	2,243
RS Woof Memorial Fund investments	**261**	250	**261**	250
Catalyst Endowment Fund investments	**808**	690	**808**	690
	3,727	3,183	**3,742**	3,198

Group and charitable company	Development Fund £000	RS Woof Memorial Fund £000	Catalyst Endowment £000	**Totals £000**
Opening market value	2,182	250	657	**3,089**
Additions	788	-	197	**985**
Disposals	(736)	-	(184)	**(920)**
Net investment (losses)	356	11	128	**495**
Closing market value	2,590	261	798	**3,649**
Cash on deposit	67	-	10	**77**
Accrued income	1	-	-	**1**
	2,658	261	808	**3,727**

All investments other than the subsidiary are listed on the London Stock Exchange. Investments in the following funds exceeded 5% of the total portfolio at 31 March 2021:
M&G Investment Management Global Dividend Fund
Schroders ISF Strategic Credit Fund
Troy Asset Management Trojan Fund
Troy Asset Management Trojan Income Fund
Vanguard S&P 500 Exchange Traded Fund

13 Stocks

Group	**31 March 2021 £000**	31 March 2020 £000
Goods held for resale	**31**	27

Notes *(continued)*

14 Debtors: amounts falling due within one year

	Group 31 March 2021 £000	Group 31 March 2020 £000	Charitable company 31 March 2021 £000	Charitable company 31 March 2020 £000
Trade debtors	10	15	10	13
Other taxes and social security	2	1	-	-
Prepayments	25	23	23	20
Accrued income	33	379	33	379
Amounts owed by subsidiary undertaking	-	-	132	98
	70	418	198	510

15 Creditors: amounts falling due within one year

	Group 31 March 2021 £000	Group 31 March 2020 £000	Charitable Company 31 March 2021 £000	Charitable company 31 March 2020 £000
Trade creditors	109	301	107	300
Other taxes and social security	14	16	14	16
Other creditors	9	6	9	6
Bank loan	36	-	36	-
Accruals and deferred income	78	154	76	152
	246	477	242	474

The other loans are repayable by instalments and are interest free.

16 Creditors: amounts falling due after more than one year

		Group 31 March 2021 £000	Group 31 March 2020 £000	Charitable company 31 March 2021 £000	Charitable company 31 March 2020 £000
Bank loan	- due between 2 and 5 years	299	284	299	284
	- due after 5 years	665	716	665	716
		964	1,000	964	1,000

The interest only bank loan from 2015 was refinanced in January 2020. The new loan is on a capital and interest repayment basis with a term of five years, a repayment profile of fifteen years and an original capital repayment holiday of 12 months which has been extended to 18 months. Interest is charged at the base rate plus 1.65%. The loan is secured on four investment properties owned by the Trust. The amount outstanding represents 67% *(2020: 67%)* of the value of the properties charged.

Notes *(continued)*

17 Reconciliation of movement in funds

Group	Funds at 1 April 2020	Income	Expenditure	Transfers /investment gains	Funds at 31 March 2021
	£000	£000	£000	£000	£000
Unrestricted funds:					
General funds	826	1,123	(836)	87	1,200
Revaluation reserve	3,945	-	-	-	3,945
Warren Collection Fund	59	-	-	-	59
Collection Assets Fund	3,708	5	-	-	3,713
Reimagining Wordsworth - development	-	-	-	-	-
Reimagining Wordsworth - delivery	17	-	-	-	17
Designated Development Fund	820	25	(3)	130	972
Restricted funds:					
Income funds	32	402	(396)	-	38
Acquisition funds	2	-	-	-	2
Reimagining Wordsworth - development	-	-	-	-	-
Reimagining Wordsworth - capital	3,602	-	(4)	1,534	5,132
Reimagining Wordsworth - delivery	459	1,285	(58)	(1,534)	152
Capital funds	1,758	-	(51)	-	1,707
Endowment funds:					
Endowment Development Fund	1,423	41	(6)	228	1,686
RS Woof Memorial Fund	250	10	(10)	11	261
Catalyst Endowment Fund	690	21	(4)	101	808
	17,591	2,912	(1,368)	557	19,692

The Revaluation Reserve has arisen on the valuation of investments and properties shown in notes 11 and 12.

The Warren Fund has been designated by the trustees for the purchase of books, manuscripts and fine arts. The fund comprises the balance of an unrestricted legacy received during 2000.

The Collection Assets Fund represents the amount of heritage assets capitalised. This fund consists of a mixture of both restricted and unrestricted amounts, an allocation of which is not possible.

In 2015 the trustees designated funds to the Reimagining Wordsworth project to develop the Town End site. In January 2016 the National Lottery Heritage Fund announced it was supporting the development phase of this project which was completed in January 2018. In March 2018 the National Lottery Heritage Fund announced that it was supporting the delivery phase of the project which started in May 2018 and completes in 2020-21. Fundraising has secured the remaining funding for the project and this income is split between designated and restricted funds. The money received from the National Lottery Heritage Fund for both the development and the delivery phase of the project has been treated as restricted income.

The Designated Development Fund has been established by the Trust to provide an income that will contribute towards the Trust's core running expenses. The intention is to maintain an income generating fund. Exceptionally, the fund is expendable in the event of a 75% majority decision by the trustees. The terms of the contract under which the Endowment Development Fund was established require that the Designated Development Fund be operated as an endowment, the result of a breach being that the amount given to establish the Endowment Development Fund will be repayable. However, these conditions do not directly apply to the Designated Development Fund, and so it continues to be disclosed as a designated fund within unrestricted funds.

The Endowment Development Fund was established by the Trust in order to build up a portfolio of investments to provide an alternative source of income. On 1st January 2013 the fund became permanent endowment. The full amount given to establish the fund is repayable in the event of a default. As a result of the financial pressures in 2020-21 due to the global pandemic and consequent lockdown the Trust received in principle permission from the body which financed the Endowment Development Fund to release its restrictions on the fund to allow the Trust to draw down some of the capital in these exceptional circumstances if required.

The RS Woof Memorial Fund is an endowment fund for the purposes of endowing the post of the Robert Woof Director of the Trust.

Notes *(continued)*

The Catalyst Endowment Fund is an endowment fund established with the aid of Arts Council England Catalyst Funding to support the general operating costs of the Trust. In 2020-21 the Arts Council England has given the Trust permission to draw down some of this funding should it need to do so to remain financially viable. The Trust must put in place a plan to replace any funding used.

18 Analysis of net assets between funds

Group	Unrestricted funds		Endowment funds		Restricted funds	Total funds
	Unrestricted funds	Designated Development Fund	Development Fund	Other endowment funds		
	£000	£000	£000	£000	£000	£000
Fund balances at 31 March 2021 represented by:						
Fixed assets	9,597	972	1,686	1,069	6,837	**20,161**
Current assets	547	-	-	-	194	**741**
Current liabilities	(246)	-	-	-	-	**(246)**
Creditors falling due after one year	(964)	-	-	-	-	**(964)**
	8,934	972	1,686	1,069	7,031	**19,692**
Fund balances at 31 March 2020 represented by:						
Fixed assets	9,620	820	1,423	940	5,358	**18,161**
Current assets	412	-	-	-	495	**907**
Current liabilities	(477)	-	-	-	-	**(477)**
Creditors falling due after one year	(1,000)	-	-	-	-	**(1,000)**
	8,555	820	1,423	940	5,853	**17,591**

In the opinion of the trustees, the group's assets are sufficient to fulfil the obligations of the group.

Charitable company	Unrestricted Funds		Endowment Funds		Restricted funds	Total funds
	Unrestricted funds	Designated Development Fund	Development Fund	Other endowment funds		
	£000	£000	£000	£000	£000	£000
Fund balances at 31 March 2021 represented by:						
Fixed assets	9,612	972	1,686	1,069	6,837	**20,176**
Current assets	628	-	-	-	194	**822**
Current liabilities	(242)	-	-	-	-	**(242)**
Creditors falling due after one year	(964)	-	-	-	-	**(964)**
	9,034	972	1,686	1,069	7,031	**19,792**
Fund balances at 31 March 2020 represented by:						
Fixed assets	9,635	820	1,423	940	5,358	**18,176**
Current assets	452	-	-	-	495	**947**
Current liabilities	(474)	-	-	-	-	**(474)**
Creditors falling due after one year	(1,000)	-	-	-	-	**(1,000)**
	8,613	820	1,423	940	5,853	**17,649**

19 Share capital

The charitable company is limited by guarantee and as such, has no share capital. In the event of the charitable company being wound up, the guarantee of each member is limited to £1.

Notes *(continued)*

20 Capital commitments

Capital commitments at the end of the financial year for which no provision has been made are as follows:

	31 March 2021	31 March 2020
	£000	£000
Authorised but not committed	-	-
Against which orders have been placed	545	1,282

The capital commitments noted represent the contractual relationships with the professional team and contractors involved in the delivery phase of the Reimagining Wordsworth project .

21 Related party transactions

In aggregate Trustees, co-opted committee members, the President and members of the SMT made donations totalling £1,887 during the year *(2020: £4,963)*. This can be split as follows:

	2020-21	2019-20
Unrestricted	1,287	2,363
Restricted	600	2,600
In kind	-	-
Total donations	1,887	4,963

22 Financial instruments

	Group 31 March 2021 £000	Group 31 March 2020 £000	Charitable company 31 March 2021 £000	Charitable company 31 March 2020 £000
Financial assets at amortised cost	43	394	175	489
Financial liabilities at amortised cost	1,196	1,460	1,192	1,458

Financial assets represent trade debtors and amounts owed by the subsidiary undertaking. Financial liabilities represent trade and other creditors, bank loans and other loans.

23 Consolidated analysis of changes in net debt

	Note	Group				Charitable company			
		1 April 2020	Cash flow	Other non cash movements	31 March 2021	1 April 2020	Cash flow	Other non cash movements	31 March 2021
		£000	£000	£000	£000	£000	£000	£000	£000
Cash at bank and in hand		462	178	-	640	437	187	-	624
Bank loan	15	-	-	(36)	(36)	-	-	(36)	(36)
Debt due within one year		-	-	(36)	(36)	-	-	(36)	(36)
Bank loans	16	(1,000)	-	36	(964)	(1,000)	-	36	(964)
Debt due after more than one year		(1,000)	-	-	(964)	(1,000)	-	-	(964)
Total net debt		**(538)**	**178**	**-**	**(360)**	**(563)**	**187**	**-**	**(376)**