HARTLEBURY CASTLE PRESERVATION TRUST

England & Wales · Charity number 1127871

Details

Status	Registered
Legal form	Charitable company
Company number	06779241
Registered	2009-02-04
Register	View on the Charity Commission register

Contact

Address	Hartlebury Castle Kidderminster DY11 7XZ
Phone	01299250797
Email	director@hartleburycastle.com
Website	www.hartleburycastle.com

Activities

Objects: 1. TO PROMOTE THE EDUCATION OF THE PUBLIC BY PRESERVING, FOR THE BENEFIT OF THE PEOPLE OF WORCESTERSHIRE AND OF THE NATION, HARTLEBURY CASTLE, ITS ARCHITECTURAL HERITAGE, GARDENS, GROUNDS, PARKLAND AND HISTORIC CONTENTS, INCLUDING THE HURD LIBRARY; AND 2. TO ADVANCE THE EDUCATION OF THE PUBLIC IN THE LOCAL HISTORY AND ARCHITECTURE OF WORCESTERSHIRE AND THE SURROUNDING AREAS. ("THE OBJECTS")

Activities: The Trust has been formed with the aim of acquiring Hartlebury Castle from its current owners, the Church Commissioners as the property is no longer required and they wish to dispose of it. We intend to acquire the property and grounds for the use and enjoyment of the community, and to allow the nationally important Hurd Library to remain intact and located within the Castle.

Downloaded from opencharities.uk/ew/1127871

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** General Charitable Purposes, Education/training, Arts/culture/heritage/science, Amateur Sport, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** HARTLEBURY CASTLE, WORCESTERSHIRE
- Worcestershire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£612,270	£398,653	£4,733,041	11
2024-03-31	£294,156	£378,911	-	-
2023-03-31	£204,757	£293,664	-	-
2022-03-31	£381,366	£403,839	-	-
2021-03-31	£382,112	£342,032	-	-

Trustees

Name	Role	Appointed
Richard Amphlett	Chair	2023-02-14
Douglas Harold Smith		2023-02-14
PETER BRUCE GRAHAM STICKLAND		2023-02-14
Paul West		2018-02-13
ROBERT GREENWOOD		2013-06-30
Richard John Earl Mr		2020-03-30
Stuart Kim Munday Mr		2020-03-30
Susan Jane Finch		2025-12-02

Downloaded from opencharities.uk/ew/1127871

HARTLEBURY CASTLE PRESERVATION TRUST

England & Wales - Charity number 1127871

Accounts

REGISTERED COMPANY NUMBER: 06779241 (England and Wales)
REGISTERED CHARITY NUMBER: 1127871

Report of the Trustees and

Financial Statements for the Year Ended 31st March 2025

for

Hartlebury Castle Preservation Trust

Ormerod Rutter Limited
The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

Contents of the Financial Statements for the Year Ended 31st March 2025

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 6
Report of the Independent Auditors	7 to 8
Statement of Financial Activities	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13 to 24

Hartlebury Castle Preservation Trust

Reference and Administrative Details
for the Year Ended 31st March 2025

TRUSTEES	Mr R J Earl Ms S J Finch Mr R D Greenwood Mr S K Munday Mr P West Mr R J Amphlett (Chair) Mr D H Smith Mr P B Stickland Ms L Mcguire-Cox (resigned 1.7.25)
REGISTERED OFFICE	Hartlebury Castle Hartlebury Kidderminster Worcestershire DY11 7XZ
REGISTERED COMPANY NUMBER	06779241 (England and Wales)
REGISTERED CHARITY NUMBER	1127871
SENIOR STATUTORY AUDITOR	Colm McGrory FCA
INDEPENDENT AUDITORS	Ormerod Rutter Limited The Oakley Kidderminster Road Droitwich Worcestershire WR9 9AY
EXECUTIVE DIRECTOR	Mr S R Bagnall
PROPERTY RENTAL AGENTS	G Herbert Banks The Estate Office Hill House Great Witley Worcestershire WR6 6JB

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2025. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charitable purpose of the Trust is to preserve for the benefit of the people of Worcestershire and the nation, Hartlebury Castle and its historic contents including the Hurd Library, alongside its grounds, parkland and gardens. Secondly to advance the education of the public in the local history and architecture of Worcestershire and the surrounding areas.

Hartlebury Castle stands as a timeless testament to over a millennium of history, bearing witness to the stories of 112 bishops and countless others who have called it home. From its origins as a Castle, to its varied roles as a manor house, prison, hospital, and sanctuary, Hartlebury Castle has endured the ages. Today, it's open to the public as a captivating historic house, nestled in the Worcestershire countryside. The jewel in its crown is the world-renowned Hurd Library. With its treasure trove of knowledge spanning diverse subjects, it serves as a unique space to inspire, question and explore. Its beautiful decoration and architectural features add to its charm, while its status as the only library created for a Church of England bishop, with its original collections still in place, makes it truly unique.

Hartlebury Castle Preservation Trust was formed in 2008, to campaign for the Castle, its collections and grounds to be made accessible for public enjoyment and education. Subsequently, in 2014 after 7 years of campaigning, the Trust was successful in securing funding from the then Heritage Lottery Fund to purchase and restore the castle and its estate, so that it could be opened to the public for the first time in May 2018.

The Trust leases part of the site to Worcestershire County Council to house the Worcestershire County Museum collection. The County Museum has been on the site since 1966 and the Trust inherited this arrangement from the Church Commissioners on the existing peppercorn lease. These arrangements expire in early 2026 and negotiations to ensure the County Museum remains part of the Hartlebury Castle visitor attraction are at an advanced stage.

The Trust's day-to-day operations are broad and varied, reflecting both its community focus and its role as a heritage venue. Activities include the management of a gift shop and the hosting of public events such as themed weekends, seasonal celebrations, open-air concerts, theatre performances, antiques fairs, and food festivals. The Trust also provides facilities for private events including weddings, dinners, and special celebrations. Alongside these activities, the Trust manages the rental of property and land, comprising three leased cottages, a farm business tenancy, and a fishing lake lease.

"Such a wonderful part of history. Glorious and educational." Visitor Feedback

Our Vision is that:

Hartlebury Castle, through careful stewardship, is cherished, celebrated and understood, providing an unmissable experience that inspires, informs and delights all who visit.

We believe in:

- Sharing the diversity of historical and natural landscapes that contribute to the uniqueness of Hartlebury Castle.

- Treasuring Hartlebury Castle and its collections and becoming recognised as a passionate and innovative leader in the guardianship and sharing of our heritage.

- Developing the gardens and grounds to provide an ecological haven for wildlife and telling the story of the Castle's estate over its 1000 year history.

- Enthusing partners and communities to nurture learning and engagement and to encourage wellbeing.

"We stopped here to break a journey but it's very firmly on our list of places we must go back to. A lot of thought has gone in to the displays with even the teenager exclaiming 'wow!' at times! Lots of interesting, well-written information boards throughout the bishops' palace and some great displays in the museum. The grounds were so peaceful, perfect for reading in the sun and the new play area is great." **Visitor Feedback**

OBJECTIVES AND ACTIVITIES

Public benefit

In setting the Trust's objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The charity brings its purpose and vision to life by welcoming visitors to Hartlebury Castle and its beautiful grounds and gardens. Through engaging heritage interpretation, events, and storytelling, it shares the rich history of Hartlebury and the Bishops of Worcester in ways that are thoughtful, entertaining, and memorable.

"Great day out for all the family. Highlights were the sheer amount of items and rooms to explore. The children got their own walking tour guides. Great idea and worked really well to keep them engaged. Lots of hands on things to do. The playground outside was also a welcome space to burn off some energy." Visitor feedback

ACHIEVEMENTS AND PERFORMANCE

Trustees Statement

This year has been marked by ongoing negotiations with Worcestershire County Council (WCC) to ensure that the Worcestershire County Museum remains an integral part of the Hartlebury Castle visitor attraction.

While the Trust is committed to supporting WCC's vision for the County Museum, its overriding priority is to establish a viable long-term business model that will safeguard the Trust's sustainability and ensure a secure future.

The Trust was delighted to receive further support from the National Lottery Heritage Fund in this period. This recovery and resilience grant recognises the challenges facing the organisation resulting from the pandemic and the following cost of living crisis. Its objective is to support the Trust in developing a sustainable business plan, and provides professional expertise for negotiations of the new lease with Worcestershire County Council.

The Trust was pleased to receive a significant grant from The Sandys Trust. £200,000 of this grant has been designated within the accounts to support the long-term preservation of Hartlebury Castle and the Hurd Library. Trustees are enormously grateful to the trustees of The Sandys Trust for this grant which recognises the long-standing relationship between Hartlebury Castle and the Sandys family.

"I've never been to a Bishop's palace before so wasn't sure what to expect. It didn't disappoint. I knew the church played a big part in the history of the country but never fully realised the extent of that influence. The staff were knowledgeable and friendly, and technology is creatively used in the building to inform and educate you." Visitor Feedback

Charitable activities

Enhancing the Visitor Experience - This year, the Trust has continued its commitment to delivering a heritage experience that is both informative and engaging. Our visitors consistently provide highly positive feedback, and a selection of their comments is included throughout this report.

Welcoming All Audiences - The Trust has maintained its dedication to providing a warm and inclusive welcome to visitors of all ages and backgrounds. By sharing the history of the Castle and the remarkable stories of the Bishops of Worcester, we aim to foster deeper understanding and appreciation of our heritage.

Inspiring Future Generations - Particular priority has once again been given to family visitors. Our objective is to offer experiences that both entertain and inspire young audiences, nurturing curiosity and encouraging a lifelong interest in heritage and cultural attractions.

"Hartlebury Castle is a fascinating gem nestled in the Worcestershire countryside, a place where history and tranquillity blend beautifully. The castle offers a deep dive into centuries of local history, particularly around the role of the bishops who once called it home. The grounds are expansive and well-kept, perfect for a peaceful stroll. Inside, the exhibits are engaging and informative, with plenty of interactive elements that make history come alive, particularly for children." Visitor Feedback

Volunteering
The Trust could not operate the visitor attraction without the dedication and commitment of its volunteer team. Their contribution is wide-ranging and includes maintaining the gardens and grounds, supporting property upkeep, stewarding the house, assisting in the library, and providing invaluable help with events and activities. Visitors frequently comment on how much they value the approachable and knowledgeable presence of our volunteers, which greatly enhances their experience.

The Trust also recognises the important health and wellbeing benefits that volunteering brings. We are proud to welcome individuals of all ages-currently ranging from 16 to 85-and from all backgrounds. We value and support volunteers with physical disabilities or who are neurodivergent, ensuring that opportunities are inclusive and accessible.

Our trustees likewise give their time on a voluntary basis, providing governance and vital guidance to the organisation. Above all, the Trust extends its sincere gratitude to every volunteer. Their generosity of time, energy, and expertise is the foundation of our success. We celebrate their contribution wholeheartedly and remain deeply appreciative of the difference they make each and every day.

"The volunteers were excellent, they were so knowledgeable and all the staff were so friendly which made the trip even more enjoyable." Visitor Feedback

Future Ambition - Looking Forward

With support from the National Lottery Heritage Fund, the Trust is shaping a new vision for the future. The Trustees believe that historic buildings and charitable organisations like Hartlebury Castle must have a purpose that extends beyond preserving history and heritage. We have a responsibility to serve as a thought-provoking space, one that fosters conversation, reflection, and engagement with the world today.

Over the past two years, support from the National Lottery Heritage Fund has enabled the Trust to reassess its business planning, operational processes, and revenue opportunities, in preparation for the anticipated renegotiation of its relationship with Worcestershire County Council and the county's museum service.

Future plans involve developing an inspiring new interpretation for the Hurd Library that delves into Bishop Hurd's connection with the royal family, especially his role as tutor to the two eldest princes. This interpretation will explore how the education of a future king compared with that of other children during the Age of Enlightenment, inviting visitors to consider how ideas of learning and education have changed over time and what they mean in today's world.

"The staff and volunteers are super passionate and friendly and we all felt very welcome." Visitor Feedback

FINANCIAL REVIEW
Financial position
The charity has received grant income totalling £349,881 (2024: £73,122) in the year, with this year's grant income being mainly from the National Lottery Heritage Fund, and Sandys Trust.

The charity also benefits from being able to rent out several properties on the grounds of the castle which have generated income of £33,255 (2024: £33,379).

The balance sheet shows that the charity held cash of £150,309 as at the 31st March 2025, which is an increase of £13,509 on the 2024 level of £136,800.

At 31st March 2025, the charity held net assets of £4,733,041 (2024: £4,519,424) of which £4,490,260 (2024: £4,490,260) is represented by the cost of the freehold property and subsequent refurbishment costs. There was an unrestricted reserve surplus at the year end of £225,501 (2024: surplus £1,282).
More details regarding the funds can be found in note 25.

Reserves policy
The attached financial statements show the current state of the finances and of the charity's income and expenditure for the year. The trustees regularly examine the requirements for income reserves adequate to ensure the charity will continue to meet its future needs, and recognise that increased reserves are required.

The trustees are committed to growing an unrestricted fund over the coming years in accordance with the business plan. The free unrestricted reserves held at the 31st March 2025 are in surplus of £207,844 (2024: deficit £25,354) which the trustees are continuing to build to allow the stability of the charity moving forwards.

FUTURE PLANS

The Trust is currently negotiating new lease and site management arrangements with Worcestershire County Council, with the overarching aim of securing the charity's long-term resilience and sustainability. This involves agreeing appropriate financial terms and rebalancing the operation of the visitor attraction to enable the Trust to maximise commercial and other earned revenue opportunities.

Trustees remain committed to retaining the County Museum on the site, recognising the role it can play in strengthening the overall attraction. However, supported by National Lottery Heritage Fund Resilience and Recovery funding, the Trust has also explored alternative uses for the currently leased areas should negotiations fail to deliver a mutually acceptable outcome, ensuring the organisation can continue to develop and thrive in either situation.

Work is ongoing to expand and enhance family-focused experiences and activities, acknowledging that this audience has become increasingly vital in the wake of post-pandemic challenges impacting traditional heritage visitor numbers.

"We went for the Easter hunt with our 3 year old son and it was really well organised and great fun! My son really enjoyed it and the grounds are great!" Visitor Feedback

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, Memorandum & Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

As defined in the Memorandum and Articles of Association of the charity, the trustees as charity trustees have control of the charity and its property and funds. The trustees body when complete consists of at least three and not more than eleven individuals, all of whom must be members of the Trust. One third (or the number nearest one third) of the trustees must retire at each AGM, with those longest in office retiring first and the choice between any of equal service being made by drawing lots. If the members at the meeting at which a trustee retires by rotation does not fill the vacancy, the retiring trustee shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the appointment of the trustee is put to the meeting and lost.

All trustees give their time voluntarily and received no benefits from the charity. Any expenses reclaimed from the charity are set out in the notes to the accounts.

The board of trustees regularly reviews it composition in terms of practical skills, business acumen and knowledge. Where a potential deficiency is identified, or in order to enhance the pool of trustees, the charity has, through selective advertising and networking, sought to identify persons who would be willing to become members and trustees and use their own experience to assist the charity.

Potential new trustees are encouraged to attend at least one board meeting to familiarise themselves with the operation and governance of the charity prior to appointment as a trustee. They are encouraged to familiarise themselves with the guidance produced by the Charity Commission, in particular the publication 'The Essential Trustee'.

KEY MANAGEMENT

The day to day operations of the charity are delegated by the trustees to the Executive Director who is Steve Bagnall.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Hartlebury Castle Preservation Trust for the purposes of company law) are responsible for preparing the Report of the Trustees 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 that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those 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 judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 16th December 2025 and signed on its behalf by:

Mr R J Amphlett - Chair of Board of Trustees

Report of the Independent Auditors to the Members of Hartlebury Castle Preservation Trust

Opinion

We have audited the financial statements of Hartlebury Castle Preservation Trust (the 'charitable company') for the year ended 31st March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 (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 31st March 2025 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 Auditors' 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 the provisions available for small entities, in the circumstances set out in note 28 to the financial statements, 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our 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 a Report of the Independent Auditors 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 our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company, we identified the principal risks of non-compliance with laws and regulations including those that have a direct impact on the preparation of the financial statements and the extent to which non-compliance might have a material effect on the financial statements. Audit procedures performed included discussions with management, review of board meeting minutes, testing of journals, designing and performing audit procedures and challenging assumptions and judgements made by management in relation to accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 Report of the Independent Auditors.

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 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Colm McGrory FCA (Senior Statutory Auditor)
for and on behalf of Ormerod Rutter Limited
The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

22nd December 2025

Hartlebury Castle Preservation Trust

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31st March 2025

	Notes	Unrestricted funds £	Restricted funds £	**2025 Total funds £**	2024 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	**426,047**	**99,882**	**525,929**	224,198
Charitable activities	6				
Preservation of Hartlebury Castle		**32,100**	**-**	**32,100**	26,221
Other trading activities	4	**18,928**	**-**	**18,928**	10,237
Investment income	5	**35,313**	**-**	**35,313**	33,500
Total		**512,388**	**99,882**	**612,270**	294,156
EXPENDITURE ON					
Raising funds	7	**16,013**	**256**	**16,269**	17,939
Charitable activities	8				
Preservation of Hartlebury Castle		**272,156**	**110,228**	**382,384**	360,972
Total		**288,169**	**110,484**	**398,653**	378,911
NET INCOME/(EXPENDITURE)		**224,219**	**(10,602)**	**213,617**	(84,755)
RECONCILIATION OF FUNDS					
Total funds brought forward		**1,282**	**4,518,142**	**4,519,424**	4,604,179
TOTAL FUNDS CARRIED FORWARD		**225,501**	**4,507,540**	**4,733,041**	4,519,424

The notes form part of these financial statements

Balance Sheet
31st March 2025

	Notes	Unrestricted funds £	Restricted funds £	**2025 Total funds £**	2024 Total funds £
FIXED ASSETS					
Tangible assets	16	**17,657**	**12,281**	**29,938**	52,880
Heritage assets	17	**-**	**4,490,260**	**4,490,260**	4,490,260
Investments	18	**1**	**-**	**1**	1
		17,658	**4,502,541**	**4,520,199**	4,543,141
CURRENT ASSETS					
Stocks	19	**3,038**	**-**	**3,038**	-
Debtors	20	**307,422**	**-**	**307,422**	89,517
Cash at bank and in hand		**145,309**	**5,000**	**150,309**	136,800
		455,769	**5,000**	**460,769**	226,317
CREDITORS					
Amounts falling due within one year	21	**(47,926)**	**(1)**	**(47,927)**	(50,034)
NET CURRENT ASSETS		**407,843**	**4,999**	**412,842**	176,283
TOTAL ASSETS LESS CURRENT LIABILITIES		**425,501**	**4,507,540**	**4,933,041**	4,719,424
CREDITORS					
Amounts falling due after more than one year	22	**(200,000)**	**-**	**(200,000)**	(200,000)
NET ASSETS		**225,501**	**4,507,540**	**4,733,041**	4,519,424
FUNDS	25				
Unrestricted funds				**225,501**	1,282
Restricted funds				**4,507,540**	4,518,142
TOTAL FUNDS				**4,733,041**	4,519,424

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

The financial statements were approved by the Board of Trustees and authorised for issue on ..... and were signed on its behalf by:

.....
Mr R J Amphlett - Chair of Board of Trustees

The notes form part of these financial statements

Hartlebury Castle Preservation Trust

Cash Flow Statement
for the Year Ended 31st March 2025

	Notes	2025 £	2024 £
Cash flows from operating activities			
Cash generated from operations	1	**2,860**	(74,064)
Intercompany loan movement		**12,381**	3,454
Net cash provided by/(used in) operating activities		**15,241**	(70,610)
Cash flows from investing activities			
Purchase of tangible fixed assets		**(3,790)**	(12,501)
Sale of tangible fixed assets		**-**	3,739
Interest received		**2,058**	121
Net cash used in investing activities		**(1,732)**	(8,641)
Change in cash and cash equivalents in the reporting period		**13,509**	(79,251)
Cash and cash equivalents at the beginning of the reporting period		**136,800**	216,051
Cash and cash equivalents at the end of the reporting period		**150,309**	136,800

The notes form part of these financial statements

Notes to the Cash Flow Statement for the Year Ended 31st March 2025

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025	2024
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	**213,617**	(84,755)
Adjustments for:		
Depreciation charges	**26,733**	33,394
Loss on disposal of fixed assets	**-**	940
Interest received	**(2,058)**	(121)
Increase in stocks	**(3,038)**	-
Increase in debtors	**(219,124)**	(47,666)
(Decrease)/increase in creditors	**(13,270)**	24,144
Net cash provided by/(used in) operations	**2,860**	(74,064)

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.24	Cash flow	**At 31.3.25**
	£	£	**£**
Net cash			
Cash at bank and in hand	**136,800**	**13,509**	**150,309**
	136,800	**13,509**	**150,309**
Debt			
Debts falling due after 1 year	**(200,000)**	**-**	**(200,000)**
	(200,000)	**-**	**(200,000)**
Total	**(63,200)**	**13,509**	**(49,691)**

The notes form part of these financial statements

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The accounts are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

GOING CONCERN

After assessing whether the going concern assumption is appropriate, taking into account all available information about the future, which is at least, but is not limited to, twelve months from the date when the financial statements are authorised, the trustees consider the charity able to continue as a going concern.

PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The financial statements contain information about Hartlebury Castle Preservation Trust as an individual charity and do not contain consolidated financial information as the parent of a group. The charity is exempt under Section 399(2A) of the Companies Act 2006 and the Charities Act 2011 Section 139(2) from the requirements to prepare consolidated financial statements.

INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds. It is probable that the income will be received and the amount can be measured reliably.

Income from grants (including government grants) and donations is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income from grants is only deferred when the charity has to fulfil conditions not yet met before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Admissions and subscriptions are considered to be, in substance, donations rather than payment or services. Admissions are recognised on entry. Subscriptions are recognised over the period to which they relate on a straight-line basis.

Rental income is recognised in line with the periods to which such income relates, up to the extent that it is probable that such income is recoverable. Where recoverability of rental income is in doubt, such income is instead recognised on a cash basis.

Interest income is recognised for all interest-bearing instruments on an accrual basis.

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

FIXED ASSET INVESTMENTS IN SUBSIDIARIES

Fixed asset investments in subsidiaries are measured at cost less impairment.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	-	20% on cost
Fixtures and fittings	-	20% on cost
Computer equipment	-	33% on cost

Fixed assets costing less than £100 are not capitalised

continued...

1. ACCOUNTING POLICIES - continued

HERITAGE ASSETS
Heritage assets are recognised at cost and are considered to have indefinite useful lives. As such, Heritage assets are not depreciated and are instead reviewed annually for impairment.

STOCKS
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

TAXATION
The charity is exempt from corporation tax on its charitable activities.

FUND ACCOUNTING
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

PENSION COSTS
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

FINANCIAL INSTRUMENTS
The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the charity becomes party to contractual provisions of the instrument.

Financial assets are offset, with the net amounts presented in the accounts where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic Financial Assets
Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Basic Financial Liabilities
Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future receipts, discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of the operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction cost.

CONCESSIONARY LOANS
Concessionary loans received from third parties on which no interest is to be charged are measured at historical cost.

continued...

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Depreciation
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful lives and residual values of the assets. The useful lives and residual values are re-assessed annually. They are amended when necessary to reflect the current estimates, based on the technological advancement, future investment, economic utilisation and the physical condition of the assets. Rates of depreciation are considered on a category basis and disclosed within the accounting policy for depreciation.

Valuation of Heritage Assets
Heritage Assets form a significant part of the value of net assets per the balance sheet. The financial statements are therefore sensitive to the change in value of these assets. Heritage Assets are recorded at cost as they are typically unique and therefore no active market is available. The Trustees assess Heritage Assets annually for impairment.

3. DONATIONS AND LEGACIES

	2025	2024
	£	£
Donations	**25,554**	25,104
Donations from subsidiary	**84,527**	58,179
Grants	**349,881**	73,122
Subscriptions	**1,196**	1,258
Admissions	**64,771**	66,535
	525,929	224,198

Grants received, included in the above, are as follows:

	2025	2024
	£	£
The Sandys Trust	**250,000**	-
National Lottery Heritage Fund - Resilience & Recovery	**84,230**	69,851
Herfordshire & Worcestershire Gardens Trust	**-**	2,000
Hartlebury Parish Council	**-**	1,271
Rowlands Trust	**5,000**	-
Natural Networks	**10,651**	-
	349,881	73,122

4. OTHER TRADING ACTIVITIES

	2025	2024
	£	£
Fundraising events	**18,928**	10,237

5. INVESTMENT INCOME

	2025	2024
	£	£
Rents received	**33,255**	33,379
Deposit account interest	**2,058**	121
	35,313	33,500

continued...

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2025	2024
		£	£
Other income	Preservation of Hartlebury Castle	**32,100**	26,221

7. RAISING FUNDS

RAISING DONATIONS AND LEGACIES

	2025	2024
	£	£
Fundraising event costs	**12,770**	14,823

OTHER TRADING ACTIVITIES

	2025	2024
	£	£
Purchases	**-**	2

INVESTMENT MANAGEMENT COSTS

	2025	2024
	£	£
Property management costs	**3,499**	3,114
Aggregate amounts	**16,269**	17,939

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9)	Support costs (see note 10)	Totals
	£	£	£
Preservation of Hartlebury Castle	**326,511**	**55,873**	**382,384**

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2025	2024
	£	£
Staff costs	**200,143**	167,813
Rates and water	**2,133**	1,964
Insurance	**36,035**	33,738
Light and heat	**18,496**	16,707
Telephone	**3,081**	3,791
Advertising	**10,246**	10,298
Sundries	**3,357**	2,458
Property maintenance	**40,642**	25,775
Computer costs	**11,466**	15,810
Security	**912**	4,054
	326,511	282,408

continued...

10. SUPPORT COSTS

	Management	Finance	Governance costs	Totals
	£	£	£	£
Preservation of Hartlebury Castle	**7,477**	**1,561**	**46,835**	**55,873**

Support costs, included in the above, are as follows:

	2025 Preservation of Hartlebury Castle	2024 Total activities
	£	£
Postage and stationery	**4,040**	**3,879**
Sundries	**40**	**-**
Training	**769**	**1,425**
Travel and subsistence	**621**	**950**
Licences and subscriptions	**2,007**	**1,634**
Bank charges	**1,561**	**1,608**
Auditors' remuneration	**3,625**	**3,500**
Accountancy fees	**5,029**	**6,218**
Legal and professional fees	**11,448**	**24,200**
Payroll services	**-**	**816**
Depreciation of tangible fixed assets	**26,733**	**33,394**
Loss on sale of tangible fixed assets	**-**	**940**
	55,873	**78,564**

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2025	2024
	£	£
Depreciation - owned assets	**26,732**	33,394
Deficit on disposal of fixed assets	**-**	940

12. AUDITORS' REMUNERATION

	2025	2024
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	**3,625**	3,500

13. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2025 nor for the year ended 31st March 2024.

continued...

13. TRUSTEES' REMUNERATION AND BENEFITS - continued

TRUSTEES' EXPENSES

Two trustees (2024: Two) were reimbursed expenses totalling £660 (2024: £687) for mileage costs incurred to attend meetings at the castle.

14. STAFF COSTS

	2025	2024
	£	£
Wages and salaries	**186,172**	157,361
Social security costs	**10,224**	7,419
Other pension costs	**3,747**	3,033
	200,143	167,813

No employees received remuneration of over £60,000 (excluding employer national insurance and pension costs).

Key management remuneration (including employer national insurance and pension costs) in the year totalled £57,318 (2024: £55,050).

Pension costs relate to defined contribution schemes only.

The average monthly number of employees during the year was as follows:

	2025	2024
Trust staff	**11**	10

15. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	152,347	71,851	224,198
Charitable activities			
Preservation of Hartlebury Castle	26,221	-	26,221
Other trading activities	10,237	-	10,237
Investment income	33,500	-	33,500
Total	222,305	71,851	294,156
EXPENDITURE ON			
Raising funds	16,495	1,444	17,939
Charitable activities			
Preservation of Hartlebury Castle	262,452	98,520	360,972
Total	278,947	99,964	378,911
NET INCOME/(EXPENDITURE)	(56,642)	(28,113)	(84,755)
Transfers between funds	12,070	(12,070)	-
Net movement in funds	(44,572)	(40,183)	(84,755)
RECONCILIATION OF FUNDS			
Total funds brought forward	45,854	4,558,325	4,604,179

continued...

15. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
TOTAL FUNDS CARRIED FORWARD	1,282	4,518,142	4,519,424

16. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1st April 2024	**132,593**	**233,231**	**13,170**	**378,994**
Additions	**1,600**	**2,190**	**-**	**3,790**
At 31st March 2025	**134,193**	**235,421**	**13,170**	**382,784**
DEPRECIATION				
At 1st April 2024	**121,478**	**192,290**	**12,346**	**326,114**
Charge for year	**5,174**	**21,152**	**406**	**26,732**
At 31st March 2025	**126,652**	**213,442**	**12,752**	**352,846**
NET BOOK VALUE				
At 31st March 2025	**7,541**	**21,979**	**418**	**29,938**
At 31st March 2024	11,115	40,941	824	52,880

17. HERITAGE ASSETS

	Total £
MARKET VALUE	
At 1st April 2024 and 31st March 2025	**4,490,260**
NET BOOK VALUE	
At 31st March 2025	**4,490,260**
At 31st March 2024	4,490,260

The heritage assets comprise of Hartlebury Castle and its grounds. It is one of the objectives of the charity to preserve and manage Hartlebury Castle and its grounds. Following the completion in prior years, the initial improvements and restoration work following its acquisition was considered necessary in order to bring the property to a suitable condition before it could be opened to the public as a visitor attraction, the charity is not expected to make any additions to or disposals of the heritage assets held.

The heritage assets are subject to a charge over the freehold title held by the National Heritage Memorial Fund. More details are provided in Note 26.

FIVE-YEAR SUMMARY OF TRANSACTIONS

	2025 £	2024 £	2023 £	2022 £	2021 £
Cost at start of year	4,490,260	4,490,260	4,490,260	4,490,260	4,448,778
Additions in the year	-	-	-	-	41,482
Cost at the year end	**4,490,260**	**4,490,260**	**4,490,260**	**4,490,260**	**4,490,260**

The initial purchase of Hartlebury Castle and grounds was in 2018 at a cost of £2,272,000. All subsequent additions relate to significant improvements and restoration work which were considered necessary in order to bring the property to a suitable condition before it could be opened to the public as a visitor attraction. All such improvements and restoration work is considered to have been completed in 2021.

continued...

18. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1st April 2024 and 31st March 2025	**1**
NET BOOK VALUE	
At 31st March 2025	**1**
At 31st March 2024	1

The company's investments at the balance sheet date in the share capital of companies include the following:

Hartlebury Castle Company Limited (No:09248664)
Registered office: Hartlebury Castle, Hartlebury, Kidderminster, England, DY11 7XZ
Nature of business: To run the Café, Shop & Events at the Castle

Class of share:	% holding
Ordinary	**100**

	2025	2024
	£	£
Aggregate capital and reserves	**1**	1
Profit for the year	**84,527**	58,179

19. STOCKS

	2025	2024
	£	£
Stocks	**3,038**	-

Stock held relates to heating oil unused at the year end.

20. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Trade debtors	**3,654**	9,059
Amounts owed by group undertakings	**-**	1,219
VAT	**19,800**	23,502
Prepayments and accrued income	**283,968**	55,737
	307,422	89,517

continued...

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Trade creditors	**23,856**	35,974
Amounts owed to group undertakings	**11,163**	-
Social security and other taxes	**-**	3,357
Pension control	**797**	708
Other creditors	**91**	19
Accrued expenses	**12,020**	9,976
	47,927	50,034

22. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2025	2024
	£	£
Other loans (see note 23)	**200,000**	200,000

23. LOANS

An analysis of the maturity of loans is given below:

	2025	2024
	£	£
Amounts falling due between two and five years:		
Concessionary loans	**200,000**	200,000

During the 2020 accounting year Worcestershire County Council made available an unsecured loan facility to aid the charity with cashflow. In 2022 Worcestershire County Council agreed to defer the original repayment and convert £25,000 into a restricted fund grant to support the construction of a new adventure playground.

There is currently no formal repayment date for the remaining £200,000 (2024: £200,000) owed to Worcestershire County Council, but it is not expected to be repaid within the next 12 months. It is expected that the loan position will be reviewed and finalised within the negotiations with the Council regarding their lease in 2026.

No interest is charged on the loan.

24. LEASING AGREEMENTS

Operating Lease Payments
Operating lease payments of £628 (2024: £628) were made during the year.

During the year the charity signed a new operating lease for a photocopier, the future minimum lease commitment is as follows:

	2025	2024
	£	£
Not later than one year	**590**	590
Later than one and not later than five years	**295**	885
Later than five years	**-**	-
	885	1,495

Operating Lease Income
Total future minimum lease income which are receivable under non-cancellable operating leases, in respect of investment properties, are as follows:

	2025	2024
	£	£
Not later than one year	**2,870**	7,445

continued...

24. LEASING AGREEMENTS - continued

Later than one and not later than five years	**4,305**	2,792
Later than five years	**-**	-
	7,175	10,237

25. MOVEMENT IN FUNDS

	At 1.4.24 £	Net movement in funds £	Transfers between funds £	At 31.3.25 £
Unrestricted funds				
General fund	**1,282**	**224,219**	**(200,000)**	**25,501**
Designated maintenance fund	**-**	**-**	**200,000**	**200,000**
	1,282	**224,219**	**-**	**225,501**
Restricted funds				
Restoration and preservation fund	**4,516,504**	**(13,964)**	**-**	**4,502,540**
Hereford & Worcester Gardens Trust	**1,638**	**(1,638)**	**-**	**-**
Rowlands Trust	**-**	**5,000**	**-**	**5,000**
	4,518,142	**(10,602)**	**-**	**4,507,540**
TOTAL FUNDS	**4,519,424**	**213,617**	**-**	**4,733,041**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	**512,388**	**(288,169)**	**224,219**
Restricted funds			
Restoration and preservation fund	**-**	**(13,964)**	**(13,964)**
National Lottery Heritage Fund Resilience Fund	**84,231**	**(84,231)**	**-**
Hereford & Worcester Gardens Trust	**-**	**(1,638)**	**(1,638)**
Rowlands Trust	**5,000**	**-**	**5,000**
Natural Networks - Coppice Project	**10,651**	**(10,651)**	**-**
	99,882	**(110,484)**	**(10,602)**
TOTAL FUNDS	**612,270**	**(398,653)**	**213,617**

continued...

25. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.23 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
Unrestricted funds				
General fund	45,854	(56,642)	12,070	1,282
Restricted funds				
Restoration and preservation fund	4,535,284	(18,780)	-	4,516,504
National Lottery Heritage Fund Resilience Fund	-	193	(193)	-
Culture recovery fund - claim 1	11,138	(6,658)	(4,480)	-
Culture recovery fund - claim 2	11,503	(4,106)	(7,397)	-
Culture recovery fund - claim 3	400	(400)	-	-
Hereford & Worcester Gardens Trust	-	1,638	-	1,638
	4,558,325	(28,113)	(12,070)	4,518,142
TOTAL FUNDS	4,604,179	(84,755)	-	4,519,424

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	222,305	(278,947)	(56,642)
Restricted funds			
Restoration and preservation fund	-	(18,780)	(18,780)
National Lottery Heritage Fund Resilience Fund	69,851	(69,658)	193
Culture recovery fund - claim 1	-	(6,658)	(6,658)
Culture recovery fund - claim 2	-	(4,106)	(4,106)
Culture recovery fund - claim 3	-	(400)	(400)
Hereford & Worcester Gardens Trust	2,000	(362)	1,638
	71,851	(99,964)	(28,113)
TOTAL FUNDS	294,156	(378,911)	(84,755)

UNRESTRICTED FUNDS

General fund
The general fund is that part of the unrestricted funds which the trustees may choose to spend on any activity within the purposes of the charity.

Reserve fund
The designated reserve fund was set up by the trustees to ensure that sufficient reserves were held by the charity in order to fund any unexpected expenditure in the future. This fund was transferred back to general funds in the prior year.

Designated maintenance fund
During the year the charity received a grant from The Sandys Trust, the trustees have agreed to designate £200,000 towards the ongoing maintenance of the site.

RESTRICTED FUNDS

Restoration and preservation fund
The restoration and preservation fund has been restricted by the donor specifically to fund the purchase and restoration of Hartlebury Castle.

continued...

25. MOVEMENT IN FUNDS - continued

National Lottery Heritage Fund Resilience Fund
The charity is in receipt of a grant from the National Lottery Heritage Fund Resilient Heritage programme. This grant supports organisational development and commercial income generation as the charity transitions from delivering the restoration and re-opening to becoming a sustainable heritage attraction.

Hereford and Worcester Gardens Trust
During the prior year the charity was awarded £2,000 to spend on maintenance and improvement of garden areas. This fund was fully spent in the year

Rowland Trust
During the year funding of £5,000 was awarded to improve the coppice area, with works planned to be carried out next year.

Natural Networks
Funding received in the year towards the coppice project have been fully expended in the year.

TRANSFERS BETWEEN FUNDS

A transfer of £200,000 has been made from the General Fund to the Designated maintenance fund, which will go towards the ongoing maintenance of the site.

26. CONTINGENT LIABILITIES

The purchase of Hartlebury Castle and grounds during the period ended 31 March 2016 was made possible due to the support of the National Heritage Memorial Fund (NHMF) by means of substantial grants as shown in previous financial statements. The NHMF has registered a charge over the property and the Trust would not be in a position to dispose of the estate without the express agreement of the NHMF.

Should the Trustees intend at any time that the property be sold, transferred or other rights over the property be granted, the NHMF retains the right under the terms of its grant to require repayment of such amount of the proceeds of the sale or of the original grant as it shall at its sole discretion determine.

As Hartlebury Castle Preservation Trust was established for the principal purpose of acquiring and maintaining the property and its contents as a heritage asset for the public benefit, the possibility of the Trust disposing of the estate is unlikely.

As a result, it is not possible to determine what amount, if any, would be repayable to NHMF as a result of such a remote event.

27. RELATED PARTY DISCLOSURES

The charity's trading aspect sits within subsidiary, Hartlebury Castle Company Limited. At the year end it owed £11,163 to its subsidiary (2024: owed from the subsidiary £1,489). The subsidiary company made donations totalling £84,527 (2024: £58,449) to the charity in the year.

28. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statement and prepare and submit returns to the tax authorities for the trading company.

HARTLEBURY CASTLE PRESERVATION TRUST

England & Wales - Charity number 1127871

Accounts

REGISTERED COMPANY NUMBER: 06779241 (England and Wales)
REGISTERED CHARITY NUMBER: 1127871

Report of the Trustees and

Financial Statements for the Year Ended 31st March 2024

for

Hartlebury Castle Preservation Trust

Ormerod Rutter Limited
The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

Hartlebury Castle Preservation Trust

Contents of the Financial Statements for the Year Ended 31st March 2024

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 6
Report of the Independent Auditors	7 to 8
Statement of Financial Activities	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13 to 25

Hartlebury Castle Preservation Trust

Reference and Administrative Details
for the Year Ended 31st March 2024

TRUSTEES	Mr R J Earl Mr S L Ellis (resigned 12.12.23) Ms S J Finch Mr R D Greenwood Mr S K Munday Ms H A D M Rawles (resigned 8.8.23) Mr P West Mr R J Amphlett Mr D H Smith Mr P B Stickland Ms L Mcguire-Cox (appointed 12.12.23)
REGISTERED OFFICE	Hartlebury Castle Hartlebury Kidderminster Worcestershire DY11 7XZ
REGISTERED COMPANY NUMBER	06779241 (England and Wales)
REGISTERED CHARITY NUMBER	1127871
SENIOR STATUTORY AUDITOR	Colm McGrory FCA
INDEPENDENT AUDITORS	Ormerod Rutter Limited The Oakley Kidderminster Road Droitwich Worcestershire WR9 9AY
EXECUTIVE DIRECTOR	Mr S R Bagnall
PROPERTY RENTAL AGENTS	G Herbert Banks The Estate Office Hill House Great Witley Worcestershire WR6 6JB

Report of the Trustees
for the Year Ended 31st March 2024

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2024. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charitable purpose of the Trust is to preserve for the benefit of the people of Worcestershire and the nation, Hartlebury Castle and its historic contents including the Hurd Library, alongside its grounds, parkland and gardens. Secondly to advance the education of the public in the local history and architecture of Worcestershire and the surrounding areas.

Hartlebury Castle stands as a timeless testament to over a millennium of history, bearing witness to the stories of 112 bishops and countless others who have called it home. From its origins as a Castle, to its varied roles as a manor house, prison, hospital, and sanctuary, Hartlebury Castle has endured the ages. Today, it's open to the public as a captivating historic house, nestled in the Worcestershire countryside. The jewel in its crown is the world-renowned Hurd Library. With its treasure trove of knowledge spanning diverse subjects, it serves as a unique space to inspire, question and explore. Its beautiful decoration and architectural features add to its charm, while its status as the only library created for a Church of England bishop, with its original collections still in place, makes it truly unique.

Hartlebury Castle Preservation Trust was formed in 2008, to campaign for the Castle, its collections and grounds to be made accessible for public enjoyment and education. Subsequently, in 2014 after 7 years of campaigning, the Trust was successful in securing funding from the then Heritage Lottery Fund to purchase and restore the castle and its estate, so that it could be opened to the public for the first time.

The Trust leases part of the site to Worcestershire County Council to house the Worcestershire County Museum's collection. The County Museum has been on the site since 1966 under a 60 year lease and the Trust inherited this arrangement from the Church Commissioners on the existing peppercorn lease. These arrangements expire in early 2026.

The Trust's day-to-day activities now include a gift shop, public events including themed weekends and seasonal events, public ticketed events including outdoors concerts and theatre performances, antiques and food fairs and private events including weddings, dinners and celebrations. The Trust also rents property and land (3 leased cottages, farm business tenancy, fishing lake lease).

Our Vision is that:

Hartlebury Castle, through careful stewardship, is cherished, celebrated and understood, providing an unmissable experience that inspires, informs and delights all who visit.

We believe in:

- Sharing the diversity of historical and natural landscapes that contribute to the uniqueness of Hartlebury Castle.

- Treasuring Hartlebury Castle and its collections and becoming recognised as a passionate and innovative leader in the guardianship and sharing of our heritage.

- Developing the gardens and grounds to provide an ecological haven for wildlife and telling the story of the Castle's estate over its 1000 year history.

- Enthusing partners and communities to nurture learning and engagement and to encourage wellbeing.

"We stopped here to break a journey but it's very firmly on our list of places we must go back to. A lot of thought has gone in to the displays with even the teenager exclaiming 'wow!' at times! Lots of interesting, well-written information boards throughout the bishops' palace and some great displays in the museum. The grounds were so peaceful, perfect for reading in the sun and the new play area is great." **Visitor Feedback**

Public benefit

In setting the Trust's objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The charity fulfils its purpose and its vision by opening Hartlebury Castle and its grounds and gardens to the public and sharing the stories and history of Hartlebury and the Bishops of Worcester in an entertaining and engaging way.

Report of the Trustees
for the Year Ended 31st March 2024

ACHIEVEMENT AND PERFORMANCE
Charitable activities
Trustees Statement
During this period trustees have been focussed on two key issues, developing a sustainable business and negotiations with Worcester County Council around the 2026 lease renewal and operational partnership.

The Trust is committed to negotiating a new lease and management agreement that enables the County Museum to continue to be part of the Hartlebury Castle visitor attraction whilst ensuring that the Trust has a sustainable, long term business model.

The Trust was delighted to receive a grant from the National Lottery Heritage Fund (NLHF) in this period. This recovery and resilience grant recognises the challenges facing the organisation resulting from the pandemic and the following cost of living crisis and aims to support the Trust to develop income generation across the business and provide professional expertise through the process of negotiating new lease arrangements with WCC.

In this year the Trust continued to feel the impact of the cost of living crisis across the business including event attendances and general visitor numbers. Growth remains challenging to achieve and general trading conditions continue to be difficult.

"Amazing history. Made so welcome by "guides". Interactive tour which is amazing. Loved all the history and connections with royalty etc. Museum attachment fascinating and well worth visiting. So nostalgic. All staff helpful and friendly." **Visitor Feedback**

Charitable activities
The Trust is committed to delivering a high-quality heritage experience that is both informative and entertaining. Visitor feedback continues to be very positive. A selection of visitor comments from this year are contained in this document.

The Trust has continued to provide a warm welcome to visitors of all ages and backgrounds, and to share the history of the Castle and the stories of the Bishops of Worcester.

Once again priority has been given to family visitors, with the aim of entertaining and inspiring young visitors, encouraging a lifetime of heritage attraction visits.

"The whole experience was excellent. Definitely a 10 out of 10, and we will be returning. Fantastic day out for all the family." **Visitor Feedback**

Volunteering
The Trust would not be able to operate the visitor attraction without the ongoing support of a talented and committed team of volunteers. Tasks undertaken include gardens and grounds maintenance, property maintenance, house stewards, library volunteers, and events and activities support. Feedback proves that our visitors greatly value our volunteers approachable and knowledgeable presence on the site.

The Trust recognises the health and wellbeing value of volunteering and welcomes and encourages volunteers of all ages (ages currently range from 16 to 85) and all walks of life and values and supports those volunteers with physical and neurodivergent challenges.

Trustees also give their time on a voluntary basis.

"Brilliant...you must visit here! I visited here yesterday with my sister, and we both had a brilliant day. As soon as we entered the building, every staff member/volunteer we encountered was so friendly and welcoming, and full of information." **Visitor Feedback**

Future Ambition - Looking Forward

With support from NLHF the Trust is developing a new vision for the future. Hartlebury Castle is not merely a structure of stone and mortar; it is a repository of over a thousand years of stories waiting to be told. From the remarkable deeds of bishops who shaped national history, to the everyday lives of servants who worked hard within its walls, every story the Castle offers, gifts its visitors a glimpse into the past, whilst inviting them simultaneously to reflect on life today. Trustees believe that it is essential for historical buildings and charitable organisations like Hartlebury Castle to have a relevance that goes beyond protecting history and heritage - that we have a duty to become a thought-provoking space, encouraging discussion and engagement with the world around us. A comprehensive fundraising strategy is being developed to support the Trust to deliver this refreshed ambition.

Trustees are working closely with Worcester County Council to ensure that the lease renewal and management agreement in 2026 deliver a sustainable financial future for the Trust.

"Our first visit to Hartlebury Castle and we thoroughly enjoyed it. There was so much to see and discover. Loved the runner in the Long Hall which is a history lesson in itself. The talking screens were brilliant and added a whole new dimension. Friendly and welcoming hosts. Planning on a return visit to see it at Christmas." **Visitor Feedback**

FINANCIAL REVIEW

Financial position

The charity has received grant income totalling £73,122 (2023: £1,085) in the year, with this year's grant income being mainly from the National Lottery Heritage Fund.

The charity also benefits from being able to rent out several properties on the grounds of the castle which have generated income of £33,379 (2023: £33,240).

The balance sheet shows that the charity held cash of £136,800 the 31st March 2024, which is a decrease of £79,251 on the 2023 level of £216,051.

At 31st March 2024, the charity held net assets of £4,519,424 (2023: £4,604,179) of which £4,490,260 (2023: £4,490,260) is represented by the cost of the freehold property and subsequent refurbishment costs. There were an unrestricted reserve surplus at the year end of £1,282 (2023: surplus £45,854), however, this amount is entirely represented by fixed assets and therefore none (2023: £32,351) of the current unrestricted reserves are considered free reserves, which can be spent on charitable activities as the trustees see fit. More details regarding the funds can be found in note 24.

Reserves policy

The attached financial statements show the current state of the finances and of the charity's income and expenditure for the year. The trustees regularly examine the requirements for income reserves adequate to ensure the charity will continue to meet its future needs, and recognise that increased reserves are required.

The Trustees are committed to growing an unrestricted fund over the coming years in accordance with the business plan. The free unrestricted reserves held at the 31st March 2024 are in deficit of £25,354 (2023: surplus £32,351) which the trustees are aware needs to be reversed and a reserve built to allow the stability of the charity moving forwards.

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 17/12/2024 and signed on its behalf by:

.....
Mr R J Amphlett - Trustee

FUTURE PLANS

This is the first year that the Trust received no public grant funding. Trustees recognise that progress towards achieving a resilient and sustainable business has been hampered by external factors and is taking longer to achieve than the business plan produced at the end of 2020 indicated. Trustees are taking action to ensure that the business remains robust. This includes multi-year Resilience and Recovery grant funding from the National Lottery Heritage Fund and implementing a comprehensive new fundraising strategy. Progress is being made with a new individual philanthropy scheme.

Alongside the events and engagement programme the Trust hosts wedding, private parties, and corporate events. The Trust will continue to diversify its revenue by promoting this activity and looking for new opportunity for commercial revenue.

"Held wedding reception there. Cannot recommend highly enough. Extremely efficient and nothing was too much trouble. Excellent service in fabulous building." (Wedding client)

The Trust believes Hartlebury Castle offers an excellent visitor experience and has confidence in the long-term viability of the heritage attraction. The Trust is committed to ensuring new arrangements negotiated around the Worcestershire County Museum lease renewal in 2026 add to the future resilience and sustainability of the Trust.

"Have visited several times over the years- it never fails to make things interesting. The displays are superb both for young and old. The staff in every area were pleasant and helpful. For the first time we visited the Bishops Palace- fantastic presentation making the history really come alive. A really enjoyable day out. And lunch was pretty good too." (Visitor quote)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, Memorandum & Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

As defined in the Memorandum and Articles of Association of the charity, the trustees as charity trustees have control of the charity and its property and funds. The trustees body when complete consists of at least three and not more than eleven individuals, all of whom must be members of the Trust. One third (or the number nearest one third) of the trustees must retire at each AGM, with those longest in office retiring first and the choice between any of equal service being made by drawing lots. If the members at the meeting at which a trustee retires by rotation does not fill the vacancy, the retiring trustee shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the appointment of the trustee is put to the meeting and lost.

All trustees give their time voluntarily and received no benefits from the charity. Any expenses reclaimed from the charity are set out in the notes to the accounts.

The board of trustees regularly reviews it composition in terms of practical skills, business acumen and knowledge. Where a potential deficiency is identified, or in order to enhance the pool of trustees, the charity has, through selective advertising and networking, sought to identify persons who would be willing to become members and trustees and use their own experience to assist the charity.

Potential new trustees are encouraged to attend at least one board meeting to familiarise themselves with the operation and governance of the charity prior to appointment as a trustee. They are encouraged to familiarise themselves with the guidance produced by the Charity Commission, in particular the publication 'The Essential Trustee'.

KEY MANAGEMENT

The day to day operations of the charity are delegated by the trustees to the Executive Director who is Steve Bagnall.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Hartlebury Castle Preservation Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Report of the Independent Auditors to the Members of Hartlebury Castle Preservation Trust

Opinion

We have audited the financial statements of Hartlebury Castle Preservation Trust (the 'charitable company') for the year ended 31st March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 (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 31st March 2024 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 Auditors' 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 the provisions available for small entities, in the circumstances set out in note 27 to the financial statements, 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Report of the Independent Auditors to the Members of Hartlebury Castle Preservation Trust

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our 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 a Report of the Independent Auditors 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 our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charitable company, we identified the principal risks of non-compliance with laws and regulations including those that have a direct impact on the preparation of the financial statements and the extent to which non-compliance might have a material effect on the financial statements. Audit procedures performed included discussions with management, review of board meeting minutes, testing of journals, designing and performing audit procedures and challenging assumptions and judgements made by management in relation to accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 Report of the Independent Auditors.

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 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Colm McGrory FCA (Senior Statutory Auditor)
for and on behalf of Ormerod Rutter Limited
The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

Date: 18/12/2024

Hartlebury Castle Preservation Trust

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31st March 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	**152,347**	**71,851**	**224,198**	139,002
Charitable activities	6				
Preservation of Hartlebury Castle		**26,221**	**-**	**26,221**	23,800
Other trading activities	4	**10,237**	**-**	**10,237**	8,581
Investment income	5	**33,500**	**-**	**33,500**	33,374
Total		**222,305**	**71,851**	**294,156**	204,757
EXPENDITURE ON					
Raising funds	7	**16,495**	**1,444**	**17,939**	2,799
Charitable activities	8				
Preservation of Hartlebury Castle		**262,452**	**98,520**	**360,972**	290,865
Total		**278,947**	**99,964**	**378,911**	293,664
NET INCOME/(EXPENDITURE)		**(56,642)**	**(28,113)**	**(84,755)**	(88,907)
Transfers between funds	24	**12,070**	**(12,070)**	**-**	-
Net movement in funds		**(44,572)**	**(40,183)**	**(84,755)**	(88,907)
RECONCILIATION OF FUNDS					
Total funds brought forward		**45,854**	**4,558,325**	**4,604,179**	4,693,086
TOTAL FUNDS CARRIED FORWARD		**1,282**	**4,518,142**	**4,519,424**	4,604,179

The notes form part of these financial statements

Balance Sheet
31st March 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
FIXED ASSETS					
Tangible assets	16	**26,636**	**26,244**	**52,880**	78,452
Heritage assets	17	**-**	**4,490,260**	**4,490,260**	4,490,260
Investments	18	**1**	**-**	**1**	1
		26,637	**4,516,504**	**4,543,141**	4,568,713
CURRENT ASSETS					
Debtors	19	**89,517**	**-**	**89,517**	45,305
Cash at bank and in hand		**135,162**	**1,638**	**136,800**	216,051
		224,679	**1,638**	**226,317**	261,356
CREDITORS					
Amounts falling due within one year	20	**(50,034)**	**-**	**(50,034)**	(25,890)
NET CURRENT ASSETS		**174,645**	**1,638**	**176,283**	235,466
TOTAL ASSETS LESS CURRENT LIABILITIES		**201,282**	**4,518,142**	**4,719,424**	4,804,179
CREDITORS					
Amounts falling due after more than one year	21	**(200,000)**	**-**	**(200,000)**	(200,000)
NET ASSETS		**1,282**	**4,518,142**	**4,519,424**	4,604,179
FUNDS	24				
Unrestricted funds				**1,282**	45,854
Restricted funds				**4,518,142**	4,558,325
TOTAL FUNDS				**4,519,424**	4,604,179

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

The financial statements were approved by the Board of Trustees and authorised for issue on ..17/12/2024.. and were signed on its behalf by:

.....
Mr R J Amphlett - Trustee

The notes form part of these financial statements

Hartlebury Castle Preservation Trust

Cash Flow Statement
for the Year Ended 31st March 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	**(74,064)**	173
Intercompany loan movement		**3,454**	34
Net cash (used in)/provided by operating activities		**(70,610)**	207
Cash flows from investing activities			
Purchase of tangible fixed assets		**(12,501)**	(14,646)
Sale of tangible fixed assets		**3,739**	-
Interest received		**121**	134
Net cash used in investing activities		**(8,641)**	(14,512)
Change in cash and cash equivalents in the reporting period		**(79,251)**	(14,305)
Cash and cash equivalents at the beginning of the reporting period		**216,051**	230,356
Cash and cash equivalents at the end of the reporting period		**136,800**	216,051

The notes form part of these financial statements

Notes to the Cash Flow Statement for the Year Ended 31st March 2024

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024	2023
	£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)	**(84,755)**	(88,907)
Adjustments for:		
Depreciation charges	**33,394**	51,889
Loss on disposal of fixed assets	**940**	-
Interest received	**(121)**	(134)
(Increase)/decrease in debtors	**(47,666)**	111,504
Increase/(decrease) in creditors	**24,144**	(74,179)
Net cash (used in)/provided by operations	**(74,064)**	173

2. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	At 1.4.23	Cash flow	At 31.3.24
	£	£	£
Net cash			
Cash at bank and in hand	**216,051**	**(79,251)**	**136,800**
	216,051	**(79,251)**	**136,800**
Debt			
Debts falling due after 1 year	**(200,000)**	**-**	**(200,000)**
	(200,000)	**-**	**(200,000)**
Total	**16,051**	**(79,251)**	**(63,200)**

The notes form part of these financial statements

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The accounts are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

GOING CONCERN

After assessing whether the going concern assumption is appropriate, taking into account all available information about the future, which is at least, but is not limited to, twelve months from the date when the financial statements are authorised, the trustees consider the charity able to continue as a going concern.

PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The financial statements contain information about The Hartlebury Castle Preservation Trust as an individual charity and do not contain consolidated financial information as the parent of a group. The charity is exempt under Section 399(2A) of the Companies Act 2006 and the Charities Act 2011 Section 139(2) from the requirements to prepare consolidated financial statements.

INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income from grants (including government grants) and donations is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income from grants is only deferred when the charity has to fulfil conditions not yet met before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Admissions and subscriptions are considered to be, in substance, donations rather than payment or services. Admissions are recognised on entry. Subscriptions are recognised over the period to which they relate on a straight-line basis.

Rental income is recognised in line with the periods to which such income relates, up to the extent that it is probable that such income is recoverable. Where recoverability of rental income is in doubt, such income is instead recognised on a cash basis.

Interest income is recognised for all interest-bearing instruments on an accrual basis.

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

FIXED ASSET INVESTMENTS IN SUBSIDIARIES

Fixed asset investments in subsidiaries are measured at cost less impairment.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

Fixed assets costing less than £100 are not capitalised

continued...

1. ACCOUNTING POLICIES - continued

HERITAGE ASSETS
Heritage assets are recognised at cost and are considered to have indefinite useful lives. As such, Heritage assets are not depreciated and are instead reviewed annually for impairment.

TAXATION
The charity is exempt from corporation tax on its charitable activities.

FUND ACCOUNTING
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

PENSION COSTS
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

FINANCIAL INSTRUMENTS
The charity has elected to apply the provisions of Section 11' Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the charity becomes party to contractual provisions of the instrument.

Financial assets are offset, with the net amounts presented in the accounts where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic Financial Assets
Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Basic Financial Liabilities
Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future receipts, discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of the operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction cost.

CONCESSIONARY LOANS
Concessionary loan received from third parties on which no interest is to be charged are measured at historical cost.

continued...

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Depreciation
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful lives and residual values of the assets. The useful lives and residual values are re-assessed annually. They are amended when necessary to reflect the current estimates, based on the technological advancement, future investment, economic utilisation and the physical condition of the assets. Rates of depreciation are considered on a category basis and disclosed within the accounting policy for depreciation.

Valuation of Heritage Assets
Heritage Assets form a significant part of the value of net assets per the balance sheet The financial statements are therefore sensitive to the change in value of these assets. Heritage Assets are recorded at cost as they are typically unique and therefore no active market is available. The Trustees assess Heritage Assets annually for impairment.

3. DONATIONS AND LEGACIES

	2024	2023
	£	£
Donations	**25,104**	13,041
Donations from subsidiary	**58,179**	67,235
Grants	**73,122**	1,085
Subscriptions	**1,258**	1,484
Admissions	**66,535**	56,157
	224,198	139,002

Grants received, included in the above, are as follows:

	2024	2023
	£	£
Kickstart	**-**	1,085
National Lottery Heritage Fund - Resilience & Recovery	**69,851**	-
Herfordshire & Worcestershire Gardens Trust	**2,000**	-
Hartlebury Parish Council	**1,271**	-
	73,122	1,085

4. OTHER TRADING ACTIVITIES

	2024	2023
	£	£
Fundraising events	**10,237**	8,581

5. INVESTMENT INCOME

	2024	2023
	£	£
Rents received	**33,379**	33,240
Deposit account interest	**121**	134
	33,500	33,374

continued...

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2024	2023
		£	£
Other income	Preservation of Hartlebury Castle	**26,221**	23,800

7. RAISING FUNDS

RAISING DONATIONS AND LEGACIES

	2024	2023
	£	£
Fundraising event costs	**14,823**	(409)

OTHER TRADING ACTIVITIES

	2024	2023
	£	£
Purchases	**2**	200

INVESTMENT MANAGEMENT COSTS

	2024	2023
	£	£
Property management costs	**3,114**	3,008
Aggregate amounts	**17,939**	2,799

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9)	Support costs (see note 10)	Totals
	£	£	£
Preservation of Hartlebury Castle	**282,408**	**78,564**	**360,972**

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2024	2023
	£	£
Staff costs	**167,813**	133,892
Rates and water	**1,964**	3,322
Insurance	**33,738**	31,063
Light and heat	**16,707**	15,099
Telephone	**3,791**	2,774
Advertising	**10,298**	4,065
Sundries	**2,458**	2,900
Property maintenance	**25,775**	19,023
Computer costs	**15,810**	4,502
Security	**4,054**	5,307
	282,408	221,947

continued...

10. SUPPORT COSTS

	Management	Finance	Governance costs	Totals
	£	£	£	£
Preservation of Hartlebury Castle	**7,888**	**1,608**	**69,068**	**78,564**

Support costs, included in the above, are as follows:

	2024 Preservation of Hartlebury Castle	2023 Total activities
	£	£
Postage and stationery	**3,879**	**865**
Training	**1,425**	**672**
Travel and subsistence	**950**	**1,395**
Licences and subscriptions	**1,634**	**1,354**
Bank charges	**1,608**	**3,133**
Auditors' remuneration	**3,500**	**4,025**
Accountancy fees	**6,218**	**4,323**
Legal and professional fees	**24,200**	**434**
Payroll services	**816**	**828**
Depreciation of tangible fixed assets	**33,394**	**51,889**
Loss on sale of tangible fixed assets	**940**	**-**
	78,564	**68,918**

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2024	2023
	£	£
Depreciation - owned assets	**33,394**	51,889
Deficit on disposal of fixed assets	**940**	-

12. AUDITORS' REMUNERATION

	2024	2023
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	**3,500**	4,025

13. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2024 nor for the year ended 31st March 2023.

TRUSTEES' EXPENSES

Two trustees (2023: Three) were reimbursed expenses totalling £2,038 in the year (2023: £4,275) . Of this amount £1,351 (2023: £3,547) was in relation to gardening and repair materials purchased for the castle and £687 (2023: £747) was reimbursing mileage costs incurred by trustees to attend meetings at the castle.

continued...

14. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	157,361	126,984
Social security costs	7,419	4,337
Other pension costs	3,033	2,571
	167,813	133,892

No employees received remuneration of over £60,000 (excluding employer national insurance and pension costs).

Key management remuneration (including employer national insurance and pension costs) in the year totalled £55,060 (2023: £51,379).

Pension costs relate to defined contribution schemes only.

The average monthly number of employees during the year was as follows:

	2024	2023
Trust staff	10	9

15. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	139,002	-	139,002
Charitable activities			
Preservation of Hartlebury Castle	23,800	-	23,800
Other trading activities	8,581	-	8,581
Investment income	33,374	-	33,374
Total	204,757	-	204,757
EXPENDITURE ON			
Raising funds	2,799	-	2,799
Charitable activities			
Preservation of Hartlebury Castle	232,183	58,682	290,865
Total	234,982	58,682	293,664
NET INCOME/(EXPENDITURE)	(30,225)	(58,682)	(88,907)
Transfers between funds	(83)	83	-
Net movement in funds	(30,308)	(58,599)	(88,907)
RECONCILIATION OF FUNDS			
Total funds brought forward	76,162	4,616,924	4,693,086
TOTAL FUNDS CARRIED FORWARD	45,854	4,558,325	4,604,179

continued...

16. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1st April 2023	**134,940**	**221,960**	**17,520**	**374,420**
Additions	**-**	**11,271**	**1,230**	**12,501**
Disposals	**(2,347)**	**-**	**(5,580)**	**(7,927)**
At 31st March 2024	**132,593**	**233,231**	**13,170**	**378,994**
DEPRECIATION				
At 1st April 2023	**117,709**	**165,340**	**12,919**	**295,968**
Charge for year	**5,176**	**26,950**	**1,268**	**33,394**
Eliminated on disposal	**(1,407)**	**-**	**(1,841)**	**(3,248)**
At 31st March 2024	**121,478**	**192,290**	**12,346**	**326,114**
NET BOOK VALUE				
At 31st March 2024	**11,115**	**40,941**	**824**	**52,880**
At 31st March 2023	17,231	56,620	4,601	78,452

17. HERITAGE ASSETS

	Total £
MARKET VALUE	
At 1st April 2023 and 31st March 2024	**4,490,260**
NET BOOK VALUE	
At 31st March 2024	**4,490,260**
At 31st March 2023	4,490,260

The heritage assets comprise of Hartlebury Castle and its grounds. It is one of the objectives of the charity to preserve and manage Hartlebury Castle and its grounds. Following the completion in prior years, the initial improvements and restoration work following its acquisition was considered necessary in order to bring the property to a suitable condition before it could be opened to the public as a visitor attraction, the charity is not expected to make any additions to or disposals of the heritage assets held.

The heritage assets are subject to a charge over the freehold title held by the National Heritage Memorial Fund. More details are provided in Note 22.

FIVE-YEAR SUMMARY OF TRANSACTIONS

	2024 £	2023 £	2022 £	2021 £	2020 £
Cost at start of year	4,490,260	4,490,260	4,490,260	4,448,778	4,443,351
Additions in the year	-	-	-	41,482	5,427
Cost at the year end	**4,490,260**	**4,490,260**	**4,490,260**	**4,490,260**	**4,448,778**

The initial purchase of Hartlebury Castle and grounds was in 2018 at a cost of £2,272,000 . All subsequent additions relate to significant improvements and restoration work which were considered necessary in order to bring the property to a suitable condition before it could be opened to the public as a visitor attraction. All such improvements and restoration work is considered to have been completed in 2021.

continued...

18. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1st April 2023 and 31st March 2024	1
NET BOOK VALUE	
At 31st March 2024	1
At 31st March 2023	1

The company's investments at the balance sheet date in the share capital of companies include the following:

Hartlebury Castle Company Limited (No:09248664)
Registered office: Hartlebury Castle, Hartlebury, Kidderminster, England, DY11 7XZ
Nature of business: To run the Cafe, Shop & Events at the Castle.

Class of share:	% holding
Ordinary	**100**

	2024 £	2023 £
Aggregate capital and reserves	1	1
Profit for the year	**58,179**	67,235

19. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade debtors	**9,059**	8,394
Amounts owed by group undertakings	**1,219**	4,674
VAT	**23,502**	16,743
Prepayments and accrued income	**55,737**	15,494
	89,517	45,305

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade creditors	**35,974**	11,742
Social security and other taxes	**3,357**	2,330
Pension control	**708**	456
Other creditors	**19**	1,924
Accrued expenses	**9,976**	9,438
	50,034	25,890

continued...

21. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£	£
Other loans (see note 22)	**200,000**	200,000

22. LOANS

An analysis of the maturity of loans is given below:

	2024	2023
	£	£
Amounts falling due between two and five years:		
Concessionary loans	**200,000**	200,000

During the 2020 accounting year Worcestershire County Council made available an unsecured loan facility to aid the charity with cashflow. In 2022 Worcestershire County Council agreed to defer the original repayment and convert £25,000 into a restricted fund grant to support the construction of a new adventure playground.

There is currently no formal repayment date for the remaining £200,000 (2023: £200,000) owed to Worcestershire County Council, but it is not expected to be repaid within the next 12 months. It is expected that the loan position will be reviewed and finalised within the negotiations with the Council regarding their lease in 2026.

No interest is charged on the loan.

23. LEASING AGREEMENTS

Operating Lease Payments
Operating lease payments of £628 (2023: £837) were made during the year.

During the year the charity signed a new operating lease for a photocopier, the future minimum lease commitment is as follows:

	2024	2023
	£	£
Not later than one year	590	-
Later than one and not later than five years	885	-
Later than five years	-	-
	1,495	-

Operating Lease Income
Total future minimum lease income which are receivable under non-cancellable operating leases, in respect of investment properties, are as follows:

	2024	2023
	£	£
Not later than one year	7,445	7,445
Later than one and not later than five years	2,792	10,237
Later than five years	-	-
	10,237	17,682

continued...

24. MOVEMENT IN FUNDS

	At 1.4.23 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
Unrestricted funds				
General fund	45,854	(56,642)	12,070	1,282
Restricted funds				
Restoration and preservation fund	4,535,284	(18,780)	-	4,516,504
HLF resiliant fund	-	193	(193)	-
Culture recovery fund - claim 1	11,138	(6,658)	(4,480)	-
Culture recovery fund - claim 2	11,503	(4,106)	(7,397)	-
Culture recovery fund - claim 3	400	(400)	-	-
Hereford & Worcester Garden Trust	-	1,638	-	1,638
	4,558,325	(28,113)	(12,070)	4,518,142
TOTAL FUNDS	4,604,179	(84,755)	-	4,519,424

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	222,305	(278,947)	(56,642)
Restricted funds			
Restoration and preservation fund	-	(18,780)	(18,780)
HLF resiliant fund	69,851	(69,658)	193
Culture recovery fund - claim 1	-	(6,658)	(6,658)
Culture recovery fund - claim 2	-	(4,106)	(4,106)
Culture recovery fund - claim 3	-	(400)	(400)
Hereford & Worcester Garden Trust	2,000	(362)	1,638
	71,851	(99,964)	(28,113)
TOTAL FUNDS	294,156	(378,911)	(84,755)

continued...

24. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General fund	15,662	(30,225)	60,417	45,854
Reserve fund	20,500	-	(20,500)	-
Projected deficit for future years	40,000	-	(40,000)	-
	76,162	(30,225)	(83)	45,854
Restricted funds				
Restoration and preservation fund	4,578,982	(43,698)	-	4,535,284
Magic mirror fund	600	(600)	-	-
HLF resiliant fund	17	(17)	-	-
Culture recovery fund - claim 1	16,803	(5,665)	-	11,138
Culture recovery fund - claim 2	18,569	(7,066)	-	11,503
Culture recovery fund - claim 3	709	(392)	83	400
Hereford & Worcester Garden Trust	1,244	(1,244)	-	-
	4,616,924	(58,682)	83	4,558,325
TOTAL FUNDS	4,693,086	(88,907)	-	4,604,179

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	204,757	(234,982)	(30,225)
Restricted funds			
Restoration and preservation fund	-	(43,698)	(43,698)
Magic mirror fund	-	(600)	(600)
HLF resiliant fund	-	(17)	(17)
Culture recovery fund - claim 1	-	(5,665)	(5,665)
Culture recovery fund - claim 2	-	(7,066)	(7,066)
Culture recovery fund - claim 3	-	(392)	(392)
Hereford & Worcester Garden Trust	-	(1,244)	(1,244)
	-	(58,682)	(58,682)
TOTAL FUNDS	204,757	(293,664)	(88,907)

UNRESTRICTED FUNDS

General fund
The general fund is that part of the unrestricted funds which the trustees may choose to spend on any activity within the purposes of the charity.

Reserve fund
The designated reserve fund was set up by the trustees to ensure that sufficient reserves were held by the Charity in order to fund any unexpected expenditure in the future. This fund was transferred back to general funds in the year as the trustees recognise the low level of general reserves and the need to grow this reserve first.

continued...

24. MOVEMENT IN FUNDS - continued

RESTRICTED FUNDS

Restoration and preservation fund
The restoration and preservation fund has been restricted by the donor specifically to fund the purchase and restoration of Hartlebury Castle.

Magic mirror fund
The charity received £3,000 towards the purchase and installation of a magic mirror. This purchase was made in the 2020 accounting period and the asset has now been depreciated in full with the result that there is no balance remaining on this fund.

HLF resilient fund
The charity is in receipt of a grant from the National Lottery Heritage Fund Resilient Heritage programme. This grant supports organisational development and commercial income generation as the charity transitions from delivering the restoration and re-opening to becoming a sustainable heritage attraction.

Culture recovery fund
The charity was awarded £143,757 from the Cultural Recovery Fund a number of years ago, a fund designed to support the reopening of cultural and heritage sites across the UK following the coronavirus pandemic. The money helped the charity to recover from months of lost income whilst the site was closed, support its reopening, fund improvements to accessibility of the grounds and complete vital maintenance works to preserve the future of the castle. The balance on this fund
is now nil as during the year the remaining balance, which was entirely represented by the net book value of fixed assets purchased from the fund, were transferred to general funds.

Hereford and Worcester Garden Trust
During the year the charity was awarded £2,000 to spend on maintenance and improvement of garden areas. The is a remaining balance on this fund of £1,638 at the year end.

TRANSFERS BETWEEN FUNDS

During the year £193 was transferred from the general fund to the HLF resilient fund to cover a small deficit.

A further £11,877 was transferred to general funds in the year, being the net book value of assets purchased from the Culture Recovery Funds, none of which have any restrictions as to re-sale and are therefore free from restriction.

25. CONTINGENT LIABILITIES

The purchase of Hartlebury Castle and grounds during the period ended 31 March 2016 was made possible due to the support of the National Heritage Memorial Fund (NHMF) by means of substantial grants as shown in previous financial statements. The NHMF has registered a charge over the property and the Trust would not be in a position to dispose of the estate without the express agreement of the NHMF.

Should the Trustees intend at any time that the property be sold, transferred or other rights over the property be granted, the NHMF retains the right under the terms of its grant to require repayment of such amount of the proceeds of the sale or of the original grant as it shall at its sole discretion determine.

As Hartlebury Castle Preservation Trust was established for the principal purpose of acquiring and maintaining the property and its contents as a heritage asset for the public benefit, the possibility of the Trust disposing of the estate is unlikely.

As a result, it is not possible to determine what amount, if any, would be repayable to NHMF as a result of such a remote event.

continued...

26. RELATED PARTY DISCLOSURES

The charity's trading aspect sits within subsidiary, Hartlebury Castle Company Limited. At the year end it was owed £1,489 (2023: £4,674) from its subsidiary. The subsidiary company made donations totalling £58,449 (2023: £67,235) to the charity in the year.

27. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statement and prepare and submit returns to the tax authorities for the trading company.

HARTLEBURY CASTLE PRESERVATION TRUST

England & Wales - Charity number 1127871

Accounts

REGISTERED COMPANY NUMBER: 06779241 (England and Wales)
REGISTERED CHARITY NUMBER: 1127871

Report of the Trustees and

Financial Statements for the Year Ended 31st March 2023

for

Hartlebury Castle Preservation Trust

Ormerod Rutter Limited
The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

Contents of the Financial Statements for the Year Ended 31st March 2023

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 6
Report of the Independent Auditors	7 to 8
Statement of Financial Activities	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13 to 25
Detailed Statement of Financial Activities	26 to 27

Hartlebury Castle Preservation Trust

Reference and Administrative Details
for the Year Ended 31st March 2023

TRUSTEES	Mr R J Earl Mr S L Ellis Ms S J Finch Ms V Floy (resigned 14.2.23) Mr R D Greenwood Mr S K Munday Ms H A D M Rawles (resigned 8.8.23) Mr P West Mr R J Amphlett (appointed 14.2.23) Mr D H Smith (appointed 14.2.23) Mr P B Stickland (appointed 14.2.23)
REGISTERED OFFICE	Hartlebury Castle Hartlebury Kidderminster Worcestershire DY11 7XZ
REGISTERED COMPANY NUMBER	06779241 (England and Wales)
REGISTERED CHARITY NUMBER	1127871
INDEPENDENT AUDITORS	Ormerod Rutter Limited The Oakley Kidderminster Road Droitwich Worcestershire WR9 9AY
DIRECTOR	Mr S R Bagnall
PROPERTY RENTAL AGENTS	G Herbert Banks The Estate Office Hill House Great Witley Worcestershire WR6 6JB

Report of the Trustees
for the Year Ended 31st March 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2023. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charitable purpose of the Trust is to preserve for the benefit of the people of Worcestershire and the nation, Hartlebury Castle and its historic contents including the Hurd Library, alongside its grounds, parkland and gardens. Secondly to advance the education of the public in the local history and architecture of Worcestershire and the surrounding areas.

Hartlebury Castle was the home of successive Bishops of Worcester for over 1000 years (from 855 to 2007) and is now owned and managed by Hartlebury Castle Preservation Trust. The Trust acquired the property and grounds in 2017 for the use and enjoyment of the community, and to allow the nationally important Hurd Library to remain intact and on the shelves in the room originally built for it. The Trust opened the Bishop's Palace to the public in May 2018 and invites visitors of all ages and backgrounds to enjoy exploring the history and heritage of the Castle and its grounds and hear some of the fascinating stories of the people who lived and worked there.

Alongside the visitor attraction the Trust presents a diverse programme of themed weekends and ticketed entertainment events including indoor and outdoor theatre and music events and hosts a variety of private and corporate events.

The Trust also hosts Worcestershire County Museum (operated separately by a partnership between Worcester City Council and Worcestershire County Council) on the site.

"We loved the talking portraits who guided you round the tour. The whole place had been beautifully restored and had so many things to see and do."(Visitor quote)

Our Vision is that:

Hartlebury Castle, through careful stewardship, is cherished, celebrated and understood, providing an unmissable experience that inspires, informs and delights all who visit.

We believe in:

- Sharing the diversity of historical and natural landscapes that contribute to the uniqueness of Hartlebury Castle.

- Treasuring Hartlebury Castle and its collections and becoming recognised as a passionate and innovative leader in the guardianship and sharing of our heritage.

- Developing the gardens and grounds to provide an ecological haven for wildlife and telling the story of the Castle's estate over its 1000 year history.

- Enthusing partners and communities to nurture learning and engagement and to encourage wellbeing.

"Beautiful castle, amazing historical experience blending new technology into an ancient building. Great help from the guides without being overbearing. Spent hours there and didn't realise."(Visitor quote)

Public benefit

In setting the Trust's objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The charity fulfils its purpose and its vision by opening Hartlebury Castle and its grounds and gardens to the public and sharing the stories and history of Hartlebury and the Bishops of Worcester in an entertaining and engaging way.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Trustees Statement

The Trust has been trading for just 5 years, a period that has been characterised by unprecedented upheaval and business interruption. The year ending March 2023 marked the first full year of uninterrupted trading since 2019. Set against this background the Trust has found progressing from the start-up phase into achieving a sustainable business very challenging.

The early part of this year was marked by continued post COVID recovery with visitor numbers generally positive and back towards pre-pandemic levels. However, as the year progressed the impact of soaring inflation on admissions, event attendances and operational costs has had a negative impact on trading conditions. This is the first financial year in the Trust's history that it has traded without funding from the National Lottery Heritage Fund and has not received any other external funding in this period.

Despite the impact of challenging external factors, the Trust continued to build on the business planning and development work that took place during the pandemic closure period, presenting a well-received programme of events and activities designed to be attractive and engaging to visitors of all ages.

The Trust is committed to delivering a high-quality heritage experience that is both informative and entertaining. Visitor feedback continues to be very positive. A selection of visitor comments from this year are contained in this document.

"A wonderful place for exploring history and the grounds. Something for all ages, would thorough recommend."(Visitor quote)

Charitable activities

The Trust has continued to provide a warm welcome to visitors of all ages and backgrounds, and to share the history of the Castle and the stories of the Bishops of Worcester.

Once again priority has been given to family visitors, with the aim of entertaining and inspiring young visitors, encouraging a lifetime of heritage attraction visits. New initiatives this year included a visit from The Sealed Knot with a major weekend of civil war period re-enactment and four days of family Easter celebrations including egg hunts.

Trustees were delighted to be able to open the new adventure playground which has proved to be a very popular and well received addition to the visitor attraction and has inspired more families to explore the estate.

"We visited on Saturday and were blessed with a beautiful sunny day. All the staff were lovely and very helpful. We loved the talking portraits who guided you round the tour. We were a mixed group of teens and grandparents, and we all enjoyed our tour."(Visitor quote)

Volunteering

The Trust would not be able to operate the visitor attraction without the ongoing support of an enthusiastic team of volunteers. Tasks undertaken include gardens and grounds maintenance, property maintenance, house stewards, library volunteers, and events and activities support.

Feedback suggests that our visitors greatly value our volunteers approachable and knowledgeable presence on the site.

Volunteer recruitment has been ongoing this year with attendance at volunteer fairs and our volunteer open day resulting in a good level of new volunteers.

Trustees also give their time on a voluntary basis.

"What a fantastic place! Superb house immaculately restored. Welcoming staff and brilliant volunteers"(Visitor quote)

Future Ambition - Looking Forward

Increasing visitor numbers continues to be a primary objective and much of the planned activity over the coming year feeds into this aim. Trustees are keen to build on successes such as The Sealed Knot weekend and present other large scale themed events that have a significant impact.

"Amazing Experience Today! Thank you to everyone who was involved in making today's Civil War event happen from the volunteers to the staff and Sealed Knot team we had an amazing family day out!"(Visitor quote)

The Trust are keen to open up access to more of the estate to improve the experience and dwell time for grounds and gardens visitors. This is part of the longer-term estate management plan which is currently being developed. Funding has been secured for an initial ecology survey.

Longer term planning is set in the context of negotiations with Worcestershire County Council over the renewal of the lease arrangements relating to hosting the Worcestershire County Museum on the site. The current leases expire in 2026. Both parties are negotiating on the basis that the museum remains a part of the visitor attraction although Trustees are exploring other options for the spaces should that position change.

"Such a great place to visit. We thought we would see everything in 2 or 3 hours but we were there all day"(Visitor quote)

FINANCIAL REVIEW

Financial position

The charity has received grant income totalling £1,085 (2022: £274,579) in the year, with this year's grant income being Kickstart funding towards employment costs. Prior year grant income includes £83,377 received from the National Lottery Heritage Fund to help fund the refurbishment of the Castle and grounds and £143,757 from the National Lottery Heritage Fund Culture Recovery Fund to help the charity recover from months of lost income following the coronavirus pandemic. These funds were fully expensed in the year, with the remaining restricted fund balances relating to the value of fixed assets purchased.

The charity also benefits from being able to rent out several properties on the grounds of the castle which have generated income of £33,240 (2022: £30,818).

The balance sheet shows that the charity held cash of £216,051 the 31st March 2023, which is a decrease of £14,305 on the 2022 level of £230,356.

At 31st March 2023, the charity held net assets of £4,604,179 (2022: £4,693,086) of which £4,490,260 (2022: £4,490,260) is represented by the cost of the freehold property and subsequent refurbishment costs. There were unrestricted reserves at the year end of £45,854 (2022: £76,162) of which £32,351 (2022: £68,854) are considered free reserves, which can be spent on charitable activities as the trustees see fit. Free reserves are considered to be unrestricted funds, less the value of fixed assets not covered by restricted funds. More details regarding the funds can be found in note 24.

Reserves policy

The attached financial statements show the current state of the finances and of the charity's income and expenditure for the year. The trustees regularly examine the requirements for income reserves adequate to ensure the charity will continue to meet its future needs, and recognise that increased reserves are required.

The Trustees are committed to growing a unrestricted funds over the coming years in accordance with the business plan. The unrestricted reserves held at the 31st March 2023 of £45,854 (2022: £76,162) represents just over 2 months unrestricted fund expenditure at the level shown in the accounts, which the trustees consider to be the absolute minimum level of reserves that should be held in the charity at any one time.

FUTURE PLANS

This is the first year that the Trust received no public grant funding. Trustees recognise that progress towards achieving a resilient and sustainable business has been hampered by external factors and is taking longer to achieve than the business plan produced at the end of 2020 indicated. Trustees are taking action to ensure that the business remains robust. This includes multi-year Resilience and Recovery grant funding from the National Lottery Heritage Fund and implementing a comprehensive new fundraising strategy. Progress is being made with a new individual philanthropy scheme.

Alongside the events and engagement programme the Trust hosts wedding, private parties, and corporate events. The Trust will continue to diversify its revenue by promoting this activity and looking for new opportunity for commercial revenue.

"Held wedding reception there. Cannot recommend highly enough. Extremely efficient and nothing was too much trouble. Excellent service in fabulous building."(Wedding client)

The Trust believes Hartlebury Castle offers an excellent visitor experience and has confidence in the long-term viability of the heritage attraction. The Trust is committed to ensuring new arrangements negotiated around the Worcestershire County Museum lease renewal in 2026 add to the future resilience and sustainability of the Trust.

"Have visited several times over the years- it never fails to make things interesting. The displays are superb both for young and old. The staff in every area were pleasant and helpful. For the first time we visited the Bishops Palace- fantastic presentation making the history really come alive. A really enjoyable day out. And lunch was pretty good too."(Visitor quote)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, Memorandum & Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

As defined in the Memorandum and Articles of Association of the charity, the trustees as charity trustees have control of the charity and its property and funds. The trustees body when complete consists of at least three and not more than eleven individuals, all of whom must be members of the Trust. One third (or the number nearest one third) of the trustees must retire at each AGM, with those longest in office retiring first and the choice between any of equal service being made by drawing lots. If the members at the meeting at which a trustee retires by rotation does not fill the vacancy, the retiring trustee shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the appointment of the trustee is put to the meeting and lost.

All trustees give their time voluntarily and received no benefits from the charity. Any expenses reclaimed from the charity are set out in the notes to the accounts.

The board of trustees regularly reviews it composition in terms of practical skills, business acumen and knowledge. Where a potential deficiency is identified, or in order to enhance the pool of trustees, the charity has, through selective advertising and networking, sought to identify persons who would be willing to become members and trustees and use their own experience to assist the charity.

Potential new trustees are encouraged to attend at least one board meeting to familiarise themselves with the operation and governance of the charity prior to appointment as a trustee. They are encouraged to familiarise themselves with the guidance produced by the Charity Commission, in particular the publication 'The Essential Trustee'.

KEY MANAGEMENT

The day to day operations of the charity are delegated by the trustees to Director, Steve Bagnall.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Hartlebury Castle Preservation Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 10th October 2023 and signed on its behalf by:



Mr R J Amphlett - Trustee

Report of the Independent Auditors to the Members of Hartlebury Castle Preservation Trust

Opinion

We have audited the financial statements of Hartlebury Castle Preservation Trust (the 'charitable company') for the year ended 31st March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 (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 31st March 2023 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 Auditors' 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 the provisions available for small entities, in the circumstances set out in note 27 to the financial statements, 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

Other than the item noted in the emphasis of matter paragraph, we confirm that we have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our 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 a Report of the Independent Auditors 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 our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company, we identified the principal risks of non-compliance with laws and regulations including those that have a direct impact on the preparation of the financial statements and the extent to which non-compliance might have a material effect on the financial statements. Audit procedures performed included discussions with management, review of board meeting minutes, testing of journals, designing and performing audit procedures and challenging assumptions and judgements made by management in relation to accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 Report of the Independent Auditors.

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 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Colm McGrory FCA (Senior Statutory Auditor)
for and on behalf of Ormerod Rutter Limited
The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

10th October 2023

Hartlebury Castle Preservation Trust

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31st March 2023

	Notes	Unrestricted funds £	Restricted funds £	**2023 Total funds £**	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	**139,002**	**-**	**139,002**	335,335
Charitable activities	6				
Preservation of Hartlebury Castle		**23,800**	**-**	**23,800**	9,186
Education of the public in local history and architecture		**-**	**-**	**-**	1,795
Other trading activities	4	**8,581**	**-**	**8,581**	4,232
Investment income	5	**33,374**	**-**	**33,374**	30,818
Total		**204,757**	**-**	**204,757**	381,366
EXPENDITURE ON					
Raising funds	7	**2,799**	**-**	**2,799**	15,059
Charitable activities	8				
Preservation of Hartlebury Castle		**232,183**	**58,682**	**290,865**	387,661
Education of the public in local history and architecture		**-**	**-**	**-**	1,119
Total		**234,982**	**58,682**	**293,664**	403,839
NET INCOME/(EXPENDITURE)		**(30,225)**	**(58,682)**	**(88,907)**	(22,473)
Transfers between funds	24	**(83)**	**83**	**-**	-
Net movement in funds		**(30,308)**	**(58,599)**	**(88,907)**	(22,473)
RECONCILIATION OF FUNDS					
Total funds brought forward		**76,162**	**4,616,924**	**4,693,086**	4,715,559
TOTAL FUNDS CARRIED FORWARD		**45,854**	**4,558,325**	**4,604,179**	4,693,086

The notes form part of these financial statements

Balance Sheet
31st March 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	16	**13,503**	**64,949**	**78,452**	115,695
Heritage assets	17	**-**	**4,490,260**	**4,490,260**	4,490,260
Investments	18	**1**	**-**	**1**	1
		13,504	**4,555,209**	**4,568,713**	4,605,956
CURRENT ASSETS					
Debtors	19	**42,189**	**3,116**	**45,305**	156,843
Cash at bank and in hand		**216,051**	**-**	**216,051**	230,356
		258,240	**3,116**	**261,356**	387,199
CREDITORS					
Amounts falling due within one year	20	**(25,890)**	**-**	**(25,890)**	(200,069)
NET CURRENT ASSETS		**232,350**	**3,116**	**235,466**	187,130
TOTAL ASSETS LESS CURRENT LIABILITIES		**245,854**	**4,558,325**	**4,804,179**	4,793,086
CREDITORS					
Amounts falling due after more than one year	21	**(200,000)**	**-**	**(200,000)**	(100,000)
NET ASSETS		**45,854**	**4,558,325**	**4,604,179**	4,693,086
FUNDS	24				
Unrestricted funds				**45,854**	76,162
Restricted funds				**4,558,325**	4,616,924
TOTAL FUNDS				**4,604,179**	4,693,086

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

The financial statements were approved by the Board of Trustees and authorised for issue on 10th October 2023 and were signed on its behalf by:



Mr R J Amphlett - Trustee

The notes form part of these financial statements

Hartlebury Castle Preservation Trust

Cash Flow Statement
for the Year Ended 31st March 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	**173**	27,016
Intercompany loan		**34**	-
Net cash provided by operating activities		**207**	27,016
Cash flows from investing activities			
Purchase of tangible fixed assets		**(14,646)**	(81,828)
Interest received		**134**	-
Net cash used in investing activities		**(14,512)**	(81,828)
Change in cash and cash equivalents in the reporting period		**(14,305)**	(54,812)
Cash and cash equivalents at the beginning of the reporting period		**230,356**	285,168
Cash and cash equivalents at the end of the reporting period		**216,051**	230,356

The notes form part of these financial statements

Notes to the Cash Flow Statement for the Year Ended 31st March 2023

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)	**(88,907)**	(22,473)
Adjustments for:		
Depreciation charges	**51,889**	71,973
Interest received	**(134)**	-
WCC loan converted into grant	**-**	(25,000)
Decrease/(increase) in debtors	**111,504**	(25,987)
(Decrease)/increase in creditors	**(74,179)**	28,503
Net cash provided by operations	**173**	27,016

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22	Cash flow	At 31.3.23
	£	£	£
Net cash			
Cash at bank and in hand	**230,356**	**(14,305)**	**216,051**
	230,356	**(14,305)**	**216,051**
Debt			
Debts falling due within 1 year	**(100,000)**	**100,000**	**-**
Debts falling due after 1 year	**(100,000)**	**(100,000)**	**(200,000)**
	(200,000)	**-**	**(200,000)**
Total	**30,356**	**(14,305)**	**16,051**

The notes form part of these financial statements

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The accounts are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

GOING CONCERN

After assessing whether the going concern assumption is appropriate, taking into account all available information about the future, which is at least, but is not limited to, twelve months from the date when the financial statements are authorised, the trustees consider the charity able to continue as a going concern.

PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The financial statements contain information about The Hartlebury Castle Preservation Trust as an individual charity and do not contain consolidated financial information as the parent of a group. The charity is exempt under Section 399(2A) of the Companies Act 2006 and the Charities Act 2011 Section 139(2) from the requirements to prepare consolidated financial statements.

INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income from grants (including government grants) and donations is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income from grants is only deferred when the charity has to fulfil conditions not yet met before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Admissions and subscriptions are considered to be, in substance, donations rather than payment or services. Admissions are recognised on entry. Subscriptions are recognised over the period to which they relate on a straight-line basis.

Rental income is recognised in line with the periods to which such income relates, up to the extent that is is probable that such income is recoverable. Where recoverability of rental income is in doubt, such income is instead recognised on a cash basis.

Interest income is recognised for all interest-bearing instruments on an accrual basis.

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

FIXED ASSET INVESTMENTS IN SUBSIDIARIES

Fixed asset investments in subsidiaries are measured at cost less impairment.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

Fixed assets costing less than £100 are not capitalised

continued...

1. ACCOUNTING POLICIES - continued

HERITAGE ASSETS
Heritage assets are recognised at cost and are considered to have indefinite useful lives. As such, Heritage assets are not depreciated and are instead reviewed annually for impairment.

TAXATION
The charity is exempt from corporation tax on its charitable activities.

FUND ACCOUNTING
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

PENSION COSTS
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

FINANCIAL INSTRUMENTS
The charity has elected to apply the provisions of Section 11' Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the charity becomes party to contractual provisions of the instrument.

Financial assets are offset, with the net amounts presented in the accounts where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic Financial Assets
Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Basic Financial Liabilities
Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future receipts, discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of the operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction cost.

CONCESSIONARY LOANS
Concessionary loan received from third parties on which no interest is to be charged are measured at historical cost.

continued...

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Depreciation
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful lives and residual values of the assets. The useful lives and residual values are re-assessed annually. They are amended when necessary to reflect the current estimates, based on the technological advancement, future investment, economic utilisation and the physical condition of the assets. Rates of depreciation are considered on a category basis and disclosed within the accounting policy for depreciation.

Valuation of Heritage Assets
Heritage Assets form a significant part of the value of net assets per the balance sheet The financial statements are therefore sensitive to the change in value of these assets. Heritage Assets are recorded at cost as they are typically unique and therefore no active market is available. The Trustees assess Heritage Assets annually for impairment.

3. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	**13,041**	6,657
Donations from subsidiary	**67,235**	2,960
Grants	**1,085**	274,579
Subscriptions	**1,484**	1,127
Admissions	**56,157**	50,012
	139,002	335,335

Grants received, included in the above, are as follows:

	2023	2022
	£	£
National Lottery Heritage Fund - Culture Recovery Fund	**-**	143,757
National Lottery Heritage Fund	**-**	83,377
Worcestershire County Council	**-**	25,000
Wychavon District Council	**-**	10,667
Kickstart	**1,085**	6,628
Other grants	**-**	5,150
	1,085	274,579

4. OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Fundraising events	**8,581**	4,232

5. INVESTMENT INCOME

	2023	2022
	£	£
Rents received	**33,240**	30,818
Deposit account interest	**134**	-
	33,374	30,818

continued...

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023	2022
		£	£
Other income	Preservation of Hartlebury Castle	**23,800**	9,186
Learning & education	Education of the public in local history and architecture	**-**	1,795
		23,800	10,981

7. RAISING FUNDS

RAISING DONATIONS AND LEGACIES

	2023	2022
	£	£
Fundraising event costs	**(409)**	5,562

OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Purchases	**200**	5,937

INVESTMENT MANAGEMENT COSTS

	2023	2022
	£	£
Property management costs	**3,008**	3,560
Aggregate amounts	**2,799**	15,059

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9)	Support costs (see note 10)	Totals
	£	£	£
Preservation of Hartlebury Castle	**221,947**	**68,918**	**290,865**

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023	2022
	£	£
Staff costs	**133,892**	129,920
Rates and water	**3,322**	4,666
Insurance	**31,063**	29,657
Light and heat	**15,099**	11,433
Telephone	**2,774**	3,937
Advertising	**4,065**	23,479
Sundries	**2,900**	5,077
Property maintenance	**19,023**	45,510
Computer costs	**4,502**	27,928
Security	**5,307**	1,407
Course costs	**-**	1,119
	221,947	284,133

continued...

10. SUPPORT COSTS

	Management	Finance	Governance costs	Totals
	£	£	£	£
Preservation of Hartlebury Castle	**4,286**	**3,133**	**61,499**	**68,918**

Support costs, included in the above, are as follows:

	2023 Preservation of Hartlebury Castle	2022 Total activities
	£	£
Postage and stationery	**865**	**2,188**
Training	**672**	**352**
Travel and subsistence	**1,395**	**205**
Licences and subscriptions	**1,354**	**1,566**
Bank charges	**3,133**	**1,570**
Auditors' remuneration	**4,025**	**3,275**
Auditors' remuneration for non audit work	**-**	**6,565**
Accountancy fees	**4,323**	**-**
Legal and professional fees	**434**	**16,107**
Bookkeeping services	**828**	**846**
Depreciation of tangible fixed assets	**51,889**	**71,973**
	68,918	**104,647**

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation - owned assets	**51,889**	71,973

12. AUDITORS' REMUNERATION

	2023	2022
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	**4,025**	3,275
Other non-audit services	**-**	6,565

13. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2023 nor for the year ended 31st March 2022.

TRUSTEES' EXPENSES

Three trustees were reimbursed expenses totalling £4,275 in the year. Of this amount £3,547 was in relation to gardening and repair materials purchased for the castle and £747 was reimbursing mileage costs incurred by trustees to attend meetings at the castle. (2022: Two trustees were reimbursed expenses totalling £2,102 in relation to gardening and repair materials purchased for the castle).

continued...

14. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	**126,984**	122,842
Social security costs	**4,337**	4,745
Other pension costs	**2,571**	2,333
	133,892	129,920

No employees received remuneration of over £60,000 (excluding employer national insurance and pension costs).

Key management remuneration (including employer national insurance and pension costs) in the year totalled £51,379 (2022: £45,313).

Pension costs relate to defined contribution schemes only.

The average monthly number of employees during the year was as follows:

	2023	2022
Trust staff	**9**	7

15. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	78,051	257,284	335,335
Charitable activities			
Preservation of Hartlebury Castle	9,186	-	9,186
Education of the public in local history and architecture	1,795	-	1,795
Other trading activities	4,232	-	4,232
Investment income	30,818	-	30,818
Total	124,082	257,284	381,366
EXPENDITURE ON			
Raising funds	4,833	10,226	15,059
Charitable activities			
Preservation of Hartlebury Castle	118,621	269,040	387,661
Education of the public in local history and architecture	1,119	-	1,119
Total	124,573	279,266	403,839
NET INCOME/(EXPENDITURE)	(491)	(21,982)	(22,473)
RECONCILIATION OF FUNDS			
Total funds brought forward	76,651	4,638,908	4,715,559
TOTAL FUNDS CARRIED FORWARD	76,160	4,616,926	4,693,086

continued...

16. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1st April 2022	**128,391**	**219,443**	**11,940**	**359,774**
Additions	**6,549**	**2,517**	**5,580**	**14,646**
At 31st March 2023	**134,940**	**221,960**	**17,520**	**374,420**
DEPRECIATION				
At 1st April 2022	**111,316**	**124,206**	**8,557**	**244,079**
Charge for year	**6,393**	**41,134**	**4,362**	**51,889**
At 31st March 2023	**117,709**	**165,340**	**12,919**	**295,968**
NET BOOK VALUE				
At 31st March 2023	**17,231**	**56,620**	**4,601**	**78,452**
At 31st March 2022	17,075	95,237	3,383	115,695

17. HERITAGE ASSETS

	Total £
MARKET VALUE	
At 1st April 2022 and 31st March 2023	**4,490,260**
NET BOOK VALUE	
At 31st March 2023	**4,490,260**
At 31st March 2022	4,490,260

The heritage assets comprise of Hartlebury Castle and its grounds. It is one of the objectives of the charity to preserve and manage Hartlebury Castle and its grounds. Following the completion in prior years, the initial improvements and restoration work following its acquisition was considered necessary in order to bring the property to a suitable condition before it could be opened to the public as a visitor attraction, the charity is not expected to make any additions to or disposals of the heritage assets held.

The heritage assets are subject to a charge over the freehold title held by the National Heritage Memorial Fund. More details are provided in Note 22.

FIVE-YEAR SUMMARY OF TRANSACTIONS

	2022 £	2021 £	2020 £	2019 £	2018 £
Cost at start of year	4,490,260	4,448,778	4,443,351	4,210,449	2,272,000
Additions in the year	-	41,482	5,427	232,902	1,938,449
Cost at the year end	**4,490,260**	**4,490,260**	**4,448,778**	**4,443,351**	**4,210,449**

Cost in 2018 of £2,272,000 relates to the initial purchase of Hartlebury Castle and grounds. All subsequent additions relate to significant improvements and restoration work which were considered necessary in order to bring the property to a suitable condition before it could be opened to the public as a visitor attraction. All such improvements and restoration work is considered to have been completed during the prior year.

continued...

18. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1st April 2022 and 31st March 2023	**1**
NET BOOK VALUE	
At 31st March 2023	**1**
At 31st March 2022	1

The company's investments at the balance sheet date in the share capital of companies include the following:

Hartlebury Castle Company Limited (No:09248664)
Registered office: Hartlebury Castle, Hartlebury, Kidderminster, England, DY11 7XZ
Nature of business: To run the Cafe, Shop & Events at the Castle.

Class of share:	% holding
Ordinary	**100**

	2023 £	2022 £
Aggregate capital and reserves	**1**	1
Profit for the year	**67,235**	17,555

19. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	**8,394**	4,840
Amounts owed by group undertakings	**4,674**	4,709
VAT	**16,743**	25,134
Prepayments and accrued income	**15,494**	122,160
	45,305	156,843

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Other loans (see note 22)	**-**	100,000
Trade creditors	**11,742**	83,605
Social security and other taxes	**2,330**	3,686
Pension control	**456**	928
Other creditors	**1,924**	218
Accrued expenses	**9,438**	11,632
	25,890	200,069

continued...

21. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Other loans (see note 22)	**200,000**	100,000

22. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year on demand:		
Concessionary loans	-	100,000
Amounts falling due between two and five years:		
Concessionary loans	**200,000**	100,000

During the 2020 accounting year Worcestershire County Council made available an unsecured loan facility to aid the charity with cashflow. In 2022 Worcestershire County Council agreed to defer the original repayment and convert £25,000 into a restricted fund grant to support the construction of a new adventure playground.

There is currently no formal repayment date for the remaining £200,000 (2022: £225,000) owed to Worcestershire County Council, but it is not expected to be repaid within the next 12 months. It is expected that the loan position will be reviewed and finalised within the negotiations with the Council regarding their lease in 2026.

No interest is charged on the loan.

23. LEASING AGREEMENTS

Operating Lease Payments
Operating lease payments of £837 (2022: £837) were made during the year.

Operating Lease Income
Total future minimum lease income which are receivable under non-cancellable operating leases, in respect of investment properties, are as follows:

	2023	2022
	£	£
Not later than one year	**7,445**	2,275
Later than one and not later than five years	**10,237**	-
Later than five years	**-**	-
	17,682	2,275

continued...

24. MOVEMENT IN FUNDS

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General fund	**15,662**	**(30,225)**	**60,417**	**45,854**
Reserve fund	**20,500**	**-**	**(20,500)**	**-**
Projected deficit for future years	**40,000**	**-**	**(40,000)**	**-**
	76,162	**(30,225)**	**(83)**	**45,854**
Restricted funds				
Restoration and preservation fund	**4,578,982**	**(43,698)**	**-**	**4,535,284**
Magic mirror fund	**600**	**(600)**	**-**	**-**
HLF resiliant fund	**17**	**(17)**	**-**	**-**
Culture recovery fund - claim 1	**16,803**	**(5,665)**	**-**	**11,138**
Culture recovery fund - claim 2	**18,569**	**(7,066)**	**-**	**11,503**
Culture recovery fund - claim 3	**709**	**(392)**	**83**	**400**
Hereford & Worcester Garden Trust	**1,244**	**(1,244)**	**-**	**-**
	4,616,924	**(58,682)**	**83**	**4,558,325**
TOTAL FUNDS	**4,693,086**	**(88,907)**	**-**	**4,604,179**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	**204,757**	**(234,982)**	**(30,225)**
Restricted funds			
Restoration and preservation fund	**-**	**(43,698)**	**(43,698)**
Magic mirror fund	**-**	**(600)**	**(600)**
HLF resiliant fund	**-**	**(17)**	**(17)**
Culture recovery fund - claim 1	**-**	**(5,665)**	**(5,665)**
Culture recovery fund - claim 2	**-**	**(7,066)**	**(7,066)**
Culture recovery fund - claim 3	**-**	**(392)**	**(392)**
Hereford & Worcester Garden Trust	**-**	**(1,244)**	**(1,244)**
	-	**(58,682)**	**(58,682)**
TOTAL FUNDS	**204,757**	**(293,664)**	**(88,907)**

continued...

24. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	16,151	(489)	15,662
Reserve fund	20,500	-	20,500
Projected deficit for future years	40,000	-	40,000
	76,651	(489)	76,162
Restricted funds			
Restoration and preservation fund	4,579,465	(483)	4,578,982
Magic mirror fund	1,200	(600)	600
HLF resiliant fund	134	(117)	17
Tesco bags fund	278	(278)	-
Culture recovery fund - claim 1	57,831	(41,028)	16,803
Culture recovery fund - claim 2	-	18,569	18,569
Culture recovery fund - claim 3	-	709	709
Hereford & Worcester Garden Trust	-	1,244	1,244
	4,638,908	(21,984)	4,616,924
TOTAL FUNDS	4,715,559	(22,473)	4,693,086

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	124,082	(124,571)	(489)
Restricted funds			
Restoration and preservation fund	58,752	(59,235)	(483)
Magic mirror fund	-	(600)	(600)
HLF resiliant fund	49,626	(49,743)	(117)
Tesco bags fund	-	(278)	(278)
Culture recovery fund - claim 1	-	(41,028)	(41,028)
Culture recovery fund - claim 2	82,557	(63,988)	18,569
Culture recovery fund - claim 3	61,199	(60,490)	709
Hereford & Worcester Garden Trust	5,150	(3,906)	1,244
	257,284	(279,268)	(21,984)
TOTAL FUNDS	381,366	(403,839)	(22,473)

UNRESTRICTED FUNDS

General fund
The general fund is that part of the unrestricted funds which the trustees may choose to spend on any activity within the purposes of the charity.

Reserve fund
The designated reserve fund was set up by the trustees to ensure that sufficient reserves were held by the Charity in order to fund any unexpected expenditure in the future. This fund was transferred back to general funds in the year as the trustees recognise the low level of general reserves and the need to grow this reserve first.

continued...

24. MOVEMENT IN FUNDS - continued

Projected deficit for future years
The projected deficit for future years fund was set up by the trustees to ensure sufficient reserves were set aside to absorb deficits in 2022/23 caused by the after affects of the Covid-19 pandemic. This fund has now been transferred back to the general fund as a contribution towards the deficit.

RESTRICTED FUNDS

Restoration and preservation fund
The restoration and preservation fund has been restricted by the donor specifically to fund the purchase and restoration of Hartlebury Castle.

Magic mirror fund
The charity received £3,000 towards the purchase and installation of a magic mirror. This purchase was made in the 2020 accounting period and the asset has now been depreciated in full with the result that there is no balance remaining on this fund.

HLF resilient fund
The charity is in receipt of a grant from the National Lottery Heritage Fund Resilient Heritage programme. This grant supports organisational development and commercial income generation as the charity transitions from delivering the restoration and re-opening to becoming a sustainable heritage attraction.

Culture recovery fund
During the prior year the charity was awarded £143,757 from the Cultural Recovery Fund, a fund designed to support the reopening of cultural and heritage sites across the UK following the coronavirus pandemic. The money helped the charity to recover from months of lost income whilst the site was closed, support its reopening, fund improvements to accessibility of the grounds and complete vital maintenance works to preserve the future of the castle.

Hereford and Worcester Garden Trust
During the prior year the charity was awarded £5,150 to spend on maintenance and improvement of garden areas. The remaining balance on this fund was expended during the year.

TRANSFERS BETWEEN FUNDS

During the year £83 was transferred from the general fund to the culture recovery fund to cover a small deficit.

Transfers also occurred to remove the Reserve (£20,500) and Projected Deficit (£40,000) designated funds to the general funds, with the trustees recognising that these funds are not required at this time.

25. CONTINGENT LIABILITIES

The purchase of Hartlebury Castle and grounds during the period ended 31 March 2016 was made possible due to the support of the National Heritage Memorial Fund (NHMF) by means of substantial grants as shown in previous financial statements. The NHMF has registered a charge over the property and the Trust would not be in a position to dispose of the estate without the express agreement of the NHMF.

Should the Trustees intend at any time that the property be sold, transferred or other rights over the property be granted, the NHMF retains the right under the terms of its grant to require repayment of such amount of the proceeds of the sale or of the original grant as it shall at its sole discretion determine.

As Hartlebury Castle Preservation Trust was established for the principal purpose of acquiring and maintaining the property and its contents as a heritage asset for the public benefit, the possibility of the Trust disposing of the estate is unlikely.

As a result, it is not possible to determine what amount, if any, would be repayable to NHMF as a result of such a remote event.

continued...

26. RELATED PARTY DISCLOSURES

The charity's trading aspect sits within subsidiary, Hartlebury Castle Company Limited. At the year end it was owed £4,674 (2022: £4,709) from its subsidiary. The subsidiary company made donations totalling £67,235 (2022: £2,960) to the charity in the year.

No trustees made unrestricted donations to the charity this year, however in the prior year £636 was received from 5 trustees.

27. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statement and prepare and submit returns to the tax authorities for the trading company.

Hartlebury Castle Preservation Trust

Detailed Statement of Financial Activities
for the Year Ended 31st March 2023

	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS				
Donations and legacies				
Donations	**13,041**	**-**	**13,041**	6,657
Donations from subsidiary	**67,235**	**-**	**67,235**	2,960
Grants	**1,085**	**-**	**1,085**	274,579
Subscriptions	**1,484**	**-**	**1,484**	1,127
Admissions	**56,157**	**-**	**56,157**	50,012
	139,002	**-**	**139,002**	335,335
Other trading activities				
Fundraising events	**8,581**	**-**	**8,581**	4,232
Investment income				
Rents received	**33,240**	**-**	**33,240**	30,818
Deposit account interest	**134**	**-**	**134**	-
	33,374	**-**	**33,374**	30,818
Charitable activities				
Learning & education	**-**	**-**	**-**	1,795
Other income	**23,800**	**-**	**23,800**	9,186
	23,800	**-**	**23,800**	10,981
Total incoming resources	**204,757**	**-**	**204,757**	381,366
EXPENDITURE				
Raising donations and legacies				
Fundraising event costs	**(409)**	**-**	**(409)**	5,562
Other trading activities				
Souvenir and guardian costs	**200**	**-**	**200**	5,937
Investment management costs				
Property management costs	**3,008**	**-**	**3,008**	3,560
Charitable activities				
Wages	**124,012**	**2,972**	**126,984**	122,842
Social security	**4,337**	**-**	**4,337**	4,745
Pensions	**2,571**	**-**	**2,571**	2,333
Rates and water	**3,322**	**-**	**3,322**	4,666
Insurance	**31,063**	**-**	**31,063**	29,657
Light and heat	**15,099**	**-**	**15,099**	11,433
Telephone	**2,774**	**-**	**2,774**	3,937
Advertising	**4,065**	**-**	**4,065**	23,479
Sundries	**2,900**	**-**	**2,900**	5,077
Property maintenance	**8,701**	**10,322**	**19,023**	45,510
Computer costs	**4,502**	**-**	**4,502**	27,928
Security	**5,307**	**-**	**5,307**	1,407
Course costs	**-**	**-**	**-**	1,119
	208,653	**13,294**	**221,947**	284,133

Detailed Statement of Financial Activities for the Year Ended 31st March 2023

	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
Support costs				
Management				
Postage and stationery	**865**	**-**	**865**	2,188
Training	**672**	**-**	**672**	352
Travel and subsistence	**1,395**	**-**	**1,395**	205
Licences and subscriptions	**1,354**	**-**	**1,354**	1,566
	4,286	**-**	**4,286**	4,311
Finance				
Bank charges	**3,133**	**-**	**3,133**	1,570
Governance costs				
Auditors' remuneration	**4,025**	**-**	**4,025**	3,275
Auditors' remuneration for non audit work	**-**	**-**	**-**	6,565
Accountancy fees	**4,323**	**-**	**4,323**	-
Legal and professional fees	**434**	**-**	**434**	16,107
Bookkeeping services	**828**	**-**	**828**	846
Plant and machinery	**2,287**	**4,107**	**6,394**	25,468
Fixtures and fittings	**2,372**	**38,761**	**41,133**	43,885
Computer equipment	**1,842**	**2,520**	**4,362**	2,620
	16,111	**45,388**	**61,499**	98,766
Total resources expended	**234,982**	**58,682**	**293,664**	403,839
Net (expenditure)/income	**(30,225)**	**(58,682)**	**(88,907)**	(22,473)

HARTLEBURY CASTLE PRESERVATION TRUST

England & Wales - Charity number 1127871

Accounts

REGISTERED COMPANY NUMBER: 06779241 (England and Wales)
REGISTERED CHARITY NUMBER: 1127871

Report of the Trustees and

Financial Statements for the Year Ended 31st March 2022

for

Hartlebury Castle Preservation Trust

Richards Sandy Audit Services Limited
(Statutory Auditor)
Thorneloe House
25 Barbourne Road
Worcester
WR1 1RU

Hartlebury Castle Preservation Trust

Contents of the Financial Statements for the Year Ended 31st March 2022

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 5
Report of the Independent Auditors	6 to 8
Statement of Financial Activities	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13 to 25

Hartlebury Castle Preservation Trust

Reference and Administrative Details
for the Year Ended 31st March 2022

TRUSTEES	Mrs M S Arden-Davis (resigned 1.4.21) Mr R J Earl Mr S L Ellis Ms S J Finch Ms V Floy Mr R D Greenwood Mr S K Munday Ms H A D M Rawles Mr P West
REGISTERED OFFICE	Hartlebury Castle Hartlebury Kidderminster Worcestershire DY11 7XZ
REGISTERED COMPANY NUMBER	06779241 (England and Wales)
REGISTERED CHARITY NUMBER	1127871
INDEPENDENT AUDITORS	Richards Sandy Audit Services Limited (Statutory Auditor) Thorneloe House 25 Barbourne Road Worcester WR1 1RU
DIRECTOR	Mr S R Bagnall
PROPERTY RENTAL AGENTS	G Herbert Banks The Estate Office Hill House Great Witley Worcestershire WR6 6JB

Report of the Trustees for the Year Ended 31st March 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2022. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charitable purpose of the Trust is to preserve for the benefit of the people of Worcestershire and the nation, Hartlebury Castle and its historic contents including the Hurd Library, alongside its grounds, parkland and gardens. Secondly to advance the education of the public in the local history and architecture of Worcestershire and the surrounding areas.

Hartlebury Castle was the home of successive Bishops of Worcester for over 1000 years (from 855 to 2007) and is now owned and managed by Hartlebury Castle Preservation Trust. The Trust acquired the property and grounds in 2017 for the use and enjoyment of the community, and to allow the nationally important Hurd Library to remain intact and located within the Castle. The Trust opens the Bishop's Palace to the public, operates a gift shop and presents public entertainment, educational activities, and private commercial events at the Castle. The Trust also hosts Worcestershire County Museum (operated separately by a partnership between Worcester City Council and Worcestershire County Council) on the site.

Our Vision is that:

Hartlebury Castle, through careful stewardship, is cherished, celebrated and understood, providing an unmissable experience that inspires, informs and delights all who visit.

We believe in:

- Sharing the diversity of historical and natural landscapes that contribute to the uniqueness of Hartlebury Castle.

- Treasuring Hartlebury Castle and its collections and becoming recognised as a passionate and innovative leader in the guardianship and sharing of our heritage.

- Developing the gardens and grounds to provide an ecological haven for wildlife and telling the story of the Castle's estate over its 1000-year history.

- Enthusing partners and communities to nurture learning and engagement and to encourage wellbeing.

"What is there to say about this splendiferous place? Magnificent grounds, beautiful artifacts and history brought to life in the most magical way"
(Visitor quote)

Public benefit

In setting the Trust's objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The charity fulfils its purpose and its vision by opening Hartlebury Castle and its grounds and gardens to the public and sharing the stories and history of Hartlebury and the Bishops of Worcester in an entertaining and engaging way.

Report of the Trustees
for the Year Ended 31st March 2022

ACHIEVEMENT AND PERFORMANCE
Charitable activities
Trustees Statement

The early part of this financial year was again dominated by challenges resulting from the ongoing Covid-19 pandemic as the public restrictions were slowly lifted. Indoor hospitality reopened on 17th of May with restrictions not fully lifted until 19th July. Initially, visitor attendances and ticket sales for public events were slow to recover but as the summer progressed the Trust saw an improvement in public appetite to visit with numbers attending slowly returning to pre-pandemic levels and in some months showing a welcome uplift to these levels.

Trustees characterised 2021/22 as the beginning of post Covid-19 recovery. The operating environment was variable and unpredictable. Throughout the year priority was given to promoting events and activities designed to encourage visitors to return to the site and to attract new visitors. Emphasis was paid to developing and encouraging family visits.

Whilst the forced site opening restrictions since March 2020 have been frustrating and difficult to manage, they have allowed a welcome period of reflection and rebuilding. Work continued this year to implement the new business plan developed during lockdown and the staff team was restructured at the start of this financial year to ensure there was sufficient management focus on revenue generation, operations, marketing and event delivery.

Again this year, the Trust has benefitted from the government's Cultural Recovery Fund. This funding has allowed the Trust to purchase equipment and services specifically designed to reduce future overheads and to aid future resilience. Funding was also used to support and promote the summer events programme as part of the drive to build back audiences. The Trust also received final payments in relation to the NLHF Heritage Grant that funded the original site purchase and visitor attraction development. The Trust is extremely grateful to the National Lottery Heritage Fund for their continued support and advice.

"This is a wonderful place to visit for all interested in either history, nature or just fun!"
(Visitor quote)

Charitable activities

Despite challenging trading conditions, the year was marked by a series of successful events and activities particularly as visitor numbers began to recover in the second half of the year. The Trust presented family outdoor theatre, outdoor concerts and indoor ticketed events including sell out performances of Macbeth. New themed activity weekends were launched including a 50s weekend and the Gnome on the Roam family event.

Trustees were pleased that good progress has been made in attracting the important family visitors to the site and recent developments such as the audio guides and the nature trail were particularly popular with this demographic.

Grounds and gardens-only visitors were well ahead of pre-pandemic levels which reflected the improvements made to the site and the huge amount of work done by the volunteer grounds management team.

"Great! Visited for a production of Macbeth - the staff were super-helpful and friendly - we didn't see much of the place outside but it was lovely inside and a great venue for the play."
(Visitor quote)

Volunteering

The Trust continues to benefit from the continued support of a loyal and enthusiastic team of volunteers, from house stewards, Hurd Library and events volunteers, to gardeners, grounds and buildings maintenance teams. Trustees were delighted that so many volunteers returned as the pandemic restrictions were lifted, but in common with other organisations that rely on volunteers, recruitment and retention has been challenging since the pandemic. However, new volunteers have been recruited this year and volunteer engagement is slowly returning to pre-pandemic levels.

The Trust is extremely grateful to all volunteers without whose contribution Hartlebury Castle could not function effectively. Feedback from visitors indicates that they value our volunteer's friendly, enthusiastic and knowledgeable presence on the site.

"A lovely experience, great improvements, over the last 3 years. As always fantastic staff and guides"
(Visitor quote)

Future Ambition - Looking Forward

The Trust's priority over the coming year will be to continue to work towards a significant increase in visitor numbers to the site. This will be achieved through an extensive programme of activities and events largely targeting family visitors. To this end the new adventure playground is due for completion in early summer and is expected to be a popular addition to the grounds and gardens offer and to the overall visitor experience.

This drive to attract more visitors sits alongside work to increase weddings and private events on the site. This business has been severely impacted by the pandemic but looks to be positive in the coming year.

Trustees are very keen to improve public engagement with the Hurd Library and exciting plans are in development to achieve this ambition. Terms of reference have been agreed for the Hurd Librarian and good progress has been made to strengthen the library volunteer team with the aim of increasing access for visitors in particular group visits and tours.

FINANCIAL REVIEW

Financial position

The charity has received grant income totalling £274,579 (2021: £301,479) in the year, with £83,377 (2021: £116,157) being received from the National Lottery Heritage Fund to help fund the refurbishment of the Castle and grounds and £143,757 (2021: 166,500) from the National Lottery Heritage Fund Culture Recovery Fund to help the charity recover from months of lost income following the coronavirus pandemic. Other grants were received from Wychavon District Council as well as the conversion of £25,000 of loan funds to grant income from Worcestershire County Council. The charity also benefits from being able to rent out several properties on the grounds of the castle which have generated income of £30,818 (2021: £29,467).

The balance sheet shows that the charity held cash of £230,356 the 31st March 2022, which is a decrease of £54,812 on the 2021 level of £285,168.

At 31st March 2022, the charity held net assets of £4,693,086 (2021: £4,715,559) of which £4,490,260 (2021: £4,490,260) is represented by the cost of the freehold property and subsequent refurbishment costs. There were unrestricted reserves at the year end of £76,160 (2021: £76,651) of which £68,851 (2021: 69,754) are considered free reserves, which can be spent on charitable activities as the trustees see fit. Free reserves are considered to be unrestricted funds, less the value of fixed assets not covered by restricted funds. More details regarding the funds can be found in note 24.

Reserves policy

The attached financial statements show the current state of the finances and of the charity's income and expenditure for the year. The trustees regularly examine the requirements for income reserves adequate to ensure the charity will continue to meet its future needs, and recognise that increased reserves are required.

The Trustees are committed to growing a unrestricted funds over the coming years in accordance with the business plan. The unrestricted reserves held at the 31st March 2022 of £76,160 (2021: £76,651) which represents just under 7 months unrestricted fund expenditure at the level shown the accounts, which the trustees consider to be reasonable increase from the seven months included in the prior year.

Included in the above unrestricted funds are two designated funds as follows:

- **Reserve Fund** This fund of £20,500 represents 2 months unrestricted expenditure at current levels. The trustees believe this is the absolute minimum level of reserves that should be held in the charity at any one time, although will endeavo r to exceed this level.

- **Deficit Fund** Reserves of £40,000 have been designated by the trustees in order to cover the budgeted deficit for 2022/23.

FUTURE PLANS

The financial year to the end of March 2023 will be the first year in the Trust's history that it will receive no public funding, trustees anticipate this will be another challenging operating year as the recovery from the pandemic continues to be unpredictable. The Trust will continue to seek support from individuals, trusts and foundations although recognising that the external funding landscape is problematic. This increases the imperative to deliver sufficient self-generated income. Nevertheless, trustees believe the business plan is robust and will, over the coming 3 years deliver a thriving and sustainable business that ensures Hartlebury Castle's position as an important contributor to the national heritage sector.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, Memorandum & Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

As defined in the Memorandum and Articles of Association of the charity, the trustees as charity trustees have control of the charity and its property and funds. The trustees body when complete consists of at least three and not more than eleven individuals, all of whom must be members of the Trust. One third (or the number nearest one third) of the trustees must retire at each AGM, with those longest in office retiring first and the choice between any of equal service being made by drawing lots. If the members at the meeting at which a trustee retires by rotation does not fill the vacancy, the retiring trustee shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the appointment of the trustee is put to the meeting and lost.

All trustees give their time voluntarily and received no benefits from the charity. Any expenses reclaimed from the charity are set out in the notes to the accounts.

The board of trustees regularly reviews it composition in terms of practical skills, business acumen and knowledge. Where a potential deficiency is identified, or in order to enhance the pool of trustees, the charity has, through selective advertising and networking, sought to identify persons who would be willing to become members and trustees and use their own experience to assist the charity.

Potential new trustees are encouraged to attend at least one board meeting to familiarise themselves with the operation and governance of the charity prior to appointment as a trustee. They are encouraged to familiarise themselves with the guidance produced by the Charity Commission, in particular the publication 'The Essential Trustee'.

KEY MANAGEMENT

The day to day operations of the charity are delegated by the trustees to Director, Steve Bagnall.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Hartlebury Castle Preservation Trust for the purposes of company law) are responsible for preparing the Report of the Trustees 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 13/12/22 and signed on its behalf by:

R D Greenwood

Mr R D Greenwood - Trustee

Report of the Independent Auditors to the Members of
Hartlebury Castle Preservation Trust

Opinion
We have audited the financial statements of Hartlebury Castle Preservation Trust (the 'charitable company') for the year ended 31st March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 (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 31st 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 Auditors' 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 the provisions available for small entities, in the circumstances set out in note 27 to the financial statements, 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

Other than the item noted in the emphasis of matter paragraph, we confirm that we have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:
- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our 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 a Report of the Independent Auditors 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 our procedures are capable of detecting irregularities, including fraud is detailed below:

- Obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the charity operates in and how the charity 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 and irregularities, including known actual, suspected or alleged instances of fraud; and
- 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 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006 (and related legislation), the Charities Act 2011 (and related legislation)), and laws and regulations relating to the employment and payment of staff including, but not limited to, the Employment Rights Act 1996, the National Minimum Wage Act 1998 and the Pensions Act 2008. VAT legislation, specifically partial exemption, is also considered significant to the charity.

We performed audit procedures to detect non-compliances which may have a material impact on the financial statements, which included reviewing the financial statement disclosures. This includes sample testing of monthly payroll records for the calculation of gross wages, payroll taxes and pension costs. We have also reviewed VAT calculations for the year for indications of material errors, including testing of the VAT treatment on a sample of sales and purchases.

We identified the areas of the financial statements most susceptible to fraud to be management's judgement in allocating expenditure to individual restricted and unrestricted funds, including the allocation of wage costs and general staff overheads. Audit procedures performed included, but were not limited to, reviewing managements reasoning and workings behind these allocations of expenditure.

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. 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 Report of the Independent Auditors.

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 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nicholas Paul Sandy FCA (Senior Statutory Auditor)
for and on behalf of Richards Sandy Audit Services Limited
(Statutory Auditor)
Thorneloe House
25 Barbourne Road
Worcester
WR1 1RU

Date: 13/12/2022

Hartlebury Castle Preservation Trust

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31st March 2022

	Notes	Unrestricted funds £	Restricted funds £	**2022 Total funds £**	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	**78,051**	**257,284**	**335,335**	340,108
Charitable activities					
Preservation of Hartlebury Castle		**9,186**	**-**	**9,186**	11,247
Education of the public in local history and architecture		**1,795**	**-**	**1,795**	940
Other trading activities	4	**4,232**	**-**	**4,232**	350
Investment income	5	**30,818**	**-**	**30,818**	29,467
Total		**124,082**	**257,284**	**381,366**	382,112
EXPENDITURE ON					
Raising funds	7	**4,833**	**10,226**	**15,059**	5,678
Charitable activities	8				
Preservation of Hartlebury Castle		**118,621**	**269,040**	**387,661**	332,605
Education of the public in local history and architecture		**1,119**	**-**	**1,119**	3,749
Total		**124,573**	**279,266**	**403,839**	342,032
NET INCOME/(EXPENDITURE)		**(491)**	**(21,982)**	**(22,473)**	40,080
RECONCILIATION OF FUNDS					
Total funds brought forward		**76,651**	**4,638,908**	**4,715,559**	4,675,479
TOTAL FUNDS CARRIED FORWARD		**76,160**	**4,616,926**	**4,693,086**	4,715,559

The notes form part of these financial statements

Balance Sheet
31st March 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	16	**7,308**	**108,387**	**115,695**	105,840
Heritage assets	17	**-**	**4,490,260**	**4,490,260**	4,490,260
Investments	18	**1**	**-**	**1**	1
		7,309	**4,598,647**	**4,605,956**	4,596,101
CURRENT ASSETS					
Debtors	19	**32,142**	**124,701**	**156,843**	130,856
Cash at bank		**67,496**	**162,860**	**230,356**	285,168
		99,638	**287,561**	**387,199**	416,024
CREDITORS					
Amounts falling due within one year	20	**(30,785)**	**(169,284)**	**(200,069)**	(196,566)
NET CURRENT ASSETS		**68,853**	**118,277**	**187,130**	219,458
TOTAL ASSETS LESS CURRENT LIABILITIES		**76,162**	**4,716,924**	**4,793,086**	4,815,559
CREDITORS					
Amounts falling due after more than one year	21	**-**	**(100,000)**	**(100,000)**	(100,000)
NET ASSETS		**76,162**	**4,616,924**	**4,693,086**	4,715,559
FUNDS	24				
Unrestricted funds				**76,162**	76,651
Restricted funds				**4,616,924**	4,638,908
TOTAL FUNDS				**4,693,086**	4,715,559

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

The financial statements were approved by the Board of Trustees and authorised for issue on 12/12/22 and were signed on its behalf by:

R. D Greenwood

Mr R D Greenwood - Trustee

The notes form part of these financial statements

Hartlebury Castle Preservation Trust

Cash Flow Statement
for the Year Ended 31st March 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	**27,016**	60,422
Net cash provided by operating activities		**27,016**	60,422
Cash flows from investing activities			
Purchase of tangible fixed assets		**(81,828)**	(35,632)
Purchase of heritage assets		**-**	(41,482)
Net cash used in investing activities		**(81,828)**	(77,114)
Change in cash and cash equivalents in the reporting period		**(54,812)**	(16,692)
Cash and cash equivalents at the beginning of the reporting period		**285,168**	301,860
Cash and cash equivalents at the end of the reporting period		**230,356**	285,168

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31st March 2022

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
	£	£
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	**(22,473)**	40,080
Adjustments for:		
Depreciation charges	**71,973**	55,511
WCC loan converted into grant	**(25,000)**	-
Increase in debtors	**(25,987)**	(61,977)
Increase in creditors	**28,503**	26,808
Net cash provided by operations	**27,016**	60,422

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.21	Cash flow	Other non-cash changes	**At 31.3.22**
	£	£	£	**£**
Net cash				
Cash at bank	**285,168**	**(54,812)**		**230,356**
	285,168	**(54,812)**		**230,356**
Debt				
Debts falling due within 1 year	**(125,000)**	**-**	**25,000**	**(100,000)**
Debts falling due after 1 year	**(100,000)**	**-**	**-**	**(100,000)**
	(225,000)	**-**	**25,000**	**(200,000)**
Total	**60,168**	**(54,812)**	**25,000**	**30,356**

3. MAJOR NON-CASH TRANSACTIONS

During the year £25,000 (2021 - £nil) of Worcestershire County Council loan was converted into grant received. This has been treated as a non-cash transaction in the cash flow statement.

The notes form part of these financial statements

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The accounts are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

GOING CONCERN

After assessing whether the going concern assumption is appropriate, taking into account all available information about the future, which is at least, but is not limited to, twelve months from the date when the financial statements are authorised, the trustees consider the charity able to continue as a going concern.

PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The financial statements contain information about The Hartlebury Castle Preservation Trust as an individual charity and do not contain consolidated financial information as the parent of a group. The charity is exempt under Section 399(2A) of the Companies Act 2006 and the Charities Act 2011 Section 139(2) from the requirements to prepare consolidated financial statements.

INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income from grants (including government grants) and donations is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income from grants is only deferred when the charity has to fulfil conditions not yet met before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Admissions and subscriptions are considered to be, in substance, donations rather than payment or services. Admissions are recognised on entry. Subscriptions are recognised over the period to which they relate on a straight-line basis.

Rental income is recognised in line with the periods to which such income relates, up to the extent that is is probable that such income is recoverable. Where recoverability of rental income is in doubt, such income is instead recognised on a cash basis.

Interest income is recognised for all interest-bearing instruments on an accrual basis.

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

FIXED ASSET INVESTMENTS IN SUBSIDIARIES

Fixed asset investments in subsidiaries are measured at cost less impairment.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	-	20% on cost
Fixtures and fittings	-	20% on cost
Computer equipment	-	33% on cost

Fixed assets are costing less than £100 are not capitalised

continued...

1. ACCOUNTING POLICIES - continued

HERITAGE ASSETS
Heritage assets are recognised at cost and are considered to have indefinite useful lives. As such, Heritage assets are not depreciated and are instead reviewed annually for impairment.

TAXATION
The charity is exempt from corporation tax on its charitable activities.

FUND ACCOUNTING
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

PENSION COSTS
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

FINANCIAL INSTRUMENTS
The charity has elected to apply the provisions of Section 11' Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the charity becomes party to contractual provisions of the instrument.

Financial assets are offset, with the net amounts presented in the accounts where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic Financial Assets
Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Basic Financial Liabilities
Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future receipts, discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of the operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction cost.

CONCESSIONARY LOANS
Concessionary loan received from third parties on which no interest is to be charged are measured at historical cost.

continued...

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Depreciation
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful lives and residual values of the assets. The useful lives and residual values are re-assessed annually. They are amended when necessary to reflect the current estimates, based on the technological advancement, future investment, economic utilisation and the physical condition of the assets. Rates of depreciation are considered on a category basis and disclosed within the accounting policy for depreciation.

Valuation of Heritage Assets
Heritage Assets form a significant part of the value of net assets per the balance sheet The financial statements are therefore sensitive to the change in value of these assets. Heritage Assets are recorded at cost as they are typically unique and therefore no active market is available. The Trustees assess Heritage Assets annually for impairment.

3. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	**6,657**	30,965
Donations from subsidiary	**2,960**	-
Grants	**274,579**	301,479
Subscriptions	**1,127**	989
Admissions	**50,012**	6,675
	335,335	340,108

Grants received, included in the above, are as follows:

	2022	2021
	£	£
National Lottery Heritage Fund - Culture Recovery Fund	**143,757**	166,500
National Lottery Heritage Fund	**83,377**	116,157
Worcestershire County Council	**25,000**	-
Wychavon District Council	**10,667**	10,000
Kickstart	**6,628**	-
Other grants	**5,150**	8,822
	274,579	301,479

4. OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Fundraising events	**4,232**	350

5. INVESTMENT INCOME

	2022	2021
	£	£
Rents received	**30,818**	29,467

continued...

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	**2022** **£**	2021 £
Other income	Preservation of Hartlebury Castle	**9,186**	11,247
Learning & education	Education of the public in local history and architecture	**1,795**	940
		10,981	12,187

7. RAISING FUNDS

RAISING DONATIONS AND LEGACIES

	2022 **£**	2021 £
Fundraising event costs	**5,562**	-

OTHER TRADING ACTIVITIES

	2022 **£**	2021 £
Purchases	**5,937**	-

INVESTMENT MANAGEMENT COSTS

	2022 **£**	2021 £
Property management costs	**3,560**	5,678
Aggregate amounts	**15,059**	5,678

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9) £	Support costs (see note 10) £	Totals £
Preservation of Hartlebury Castle	**283,014**	**104,647**	**387,661**
Education of the public in local history and architecture	**1,119**	**-**	**1,119**
	284,133	**104,647**	**388,780**

continued...

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022	2021
	£	£
Staff costs	**129,920**	103,033
Rates and water	**4,666**	1,424
Insurance	**29,657**	27,950
Light and heat	**11,433**	3,843
Telephone	**3,937**	3,361
Advertising	**23,479**	4,070
Sundries	**5,077**	3,426
Property maintenance	**45,510**	80,031
Computer costs	**27,928**	5,576
Security	**1,407**	429
Course costs	**1,119**	2,943
	284,133	236,086

10. SUPPORT COSTS

	Management	Finance	Governance costs	Totals
	£	£	£	£
Preservation of Hartlebury Castle	**4,311**	**1,570**	**98,766**	**104,647**

Support costs, included in the above, are as follows:

	2022 Preservation of Hartlebury Castle	2021 Total activities
	£	£
Postage and stationery	**2,188**	**214**
Training	**352**	**700**
Travel and subsistence	**205**	**-**
Licences and subscriptions	**1,566**	**1,290**
Bank charges	**1,570**	**612**
Auditors' remuneration	**3,275**	**3,535**
Auditors' remuneration for non audit work	**6,565**	**7,338**
Legal and professional fees	**16,107**	**29,983**
Bookkeeping services	**846**	**1,085**
Depreciation of tangible fixed assets	**71,973**	**55,511**
	104,647	**100,268**

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation - owned assets	**71,973**	55,511

continued...

12. AUDITORS' REMUNERATION

	2022	2021
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	**3,275**	3,535
Other non-audit services	**6,565**	7,338

13. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2022 nor for the year ended 31st March 2021.

TRUSTEES' EXPENSES

Two trustees were reimbursed expenses totalling £2,102 in relation to gardening and repair materials purchased for the castle, as well as cleaning and fundraising costs (2021: Two trustees were reimbursed expenses totalling £1,367 in relation to gardening and repair materials purchased for the castle).

14. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	**122,842**	97,364
Social security costs	**4,745**	3,718
Other pension costs	**2,333**	1,951
	129,920	103,033

No employees received remuneration of over £60,000 (excluding employer national insurance and pension costs).

Key management remuneration (including employer national insurance and pension costs) in the year totalled £45,313 (2021: £45,322).

Pension costs relate to defined contribution schemes only.

The average monthly number of employees during the year was as follows:

	2022	2021
Trust staff	**7**	5

No employees received emoluments in excess of £60,000.

continued...

15. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	56,453	283,655	340,108
Charitable activities			
Preservation of Hartlebury Castle	11,247	-	11,247
Education of the public in local history and architecture	940	-	940
Other trading activities	350	-	350
Investment income	29,467	-	29,467
Total	98,457	283,655	382,112
EXPENDITURE ON			
Raising funds	5,678	-	5,678
Charitable activities			
Preservation of Hartlebury Castle	79,815	252,790	332,605
Education of the public in local history and architecture	3,749	-	3,749
Total	89,242	252,790	342,032
NET INCOME	9,215	30,865	40,080
Transfers between funds	(38,244)	38,244	-
Net movement in funds	(29,029)	69,109	40,080
RECONCILIATION OF FUNDS			
Total funds brought forward	105,680	4,569,799	4,675,479
TOTAL FUNDS CARRIED FORWARD	76,651	4,638,908	4,715,559

16. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1st April 2021	**112,843**	**155,550**	**9,553**	**277,946**
Additions	**15,548**	**63,893**	**2,387**	**81,828**
At 31st March 2022	**128,391**	**219,443**	**11,940**	**359,774**
DEPRECIATION				
At 1st April 2021	**85,848**	**80,321**	**5,937**	**172,106**
Charge for year	**25,468**	**43,885**	**2,620**	**71,973**
At 31st March 2022	**111,316**	**124,206**	**8,557**	**244,079**
NET BOOK VALUE				
At 31st March 2022	**17,075**	**95,237**	**3,383**	**115,695**
At 31st March 2021	26,995	75,229	3,616	105,840

continued...

17. HERITAGE ASSETS

	Total £
MARKET VALUE	
At 1st April 2021 and 31st March 2022	**4,490,260**
NET BOOK VALUE	
At 31st March 2022	**4,490,260**
At 31st March 2021	4,490,260

The heritage assets comprise of Hartlebury Castle and its grounds. It is one of the objectives of the charity to preserve and manage Hartlebury Castle and its grounds. Following the completion in prior years, the initial improvements and restoration work following its acquisition was considered necessary in order to bring the property to a suitable condition before it could be opened to the public as a visitor attraction, the charity is not expected to make any additions to or disposals of the heritage assets held.

The heritage assets are subject to a charge over the freehold title held by the National Heritage Memorial Fund. More details are provided in Note 22.

FIVE-YEAR SUMMARY OF TRANSACTIONS

	2022 £	2021 £	2020 £	2019 £	2018 £
Cost at start of year	4,490,260	4,448,778	4,443,351	4,210,449	2,272,000
Additions in the year	-	41,482	5,427	232,902	1,938,449
Cost at the year end	**4,490,260**	**4,490,260**	**4,448,778**	**4,443,351**	**4,210,449**

Cost in 2018 of £2,272,000 relates to the initial purchase of Hartlebury Castle and grounds. All subsequent additions relate to significant improvements and restoration work which were considered necessary in order to bring the property to a suitable condition before it could be opened to the public as a visitor attraction. All such improvements and restoration work is considered to have been completed during the prior year.

18. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1st April 2021 and 31st March 2022	**1**
NET BOOK VALUE	
At 31st March 2022	**1**
At 31st March 2021	1

The company's investments at the balance sheet date in the share capital of companies include the following:

Hartlebury Castle Company Limited (No:09248664)
Registered office: Hartlebury Castle, Hartlebury, Kidderminster, England, DY11 7XZ
Nature of business: To run the Cafe, Shop & Events at the Castle.

Class of share:	% holding
Ordinary	**100**

	2022 £	2021 £
Aggregate capital and reserves	**1**	(14,967)
Profit/(loss) for the year	**17,555**	(9,115)

continued...

19. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	**4,840**	-
Amounts owed by group undertakings	**4,709**	17,433
VAT	**25,134**	12,270
Prepayments and accrued income	**122,160**	101,153
	156,843	130,856

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Other loans (see note 22)	**100,000**	125,000
Trade creditors	**83,606**	52,892
Social security and other taxes	**3,686**	3,571
Pension control	**928**	374
Other creditors	**218**	-
Accrued expenses	**11,631**	14,729
	200,069	196,566

21. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Other loans (see note 22)	**100,000**	100,000

22. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year on demand:		
Concessionary loans	**100,000**	125,000
Amounts falling due between two and five years:		
Concessionary loans	**100,000**	100,000

During the 2020 accounting year Worcestershire County Council made available an unsecured loan facility to aid the charity with cashflow until the remaining Heritage Lottery funds are received. In the prior year Worcestershire County Council agreed to defer the original repayment plan re Covid-19.

£25,000 has been converted into a restricted fund grant during the current accounting year to support the construction of a new adventure playground.

£100,000 is to be repaid in when the final amount of HLF funding has been recieved. This proportion is therefore treated as a current liability. There is currently no formal repayment date for the final £100,000, however it is likely to be at the end of the current business plan in March 2024.

At the year end £200,000 (2021: £225,000) was owed to Worcestershire County Council.

No interest is charged on the loan.

continued...

23. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	**418**	837
Between one and five years	**-**	419
	418	1,256

Operating lease payments of £837 (2021: £837) were made during the year.

24. MOVEMENT IN FUNDS

	At 1.4.21	Net movement in funds	At 31.3.22
	£	£	£
Unrestricted funds			
General fund	**16,151**	**(489)**	**15,662**
Reserve fund	**20,500**	**-**	**20,500**
Projected deficit for future years	**40,000**	**-**	**40,000**
	76,651	**(489)**	**76,162**
Restricted funds			
Restoration and preservation fund	**4,579,465**	**(483)**	**4,578,982**
Magic mirror fund	**1,200**	**(600)**	**600**
HLF resiliant fund	**134**	**(117)**	**17**
Tesco bags fund	**278**	**(278)**	**-**
Culture recovery fund - claim 1	**57,831**	**(41,028)**	**16,803**
Culture recovery fund - claim 2	**-**	**18,569**	**18,569**
Culture recovery fund - claim 3	**-**	**709**	**709**
Hereford & Worcester Garden Trust	**-**	**1,244**	**1,244**
	4,638,908	**(21,984)**	**4,616,924**
TOTAL FUNDS	**4,715,559**	**(22,473)**	**4,693,086**

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	**124,082**	**(124,571)**	**(489)**
Restricted funds			
Restoration and preservation fund	**58,752**	**(59,235)**	**(483)**
Magic mirror fund	**-**	**(600)**	**(600)**
HLF resiliant fund	**49,626**	**(49,743)**	**(117)**
Tesco bags fund	**-**	**(278)**	**(278)**
Culture recovery fund - claim 1	**-**	**(41,028)**	**(41,028)**
Culture recovery fund - claim 2	**82,557**	**(63,988)**	**18,569**
Culture recovery fund - claim 3	**61,199**	**(60,490)**	**709**
Hereford & Worcester Garden Trust	**5,150**	**(3,906)**	**1,244**
	257,284	**(279,268)**	**(21,984)**
TOTAL FUNDS	**381,366**	**(403,839)**	**(22,473)**

continued...

24. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General fund	98,480	9,215	(91,544)	16,151
Reserve fund	7,200	-	13,300	20,500
Projected deficit for future years	-	-	40,000	40,000
	105,680	9,215	(38,244)	76,651
Restricted funds				
Restoration and preservation fund	4,562,571	(10,038)	26,932	4,579,465
Magic mirror fund	1,800	(600)	-	1,200
HLF resiliant fund	5,428	(16,606)	11,312	134
Tesco bags fund	-	278	-	278
Culture recovery fund - claim 1	-	57,831	-	57,831
	4,569,799	30,865	38,244	4,638,908
TOTAL FUNDS	4,675,479	40,080	-	4,715,559

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	98,457	(89,242)	9,215
Restricted funds			
Restoration and preservation fund	91,157	(101,195)	(10,038)
Magic mirror fund	-	(600)	(600)
HLF resiliant fund	25,000	(41,606)	(16,606)
Tesco bags fund	998	(720)	278
Culture recovery fund - claim 1	166,500	(108,669)	57,831
	283,655	(252,790)	30,865
TOTAL FUNDS	382,112	(342,032)	40,080

UNRESTRICTED FUNDS

General fund
The general fund is that part of the unrestricted funds which the trustees may choose to spend on any activity within the purposes of the charity.

Reserve fund
The designated reserve fund has been set up by the trustees to ensure that sufficient reserves are held by the Charity in order to fund any unexpected expenditure in the future. The trustees believe that the current balance of £20,500 (2021: £20,500) is sufficient. This represents 2 months of unrestricted expenditure based upon the current year's figures.

Projected deficit for future years
The projected deficit for future years fund has been set up by the trustees to ensure sufficient reserves are set aside to absorb deficits in the near future caused by the Covid-19 pandemic. The trustees believe that the current balance of £40,000 (2021: £40,000) is sufficient.

continued...

24. MOVEMENT IN FUNDS - continued

RESTRICTED FUNDS

Restoration and preservation fund
The restoration and preservation fund has been restricted by the donor specifically to fund the purchase and restoration of Hartlebury Castle.

Magic mirror fund
The charity received £3,000 towards the purchase and installation of a magic mirror. This purchase was made in the 2020 accounting period and the remaining funds represent the depreciated asset.

HLF resilient fund
The charity is in receipt of a grant from the National Lottery Heritage Fund Resilient Heritage programme. This grant supports organisational development and commercial income generation as the charity transitions from delivering the restoration and re-opening to becoming a sustainable heritage attraction.

Tesco bags fund
The charity received a grant from the Tesco Bags of Help scheme in the prior period. This grant supported the restoration and replanting of the Queen Elizabeth Walk.

Culture recovery fund
During the year the charity was awarded £143,757 (2021: £166,500) from the Cultural Recovery Fund, a fund designed to support the reopening of cultural and heritage sites across the UK following the coronavirus pandemic. The money will help the charity to recover from months of lost income whilst the site was closed, support its reopening, fund improvements to accessibility of the grounds and complete vital maintenance works to preserve the future of the castle.

Hereford and Worcester Garden Trust
During the year the charity was awarded £5,150 (2021: £nil) to spend on maintenance and improvement of garden areas.

25. CONTINGENT LIABILITIES

The purchase of Hartlebury Castle and grounds during the period ended 31 March 2016 was made possible due to the support of the National Heritage Memorial Fund (NHMF) by means of substantial grants as shown in previous financial statements. The NHMF has registered a charge over the property and the Trust would not be in a position to dispose of the estate without the express agreement of the NHMF.

Should the Trustees intend at any time that the property be sold, transferred or other rights over the property be granted, the NHMF retains the right under the terms of its grant to require repayment of such amount of the proceeds of the sale or of the original grant as it shall at its sole discretion determine.

As Hartlebury Castle Preservation Trust was established for the principal purpose of acquiring and maintaining the property and its contents as a heritage asset for the public benefit, the possibility of the Trust disposing of the estate is unlikely.

As a result, it is not possible to determine what amount, if any, would be repayable to NHMF as a result of such a remote event.

26. RELATED PARTY DISCLOSURES

The charity's trading aspect sits within subsidiary, Hartlebury Castle Company Limited. At the year end it was owed £4,709 (2021: £17,434) from its subsidiary. The subsidiary company made donations totalling £2,960 (2021: £nil) to the charity in the year.

5 Trustees made unrestricted donations to the charity totalling £636 (2021: 4 totalling £1,636)

continued...

27. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statement and prepare and submit returns to the tax authorities for the trading company.

HARTLEBURY CASTLE PRESERVATION TRUST

England & Wales - Charity number 1127871

Accounts

REGISTERED COMPANY NUMBER: 06779241 (England and Wales)
REGISTERED CHARITY NUMBER: 1127871

2 DEC 2021

Report of the Trustees and

Financial Statements for the Year Ended 31st March 2021

for

Hartlebury Castle Preservation Trust

Richards Sandy Audit Services Limited
(Statutory Auditor)
Thorneloe House
25 Barbourne Road
Worcester
WR1 1RU

Hartlebury Castle Preservation Trust

Contents of the Financial Statements for the Year Ended 31st March 2021

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 5
Report of the Independent Auditors	6 to 8
Statement of Financial Activities	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13 to 25
Detailed Statement of Financial Activities	26 to 27

Hartlebury Castle Preservation Trust

Reference and Administrative Details
for the Year Ended 31st March 2021

TRUSTEES	Mrs M S Arden-Davis (resigned 1.4.21) Ms S J Finch Mr R D Greenwood Mrs R C Tucker (resigned 10.11.20) Mr P West Ms H A D M Rawles Ms V Floy Mr S K Munday Mr R J Earl Mr S L Eliis
COMPANY SECRETARY	Mr P B Copsey
REGISTERED OFFICE	Hartlebury Castle Hartlebury Kidderminster Worcestershire DY11 7XZ
REGISTERED COMPANY NUMBER	06779241 (England and Wales)
REGISTERED CHARITY NUMBER	1127871
INDEPENDENT AUDITORS	Richards Sandy Audit Services Limited (Statutory Auditor) Thorneloe House 25 Barbourne Road Worcester WR1 1RU
DIRECTOR	Mr S R Bagnall
PROPERTY RENTAL AGENTS	G Herbert Banks The Estate Office Hill House Great Witley Worcestershire WR6 6JB

Report of the Trustees
for the Year Ended 31st March 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2021. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

Hartlebury Castle was the home of successive Bishops of Worcester for over 1000 years (from 855 to 2007) and is now owned and managed by Hartlebury Castle Preservation Trust. The Trust acquired the property and grounds in 2017 for the use and enjoyment of the community, and to allow the nationally important Hurd Library to remain intact and located within the Castle. The Trust opens the Bishop's Palace to the public, operates the café and shop and presents public entertainment, educational activities and private commercial events at the Castle. The Trust also hosts Worcestershire County Museum (operated separately by a partnership between Worcester City Council and Worcestershire County Council) on the site.

Our Vision is that:

Hartlebury Castle, through careful stewardship, is cherished, celebrated and understood, providing an unmissable experience that inspires, informs and delights all who visit.

We believe in:

- Sharing the diversity of historical and natural landscapes that contribute to the uniqueness of Hartlebury Castle.

- Treasuring Hartlebury Castle and its collections and becoming recognised as a passionate and innovative leader in the guardianship and sharing of our heritage.

- Developing the gardens and grounds to provide an ecological haven for wildlife and telling the story of the Castle's estate over its 1000-year history.

- Enthusing partners and communities to nurture learning and engagement and to encourage wellbeing.

Public benefit

In setting the Trust's objectives and planning its activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

ACHIEVEMENT AND PERFORMANCE
Charitable activities
Trustees Statement

In this year the Trust faced its biggest challenge since it was first formed to buy Hartlebury Castle and estate and open the restored site as a major new visitor attraction in Worcestershire.

Following the lifting of lockdown in early summer 2020, the site reopened as soon as it was permissible to do so. Sadly, by then the whole summer events programme had been cancelled, and visitor numbers were understandably low at what should have been the peak summer period. In the light of the ongoing financial and operational challenges and the likelihood of further trading restrictions, the Trust took the difficult decision to close the Bishops Palace along with the grounds and café for an extended period from September 2020. The Trust used this time to develop a new 4-year business plan with the aim of ensuring its survival and delivering post pandemic recovery.

Throughout this year Trustees and the management team have worked hard to mitigate the impact of the pandemic. The Trust is grateful to the National Lottery Heritage Fund for their continued advice and support and to the Cultural Recovery Fund for vital emergency funding during this year. Trustees are also grateful to the many individuals and organisations who provided essential financial support during this year.

Trustees expect that trading conditions in the coming year will continue to be difficult. Full visitor number recovery remains elusive and targets for both public and private commercial event are proving challenging to achieve. However, the Trust is fortunate to have the ongoing support of partners, funders and supporters and benefits from the services of a dedicated and enthusiastic team of volunteers and staff. Despite the challenges the Trust is confident in its future success and long-term sustainability.

Charitable activities

At no point during this year was the Trust able to operate in a fully open, normal trading manner. The site has been open to visitors to varying degrees as and when permissible under Government regulations. Despite limited activity this year Hartlebury Castle remains a valued and enjoyed regional visitor attraction.

The new business plan identified families as the priority growth demographic and during the year, a number of developments have been implemented aimed at supporting this growth and making a significant contribution to future business sustainability. These included a new Nature Trail for the grounds and an audio guide system for the Bishops' House. The audio guides help tell the stories of the many people who lived and worked at Hartlebury over the site's 1000 years of history. Both of these developments contribute to the strategic priorities set out in the Trustees Report for the previous financial year.

These developments have been made possible through the Cultural Recovery Fund and were specifically designed to contribute to the overall visitor offer and to aid the drive towards post pandemic recovery and future sustainability.

Throughout the pandemic the Trust have worked to maintain the relationship with volunteers and have been delighted and gratified to see so many volunteers returning to the Castle as re-opening has gathered pace.

Future ambition - Looking Forward

In the 2019-20 report the Trust identified a series of strategic priorities for future years.

" The Trustees are planning to enhance the visitor experience by sharing the untold stories of the lives of people who worked at the castle over the centuries. This will promote greater awareness of the wealth of social history that the site has witnessed over its 1000 year history.
" The Trustees are working to develop the grounds and gardens to further enhance the visitor experience, providing education and learning opportunities about wildlife on the site as well as the importance of its conservation and protection. It will also encourage health and wellbeing for our visitors.
" Whilst the Hurd Library is a nationally significant treasure there are challenges in sharing its importance and its key volumes with visitors and the wider community. The Trustees intend to explore ways in which the Library and its contents can be more widely enjoyed.

Despite the challenges experienced this year the Trust has made good progress with the first two priorities with the Nature Trail and audio guides projects. The Trust is committed to exploring ways to increase access to and awareness of the Hurd Library and its treasures and will be working towards this priority in the coming year.

FINANCIAL REVIEW

Financial position

The charity has received grant income totalling £301,479 (2020: £162,983) in the year, with £116,157 (2020: £114,890) being received from the Heritage Lottery Fund to help fund the refurbishment of the Castle and grounds and £166,500 (2020: £nil) from the Arts Council Cultural Recovery Fund to help the charity recover from months of lost income following the coronavirus pandemic. Other grants were received from Wychavon District Council as well as HMRC in relation to the Job Retention Scheme. The charity also benefits from being able to rent out several properties on the grounds of the castle which have generated income of £29,467 (2020: £25,628).

The balance sheet shows that the charity held cash of £285,169 the 31st March 2021, which is a decrease of £16,691 on the 2020 level of £301,860.

At 31st March 2021, the charity held net assets of £4,711,360 (2020: £4,675,479) of which £4,490,259 (2020: £4,448,778) is represented by the cost of the freehold property and subsequent refurbishment costs. There were unrestricted reserves at the year end of £76,654 (2020: £105,680) of which £16,152 (2020: £98,480) are considered free reserves, which can be spent on charitable activities as the trustees see fit. Free reserves are considered to be unrestricted funds, less the value of fixed assets not covered by restricted funds, the designated reserve fund and the designated deficit fund. More details regarding the funds can be found in note 24.

Reserves policy

The attached financial statements show the current state of the finances and of the charity's income and expenditure for the year. The trustees regularly examine the requirements for income reserves adequate to ensure the charity will continue to meet its future needs, and recognise that increased reserves are required.

The Trustees are committed to growing a unrestricted funds over the coming years in accordance with the business plan. The unrestricted reserves held at the 31st March 2021 of £76,654 (2020: £105,680) which represents just under ten months unrestricted fund expenditure at the level shown the accounts, which the trustees consider to be reasonable increase from the seven months included in the prior year.

Included in the above unrestricted funds are two designated funds as follows:

- Reserve Fund: This fund of £20,500 represents 3 months unrestricted expenditure at current levels. The trustees believe this is the absolute minimum level of reserves that should be held in the charity at any one time, although will endeavor to exceed this level.

- Deficit Fund: Reserves of £40,000 have been designated by the trustees in order to cover the budgeted deficit for 2021/22.

FUTURE PLANS

Trustees anticipate that the financial year to March 2022 will continue to be challenging, with the speed of pandemic recovery and the extent of visitor appetite to return to tourist attractions unknown and unpredictable. General trading conditions for commercial events are equally uncertain. The prospect of further trading disruption in the Autumn and Winter period is also still a concern.

With this backdrop in mind Trustees are taking a cautious approach to financial activity in this year and are not anticipating full recovery until the financial year ending March 2023. Nonetheless Trustees are confident that they have a robust business plan in place and with the work undertaken this year are certain that Hartlebury Castle will continue to be an important contributor to the regional heritage sector.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, Memorandum & Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Report of the Trustees
for the Year Ended 31st March 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

As defined in the Memorandum and Articles of Association of the charity, the trustees as charity trustees have control of the charity and its property and funds. The trustees body when complete consists of at least three and not more than eleven individuals, all of whom must be members of the trust. One third (or the number nearest one third) of the trustees must retire at each AGM, with those longest in office retiring first and the choice between any of equal service being made by drawing lots. If the members at the meeting at which a trustee retires by rotation does not fill the vacancy, the retiring trustee shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the appointment of the trustee is put to the meeting and lost.

All trustees give their time voluntarily and received no benefits from the charity, Any expenses reclaimed from the charity are set out in the notes to the accounts.

The board of trustees regularly reviews it composition in terms of practical skills, business acumen and knowledge. Where a potential deficiency is identified, or in order to enhance the pool of trustees, the charity has, through selective advertising and networking, sough to identify persons who would be willing to become members and trustees and use their own experience to assist the charity.

Potential new trustees are encourage to attend at least one board meeting to familiarise themselves with the operation and governance of the charity prior to appointment as a trustee. They are encouraged to familiarise themselves with the guidance produced by the Charity Commission, in particular the publication 'The Essential Trustee'.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

KEY MANAGEMENT

The day to day operations of the charity are delegated by the trustees to Director, Steve Bagnall.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Hartlebury Castle Preservation Trust for the purposes of company law) are responsible for preparing the Report of the Trustees 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

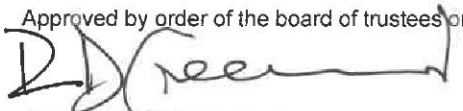
In so far as the trustees are aware:

- 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.

AUDITORS

The auditors, Richards Sandy Audit Services Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 12th October 2021 and signed on its behalf by:



Mr R D Greenwood - Trustee

Report of the Independent Auditors to the Members of Hartlebury Castle Preservation Trust

Opinion

We have audited the financial statements of Hartlebury Castle Preservation Trust (the 'charitable company') for the year ended 31st March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 (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 31st 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 Auditors' 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 the provisions available for small entities, in the circumstances set out in note 27 to the financial statements, 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

Other than the item noted in the emphasis of matter paragraph, we confirm that we have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our 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 a Report of the Independent Auditors 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:

- Obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the charity operates in and how the charity 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 and irregularities, including known actual, suspected or alleged instances of fraud; and
- 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 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006 (and related legislation), the Charities Act 2011 (and related legislation)), and laws and regulations relating to the employment and payment of staff including, but not limited to, the Employment Rights Act 1996, the National Minimum Wage Act 1998 and the Pensions Act 2008. VAT legislation, specifically partial exemption, is also considered significant to the charity.

We performed audit procedures to detect non-compliances which may have a material impact on the financial statements, which included reviewing the financial statement disclosures. This includes sample testing of monthly payroll records for the calculation of gross wages, payroll taxes and pension costs. We have also reviewed VAT calculations for the year for indications of material errors, including testing of the VAT treatment on a sample of sales and purchases.

We identified the areas of the financial statements most susceptible to fraud to be management's judgement in allocating expenditure to individual restricted and unrestricted funds, including the allocation of wage costs and general staff overheads. Audit procedures performed included, but were not limited to, reviewing managements reasoning and workings behind these allocations of expenditure.

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. 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 Report of the Independent Auditors.

Report of the Independent Auditors to the Members of
Hartlebury Castle Preservation Trust

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 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nicholas Paul Sandy FCA (Senior Statutory Auditor)
for and on behalf of Richards Sandy Audit Services Limited
(Statutory Auditor)
Thorneloe House
25 Barbourne Road
Worcester
WR1 1RU

12th October 2021

Hartlebury Castle Preservation Trust

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31st March 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	**56,453**	**283,655**	**340,108**	214,996
Charitable activities	5				
Preservation of Hartlebury Castle		**11,247**	-	**11,247**	27,128
Education of the public in local history and architecture		**940**	-	**940**	8,030
Other trading activities	3	**350**	-	**350**	3,444
Investment income	4	**29,467**	-	**29,467**	25,628
Other income	6	-	-	-	1,728
Total		**98,457**	**283,655**	**382,112**	280,954
EXPENDITURE ON					
Raising funds	7	**5,678**	-	**5,678**	6,708
Charitable activities	8				
Preservation of Hartlebury Castle		**79,815**	**252,790**	**332,605**	272,850
Education of the public in local history and architecture		**3,749**	-	**3,749**	10,510
Total		**89,242**	**252,790**	**342,032**	290,068
NET INCOME/(EXPENDITURE)		**9,215**	**30,865**	**40,080**	(9,114)
Transfers between funds	24	**(38,244)**	**38,244**	-	-
Net movement in funds		**(29,029)**	**69,109**	**40,080**	(9,114)
RECONCILIATION OF FUNDS					
Total funds brought forward		**105,680**	**4,569,799**	**4,675,479**	4,684,593
TOTAL FUNDS CARRIED FORWARD		**76,651**	**4,638,908**	**4,715,559**	4,675,479

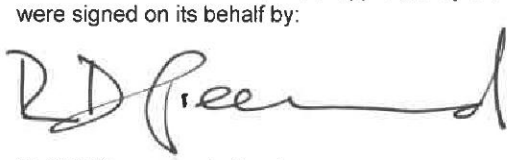
The notes form part of these financial statements

Balance Sheet
31st March 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	16	**6,896**	**98,944**	**105,840**	125,719
Heritage assets	17	**-**	**4,490,260**	**4,490,260**	4,448,778
Investments	18	**1**	**-**	**1**	1
		6,897	**4,589,204**	**4,596,101**	4,574,498
CURRENT ASSETS					
Debtors	19	**42,771**	**88,085**	**130,856**	68,879
Cash at bank		**92,914**	**192,254**	**285,168**	301,860
		135,685	**280,339**	**416,024**	370,739
CREDITORS					
Amounts falling due within one year	20	**(65,931)**	**(130,635)**	**(196,566)**	(269,758)
NET CURRENT ASSETS		**69,754**	**149,704**	**219,458**	100,981
TOTAL ASSETS LESS CURRENT LIABILITIES		**76,651**	**4,738,908**	**4,815,559**	4,675,479
CREDITORS					
Amounts falling due after more than one year	21	**-**	**(100,000)**	**(100,000)**	-
NET ASSETS		**76,651**	**4,638,908**	**4,715,559**	4,675,479
FUNDS	24				
Unrestricted funds				**76,651**	105,680
Restricted funds				**4,638,908**	4,569,799
TOTAL FUNDS				**4,715,559**	4,675,479

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

The financial statements were approved by the Board of Trustees and authorised for issue on 12th October 2021 and were signed on its behalf by:



Mr R D Greenwood - Trustee

The notes form part of these financial statements

Hartlebury Castle Preservation Trust

Cash Flow Statement for the Year Ended 31st March 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	**60,422**	36,449
Net cash provided by operating activities		**60,422**	36,449
Cash flows from investing activities			
Purchase of tangible fixed assets		**(35,632)**	(33,040)
Purchase of heritage assets		**(41,482)**	(5,427)
Sale of tangible fixed assets		-	2,425
Net cash used in investing activities		**(77,114)**	(36,042)
Cash flows from financing activities			
New loans in year		-	125,000
Net cash provided by financing activities		-	125,000
Change in cash and cash equivalents in the reporting period		**(16,692)**	125,407
Cash and cash equivalents at the beginning of the reporting period		**301,860**	176,453
Cash and cash equivalents at the end of the reporting period		**285,168**	301,860

The notes form part of these financial statements

Notes to the Cash Flow Statement for the Year Ended 31st March 2021

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	**40,080**	(9,114)
Adjustments for:		
Depreciation charges	**55,511**	48,427
Profit on disposal of fixed assets	**-**	(1,728)
(Increase)/decrease in debtors	**(61,977)**	5,664
Increase/(decrease) in creditors	**26,808**	(6,800)
Net cash provided by operations	**60,422**	36,449

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.20 £	Cash flow £	Other non-cash changes £	At 31.3.21 £
Net cash				
Cash at bank	**301,860**	**(16,692)**		**285,168**
	301,860	**(16,692)**		**285,168**
Debt				
Debts falling due within 1 year	**(225,000)**	**-**	**100,000**	**(125,000)**
Debts falling due after 1 year	**-**	**-**	**(100,000)**	**(100,000)**
	(225,000)	**-**	**-**	**(225,000)**
Total	**76,860**	**(16,692)**	**-**	**60,168**

The notes form part of these financial statements

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The accounts are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

GOING CONCERN

The accounts have been prepared on a going concern basis as the post year end closure (see note 26) is expected to be temporarily only, due to the UK-wide coronavirus outbreak and not due to any issues specific to the charity, is expected to recommence operations once the current lockdown restrictions have lifted and that the charity is considered to have sufficient reserves to cover overheads during the close down period.

After assessing whether the going concern assumption is appropriate, taking into account all available information about the future, which is at least, but is not limited to, twelve months from the date when the financial statements are authorised, the trustees consider the charity able to continue as a going concern.

PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The financial statements contain information about The Hartlebury Castle Preservation Trust as an individual charity and do not contain consolidated financial information as the parent of a group. The charity is exempt under Section 399(2A) of the Companies Act 2006 and the Charities Act 2011 Section 139(2) from the requirements to prepare consolidated financial statements.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Depreciation

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful lives and residual values of the assets. The useful lives and residual values are re-assessed annually. They are amended when necessary to reflect the current estimates, based on the technological advancement, future investment, economic utilisation and the physical condition of the assets. Rates of depreciation are considered on a category basis and disclosed within the accounting policy for depreciation.

Valuation of Heritage Assets

Heritage Assets form a significant part of the balance sheet valuation. The financial statements are therefore sensitive to the change in value of these assets. Heritage Assets are recorded at cost as they are typically unique and therefore no active market is available. The Trustees assess Heritage Assets annually for impairment.

INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income from grants (including government grants) and donations is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income from grants is only deferred when the charity has to fulfil conditions not yet met before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Admissions and subscriptions are considered to be, in substance, donations rather than payment or services. Admissions are recognised on entry. Subscriptions are recognised over the period to which they relate on a straight-line basis.

Rental income is recognised in line with the periods to which such income relates, up to the extent that is is probable that such income is recoverable. Where recoverability of rental income is in doubt, such income is instead recognised on a cash basis.

Interest income is recognised for all interest-bearing instruments on an accrual basis.

continued...

1. ACCOUNTING POLICIES - continued

EXPENDITURE
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

TANGIBLE FIXED ASSETS
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

Fixed assets are costing less than £100 are not capitalised

HERITAGE ASSETS
Heritage assets are recognised at cost and are considered to have indefinite useful lives. As such, Heritage assets are not depreciated and are instead reviewed annually for impairment.

FIXED ASSET INVESTMENTS IN SUBSIDIARIES
Fixed asset investments in subsidiaries are measured at cost less impairment.

TAXATION
The charity is exempt from corporation tax on its charitable activities.

FUND ACCOUNTING
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

PENSION COSTS
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

FINANCIAL INSTRUMENTS
The charity has elected to apply the provisions of Section 11' Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the charity becomes party to contractual provisions of the instrument.

Financial assets are offset, with the net amounts presented in the accounts where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic Financial Assets
Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Basic Financial Liabilities
Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future receipts, discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

continued...

1. **ACCOUNTING POLICIES - continued**

FINANCIAL INSTRUMENTS
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of the operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction cost.

CONCESSIONARY LOANS
Concessionary loan received from third parties on which no interest is to be charged are measured at historical cost.

2. **DONATIONS AND LEGACIES**

	2021	2020
	£	£
Donations	**30,965**	7,697
Grants	**301,479**	162,983
Subscriptions	**989**	687
Admissions	**6,675**	43,629
	340,108	214,996

Grants received, included in the above, are as follows:

	2021	2020
	£	£
Heritage Lottery Fund	**116,157**	114,990
Historic Houses Foundation	**-**	35,000
Sandy's Trust	**-**	10,000
Tesco	**-**	2,993
Arts Council	**166,500**	-
Other grants	**18,822**	-
	301,479	162,983

3. **OTHER TRADING ACTIVITIES**

	2021	2020
	£	£
Fundraising events	**350**	3,444

4. **INVESTMENT INCOME**

	2021	2020
	£	£
Rents received	**29,467**	25,628

continued...

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2021 £	2020 £
Other income	Preservation of Hartlebury Castle	**11,247**	27,128
Learning & education	Education of the public in local history and architecture	**940**	8,030
		12,187	35,158

6. OTHER INCOME

	2021 £	2020 £
Gain on sale of tangible fixed assets	**-**	1,728

7. RAISING FUNDS

RAISING DONATIONS AND LEGACIES

	2021 £	2020 £
Fundraising costs	**-**	633

INVESTMENT MANAGEMENT COSTS

	2021 £	2020 £
Property management costs	**5,678**	6,075
Aggregate amounts	**5,678**	6,708

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9) £	Support costs (see note 10) £	Totals £
Preservation of Hartlebury Castle	**232,337**	**100,268**	**332,605**
Education of the public in local history and architecture	**3,749**	**-**	**3,749**
	236,086	**100,268**	**336,354**

continued...

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021	2020
	£	£
Staff costs	**103,033**	99,383
Rates and water	**1,424**	(1,753)
Insurance	**27,950**	26,581
Light and heat	**3,843**	10,608
Telephone	**3,361**	3,847
Advertising	**4,070**	12,381
Sundries	**3,426**	2,970
Health and safety	**-**	606
Property maintenance	**80,031**	29,565
Computer Costs	**5,576**	4,638
Security	**429**	1,142
Course costs	**2,943**	10,510
	236,086	200,478

10. SUPPORT COSTS

	Management	Finance	Governance costs	Totals
	£	£	£	£
Preservation of Hartlebury Castle	**2,204**	**612**	**97,452**	**100,268**

Support costs, included in the above, are as follows:

	2021 Preservation of Hartlebury Castle	2020 Total activities
	£	£
Postage and stationery	**214**	**2,383**
Training	**700**	**999**
Travel and subsistence	**-**	**106**
Licences and subscriptions	**1,290**	**748**
Bank charges	**612**	**1,143**
Auditors' remuneration	**3,535**	**3,150**
Auditors' remuneration for non audit work	**7,338**	**4,742**
Legal and professional fees	**29,983**	**5,747**
Bookkeeping services	**1,085**	**15,437**
Depreciation of tangible fixed assets	**55,511**	**48,427**
	100,268	**82,882**

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation - owned assets	**55,511**	48,427
Surplus on disposal of fixed assets	**-**	(1,728)

continued...

12. AUDITORS' REMUNERATION

	2021	2020
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	**3,535**	3,150
Other non-audit services	**7,338**	4,742

13. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2021 nor for the year ended 31st March 2020.

TRUSTEES' EXPENSES

Two trustees were reimbursed expenses totalling £1,367 in relation to gardening and repair materials purchased for the castle (2020: Four trustees totalling £2,868).

14. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	**97,364**	94,917
Social security costs	**3,718**	3,180
Other pension costs	**1,951**	1,286
	103,033	99,383

Key management remuneration (including employer national insurance and pension costs) in the year totalled £45,322 (2020: £12,659).

Pension costs relate to defined contribution schemes only.

The average monthly number of employees during the year was as follows:

	2021	2020
Trust staff	**5**	6

No employees received emoluments in excess of £60,000.

continued...

15. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	62,014	152,982	214,996
Charitable activities			
Preservation of Hartlebury Castle	22,311	4,817	27,128
Education of the public in local history and architecture	8,030	-	8,030
Other trading activities	3,444	-	3,444
Investment income	25,628	-	25,628
Other income	-	1,728	1,728
Total	121,427	159,527	280,954
EXPENDITURE ON			
Raising funds	6,155	553	6,708
Charitable activities			
Preservation of Hartlebury Castle	90,909	181,941	272,850
Education of the public in local history and architecture	10,510	-	10,510
Total	107,574	182,494	290,068
NET INCOME/(EXPENDITURE)	13,853	(22,967)	(9,114)
Transfers between funds	(12,178)	12,178	-
Net movement in funds	1,675	(10,789)	(9,114)
RECONCILIATION OF FUNDS			
Total funds brought forward	104,004	4,580,589	4,684,593
TOTAL FUNDS CARRIED FORWARD	105,679	4,569,800	4,675,479

continued...

16. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1st April 2020	**106,708**	**131,248**	**4,358**	**242,314**
Additions	**6,135**	**24,302**	**5,195**	**35,632**
At 31st March 2021	**112,843**	**155,550**	**9,553**	**277,946**
DEPRECIATION				
At 1st April 2020	**63,279**	**49,210**	**4,106**	**116,595**
Charge for year	**22,569**	**31,111**	**1,831**	**55,511**
At 31st March 2021	**85,848**	**80,321**	**5,937**	**172,106**
NET BOOK VALUE				
At 31st March 2021	**26,995**	**75,229**	**3,616**	**105,840**
At 31st March 2020	43,429	82,038	252	125,719

17. HERITAGE ASSETS

	Total £
MARKET VALUE	
At 1st April 2020	**4,448,778**
Additions	**41,482**
At 31st March 2021	**4,490,260**
NET BOOK VALUE	
At 31st March 2021	**4,490,260**
At 31st March 2020	4,448,778

The heritage assets comprise of Hartlebury Castle and its grounds. It is one of the objectives of the charity to preserve and manage Hartlebury Castle and its grounds. Following the completion in the current year of initial improvements and restoration work following its acquisition considered necessary in order to bring the property to a suitable condition before it could be opened to the public as a visitor attraction, the charity is not expected to make any additions to or disposals of the heritage assets held.

The heritage assets are subject to a charge over the freehold title held by the National Heritage Memorial Fund. More details are provided in Note 22.

FIVE-YEAR SUMMARY OF TRANSACTIONS

	2021 £	2020 £	2019 £	2018 £	2017 £
Cost at start of year	4,448,778	4,443,351	4,210,449	2,272,000	2,272,000
Additions in the year	41,482	5,427	232,902	1,938,449	-
Cost at the year end	**4,490,260**	**4,448,778**	**4,443,351**	**4,210,449**	**2,272,000**

Cost in 2017 of £2,272,000 relates to the initial purchase of Hartlebury Castle and grounds. All subsequent additions relate to significant improvements and restoration work which were considered necessary in order to bring the property to a suitable condition before it could be opened to the public as a visitor attraction. All such improvements and restoration work is considered to have been completed during the current year.

continued...

18. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1st April 2020 and 31st March 2021	**1**
NET BOOK VALUE	
At 31st March 2021	**1**
At 31st March 2020	1

The company's investments at the balance sheet date in the share capital of companies include the following:

Hartlebury Castle Company Limited (No:09248664)
Registered office: Hartlebury Castle, Hartlebury, Kidderminster, England, DY11 7XZ
Nature of business: To run the Cafe, Shop & Events at the Castle.

Class of share:	% holding
Ordinary	**100**

	2021 £	31.3.20 £
Aggregate capital and reserves	**(14,967)**	(5,852)
Loss for the year	**(9,115)**	(5,853)

19. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	**-**	1,549
Amounts owed by group undertakings	**17,433**	912
VAT	**12,270**	-
Prepayments and accrued income	**101,153**	66,418
	130,856	68,879

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Other loans (see note 22)	**125,000**	225,000
Trade creditors	**52,892**	7,361
Social security and other taxes	**3,571**	1,705
VAT	**-**	10,519
Other creditors	**374**	481
Accrued expenses	**14,729**	24,692
	196,566	269,758

continued...

21. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Other loans (see note 22)	**100,000**	-

22. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year on demand:		
Concessionary loans	**125,000**	225,000
Amounts falling due between two and five years:		
Concessionary loans	**100,000**	-

During the prior year Worcestershire County Council made available an unsecured loan facility to aid the charity with cashflow until the remaining Heritage Lottery Funds are received. In the current year Worcestershire County Council agreed to defer the original repayment plan re Covid-19 (new plan as disclosed). At the year end £225,000 was owed to the Council.

£100,000 is to be repaid in October 2021, with a further £100,000 to be repaid in March 2024. The remaining £25,000 has been earmarked to be converted into a restricted fund grant to support the construction of a new adventure playground, but this has yet to be finalised.

No interest is charged on the loan.

23. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	**418**	839
Between one and five years	**-**	418
	418	1,257

Operating lease payments of £837 (2020: £418) were made during the year.

24. MOVEMENT IN FUNDS

	At 1.4.20	Net movement in funds	Transfers between funds	At 31.3.21
	£	£	£	£
Unrestricted funds				
General fund	**98,480**	**9,215**	**(91,544)**	**16,151**
Reserve fund	**7,200**	**-**	**13,300**	**20,500**
Projected deficit for future years	**-**	**-**	**40,000**	**40,000**
	105,680	**9,215**	**(38,244)**	**76,651**
Restricted funds				
Restoration and preservation fund	**4,562,571**	**(10,038)**	**26,932**	**4,579,465**
Magic Mirror Fund	**1,800**	**(600)**	**-**	**1,200**
HLF Resiliance Fund	**5,428**	**(16,606)**	**11,312**	**134**
Tesco	**-**	**278**	**-**	**278**
Cultural Recovery Fund	**-**	**57,831**	**-**	**57,831**
	4,569,799	**30,865**	**38,244**	**4,638,908**
TOTAL FUNDS	**4,675,479**	**40,080**	**-**	**4,715,559**

continued...

24. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	**98,457**	**(89,242)**	**9,215**
Restricted funds			
Restoration and preservation fund	**91,157**	**(101,195)**	**(10,038)**
Magic Mirror Fund	**-**	**(600)**	**(600)**
HLF Resiliance Fund	**25,000**	**(41,606)**	**(16,606)**
Tesco	**998**	**(720)**	**278**
Cultural Recovery Fund	**166,500**	**(108,669)**	**57,831**
	283,655	**(252,790)**	**30,865**
TOTAL FUNDS	**382,112**	**(342,032)**	**40,080**

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
Unrestricted funds				
General fund	96,804	13,854	(12,178)	98,480
Reserve fund	7,200	-	-	7,200
	104,004	13,854	(12,178)	105,680
Restricted funds				
Restoration and preservation fund	4,578,189	(62,395)	46,777	4,562,571
Magic Mirror Fund	2,400	(600)	-	1,800
HLF Resiliance Fund	-	5,428	-	5,428
Historic Houses Foundation	-	35,000	(35,000)	-
Tesco	-	(401)	401	-
	4,580,589	(22,968)	12,178	4,569,799
TOTAL FUNDS	4,684,593	(9,114)	-	4,675,479

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	121,427	(107,573)	13,854
Restricted funds			
Restoration and preservation fund	96,659	(159,054)	(62,395)
Magic Mirror Fund	-	(600)	(600)
HLF Resiliance Fund	24,875	(19,447)	5,428
Historic Houses Foundation	35,000	-	35,000
Tesco	2,993	(3,394)	(401)
	159,527	(182,495)	(22,968)
TOTAL FUNDS	280,954	(290,068)	(9,114)

continued...

24. MOVEMENT IN FUNDS - continued

UNRESTRICTED FUNDS

The general fund is that part of the unrestricted funds which the trustees may choose to spend on any activity within the purposes of the charity.

The designated reserve fund has been set up by the trustees to ensure that sufficient reserves are held by the Charity in order to fund any unexpected expenditure in the future. The trustees believe that the current balance of £20,500 is sufficient. This represents 3 months of unrestricted expenditure based upon the current year's figures.

The projected deficit for future years fund has been set up by the trustees to ensure sufficient reserves are set aside to absorb deficits in the near future caused by the Covid-19 pandemic. The trustees believe that the current balance of £40,000 is sufficient.

RESTRICTED FUNDS

The restoration and preservation fund has been restricted by the donor specifically to fund the purchase and restoration of Hartlebury Castle.

The charity received £3,000 towards the purchase and installation of a magic mirror. This purchase was made last year and the remaining funds represent the depreciated asset.

The charity is in receipt of a grant from the National Lottery Heritage Fund Resilient Heritage programme. This grant supports organisational development and commercial income generation as the charity transitions from delivering the restoration and re-opening to becoming a sustainable heritage attraction.

During the year the charity was awarded £166,500 from the Cultural Recovery Fund, a fund designed to support the reopening of cultural and heritage sites across the UK following the coronavirus pandemic. The money will help the charity to recover from months of lost income whilst the site was closed, support its reopening, fund improvements to accessibility of the grounds and complete vital maintenance works to preserve the future of the castle.

The charity received £35,000 from the Historic Houses Foundation towards funding the restoration of the Long Gallery. This work was completed in prior years.

The charity received a grant from the Tesco Bags of Help scheme. This grant supported the restoration and replanting of the Queen Elizabeth Walk.

TRANSFERS BETWEEN FUNDS

Heritage Lottery Funds (HLF) are paid to the charity once the charity has displayed it has incurred costs outlined within the grant application for the project. HLF then reimburse 69% of the expenditure to the trust. The transfer between funds therefore represents the trusts own contribution to the project.

In the year £26,931 was transferred to the HLF Restoration Fund and £15,845 to the HLF Resilience Fund (totalling £42,77) from unrestricted general reserves to cover project costs not reimbursed by grant income.

Transfers were also made within general reserves to specific designated general reserves based upon the trustees expectations. £13,300 was transferred to the Reserve fund to cover any unexpected expenditure in future. £40,000 was transferred to the Projected Deficit For Future Years fund to cover anticipated deficits in the near future as a result of the Covid-19 pandemic.

continued...

25. CONTINGENT LIABILITIES

The purchase of Hartlebury Castle and grounds during the period ended 31 March 2016 was made possible due to the support of the National Heritage Memorial Fund (NHMF) by means of substantial grants as shown in previous financial statements. The NHMF has registered a charge over the property and the Trust would not be in a position to dispose of the estate without the express agreement of the NHMF.

Should the Trustees intend at any time that the property be sold, transferred or other rights over the property be granted, the NHMF retains the right under the terms of its grant to require repayment of such amount of the proceeds of the sale or of the original grant as it shall at its sole discretion determine.

As Hartlebury Castle Preservation Trust was established for the principal purpose of acquiring and maintaining the property and its contents as a heritage asset for the public benefit, the possibility of the Trust disposing of the estate is unlikely.

As a result, it is not possible to determine what amount, if any, would be repayable to NHMF as a result of such a remote event.

26. RELATED PARTY DISCLOSURES

Last year the charity transferred its trading aspect of the organisation to its trading subsidiary, Hartlebury Castle Company Limited. At the year end it was owed £17,434 (2020: £912) from its subsidiary, this balance includes a gift aid donation of £Nil as losses were made in the year (2020: £nil).

4 Trustees made unrestricted donations to the charity totalling £1,636 (2020: £Nil)

27. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

28. POST BALANCE SHEET EVENTS

As a result of Covid-19 restrictions, the Trust decided to close from September 2020 until Easter 2021. The Trust has since reopened during the 2022 accounting year.

Hartlebury Castle Preservation Trust

Detailed Statement of Financial Activities for the Year Ended 31st March 2021

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS				
Donations and legacies				
Donations	**29,967**	**998**	**30,965**	7,697
Grants	**18,822**	**282,657**	**301,479**	162,983
Subscriptions	**989**	**-**	**989**	687
Admissions	**6,675**	**-**	**6,675**	43,629
	56,453	**283,655**	**340,108**	214,996
Other trading activities				
Fundraising events	**350**	**-**	**350**	3,444
Investment income				
Rents received	**29,467**	**-**	**29,467**	25,628
Charitable activities				
Learning & education	**940**	**-**	**940**	8,030
Other income	**11,247**	**-**	**11,247**	27,128
	12,187	**-**	**12,187**	35,158
Other income				
Gain on sale of tangible fixed assets	**-**	**-**	**-**	1,728
Total incoming resources	**98,457**	**283,655**	**382,112**	280,954
EXPENDITURE				
Raising donations and legacies				
Fundraising costs	**-**	**-**	**-**	633
Investment management costs				
Property management costs	**5,678**	**-**	**5,678**	6,075
Charitable activities				
Wages	**16,391**	**80,973**	**97,364**	94,917
Social security	**781**	**2,937**	**3,718**	3,180
Pensions	**-**	**1,951**	**1,951**	1,286
Rates and water	**1,407**	**17**	**1,424**	(1,753)
Insurance	**27,110**	**840**	**27,950**	26,581
Light and heat	**3,831**	**12**	**3,843**	10,608
Telephone	**3,361**	**-**	**3,361**	3,847
Advertising	**110**	**3,960**	**4,070**	12,381
Sundries	**2,056**	**1,370**	**3,426**	2,970
Health and safety	**-**	**-**	**-**	606
Property maintenance	**11,618**	**68,413**	**80,031**	29,565
Computer Costs	**607**	**4,969**	**5,576**	4,638
Security	**429**	**-**	**429**	1,142
Course costs	**2,943**	**-**	**2,943**	10,510
	70,644	**165,442**	**236,086**	200,478
Support costs				

Hartlebury Castle Preservation Trust

Detailed Statement of Financial Activities for the Year Ended 31st March 2021

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Support costs				
Management				
Postage and stationery	**50**	**164**	**214**	2,383
Training	**-**	**700**	**700**	999
Travel and subsistence	**-**	**-**	**-**	106
Licences and subscriptions	**144**	**1,146**	**1,290**	748
	194	**2,010**	**2,204**	4,236
Finance				
Bank charges	**419**	**193**	**612**	1,143
Governance costs				
Auditors' remuneration	**3,535**	**-**	**3,535**	3,150
Auditors' remuneration for non audit work	**6,080**	**1,258**	**7,338**	4,742
Legal and professional fees	**136**	**29,847**	**29,983**	5,747
Bookkeeping services	**2**	**1,083**	**1,085**	15,437
Plant and machinery	**485**	**22,084**	**22,569**	21,342
Fixtures and fittings	**2,069**	**29,042**	**31,111**	26,250
Computer equipment	**-**	**1,831**	**1,831**	835
	12,307	**85,145**	**97,452**	77,503
Total resources expended	**89,242**	**252,790**	**342,032**	290,068
Net (expenditure)/income	**9,215**	**30,865**	**40,080**	(9,114)