

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

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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 Ellis
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

Hartlebury Castle Preservation Trust

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.

Hartlebury Castle Preservation Trust

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

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.

Hartlebury Castle Preservation Trust

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

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.

Hartlebury Castle Preservation Trust

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 its 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'.

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.

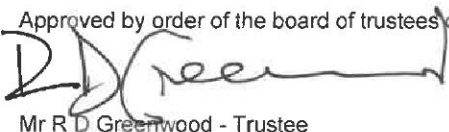
In so far as the trustees are aware:

- 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.

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.

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.

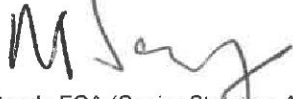
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed 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

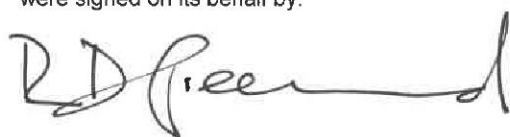
Hartlebury Castle Preservation Trust

**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
		<u>6,897</u>	<u>4,589,204</u>	<u>4,596,101</u>	<u>4,574,498</u>
CURRENT ASSETS					
Debtors	19	42,771	88,085	130,856	68,879
Cash at bank		92,914	192,254	285,168	301,860
		<u>135,685</u>	<u>280,339</u>	<u>416,024</u>	<u>370,739</u>
CREDITORS					
Amounts falling due within one year	20	(65,931)	(130,635)	(196,566)	(269,758)
NET CURRENT ASSETS		<u>69,754</u>	<u>149,704</u>	<u>219,458</u>	<u>100,981</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>76,651</u>	<u>4,738,908</u>	<u>4,815,559</u>	<u>4,675,479</u>
CREDITORS					
Amounts falling due after more than one year	21	-	(100,000)	(100,000)	-
NET ASSETS		<u>76,651</u>	<u>4,638,908</u>	<u>4,715,559</u>	<u>4,675,479</u>
FUNDS	24				
Unrestricted funds				76,651	105,680
Restricted funds				<u>4,638,908</u>	<u>4,569,799</u>
TOTAL FUNDS				<u>4,715,559</u>	<u>4,675,479</u>

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

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	<u>60,422</u>	<u>36,449</u>
Net cash provided by operating activities		<u>60,422</u>	<u>36,449</u>
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		<u>(77,114)</u>	<u>(36,042)</u>
Cash flows from financing activities			
New loans in year		-	125,000
Net cash provided by financing activities		<u>-</u>	<u>125,000</u>
Change in cash and cash equivalents in the reporting period		<u>(16,692)</u>	<u>125,407</u>
Cash and cash equivalents at the beginning of the reporting period		<u>301,860</u>	<u>176,453</u>
Cash and cash equivalents at the end of the reporting period		<u><u>285,168</u></u>	<u><u>301,860</u></u>

The notes form part of these financial statements

Hartlebury Castle Preservation Trust

**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

Hartlebury Castle Preservation Trust

Notes to the Financial Statements for the Year Ended 31st March 2021

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 for 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.

Hartlebury Castle Preservation Trust

Notes to the Financial Statements - continued for the Year Ended 31st March 2021

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 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.

Hartlebury Castle Preservation Trust

Notes to the Financial Statements - continued for the Year Ended 31st March 2021

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
	<u>340,108</u>	<u>214,996</u>

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	-
	<u>301,479</u>	<u>162,983</u>

3. OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Fundraising events	<u>350</u>	<u>3,444</u>

4. INVESTMENT INCOME

	2021	2020
	£	£
Rents received	<u>29,467</u>	<u>25,628</u>

Hartlebury Castle Preservation Trust

Notes to the Financial Statements - continued for the Year Ended 31st March 2021

5. INCOME FROM CHARITABLE ACTIVITIES

		2021 £	2020 £
Other income	Activity Preservation of Hartlebury Castle	11,247	27,128
Learning & education	Education of the public in local history and architecture	940	8,030
		<u>12,187</u>	<u>35,158</u>

6. OTHER INCOME

	2021 £	2020 £
Gain on sale of tangible fixed assets	-	1,728
	<u>-</u>	<u>1,728</u>

7. RAISING FUNDS

RAISING DONATIONS AND LEGACIES

	2021 £	2020 £
Fundraising costs	-	633
	<u>-</u>	<u>633</u>

INVESTMENT MANAGEMENT COSTS

	2021 £	2020 £
Property management costs	5,678	6,075
	<u>5,678</u>	<u>6,075</u>
Aggregate amounts	<u>5,678</u>	<u>6,708</u>

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
	<u>236,086</u>	<u>100,268</u>	<u>336,354</u>

Hartlebury Castle Preservation Trust

Notes to the Financial Statements - continued for the Year Ended 31st March 2021

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
	<u>236,086</u>	<u>200,478</u>

10. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Preservation of Hartlebury Castle	<u>2,204</u>	<u>612</u>	<u>97,452</u>	<u>100,268</u>

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
	<u>100,268</u>	<u>82,882</u>

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)
	<u></u>	<u></u>

Hartlebury Castle Preservation Trust

Notes to the Financial Statements - continued for the Year Ended 31st March 2021

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
	<u>10,873</u>	<u>7,892</u>

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
	<u>103,033</u>	<u>99,383</u>

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
	5	6
Trust staff	<u>5</u>	<u>6</u>

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

Hartlebury Castle Preservation Trust

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2021**

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

Hartlebury Castle Preservation Trust

Notes to the Financial Statements - continued for the Year Ended 31st March 2021

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.

Hartlebury Castle Preservation Trust

Notes to the Financial Statements - continued for the Year Ended 31st March 2021

18. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1st April 2020 and 31st March 2021	<u>1</u>
NET BOOK VALUE	
At 31st March 2021	<u>1</u>
At 31st March 2020	<u>1</u>

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.

	% holding	2021 £	31.3.20 £
Class of share:			
Ordinary	100		
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
	<u>130,856</u>	<u>68,879</u>

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
	<u>196,566</u>	<u>269,758</u>

Hartlebury Castle Preservation Trust

Notes to the Financial Statements - continued for the Year Ended 31st March 2021

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

	2021 £	2020 £
Other loans (see note 22)	<u>100,000</u>	<u>-</u>

22. LOANS

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year on demand:		
Concessionary loans	<u>125,000</u>	<u>225,000</u>
Amounts falling due between two and five years:		
Concessionary loans	<u>100,000</u>	<u>-</u>

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
	<u>418</u>	<u>1,257</u>

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
	<u>105,680</u>	<u>9,215</u>	<u>(38,244)</u>	<u>76,651</u>
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 Resilience Fund	5,428	(16,606)	11,312	134
Tesco	-	278	-	278
Cultural Recovery Fund	-	57,831	-	57,831
	<u>4,569,799</u>	<u>30,865</u>	<u>38,244</u>	<u>4,638,908</u>
TOTAL FUNDS	<u>4,675,479</u>	<u>40,080</u>	<u>-</u>	<u>4,715,559</u>

Hartlebury Castle Preservation Trust

Notes to the Financial Statements - continued for the Year Ended 31st March 2021

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 Resilience Fund	25,000	(41,606)	(16,606)
Tesco	998	(720)	278
Cultural Recovery Fund	166,500	(108,669)	57,831
	<u>283,655</u>	<u>(252,790)</u>	<u>30,865</u>
TOTAL FUNDS	<u>382,112</u>	<u>(342,032)</u>	<u>40,080</u>

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
	<u>104,004</u>	<u>13,854</u>	<u>(12,178)</u>	<u>105,680</u>
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 Resilience Fund	-	5,428	-	5,428
Historic Houses Foundation	-	35,000	(35,000)	-
Tesco	-	(401)	401	-
	<u>4,580,589</u>	<u>(22,968)</u>	<u>12,178</u>	<u>4,569,799</u>
TOTAL FUNDS	<u>4,684,593</u>	<u>(9,114)</u>	<u>-</u>	<u>4,675,479</u>

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 Resilience Fund	24,875	(19,447)	5,428
Historic Houses Foundation	35,000	-	35,000
Tesco	2,993	(3,394)	(401)
	<u>159,527</u>	<u>(182,495)</u>	<u>(22,968)</u>
TOTAL FUNDS	<u>280,954</u>	<u>(290,068)</u>	<u>(9,114)</u>

Hartlebury Castle Preservation Trust

Notes to the Financial Statements - continued for the Year Ended 31st March 2021

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.

Hartlebury Castle Preservation Trust

Notes to the Financial Statements - continued for the Year Ended 31st March 2021

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
	<u>56,453</u>	<u>283,655</u>	<u>340,108</u>	<u>214,996</u>
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
	<u>12,187</u>	<u>-</u>	<u>12,187</u>	<u>35,158</u>
Other income				
Gain on sale of tangible fixed assets	-	-	-	1,728
Total incoming resources	<u>98,457</u>	<u>283,655</u>	<u>382,112</u>	<u>280,954</u>
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
	<u>70,644</u>	<u>165,442</u>	<u>236,086</u>	<u>200,478</u>
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
	<u>194</u>	<u>2,010</u>	<u>2,204</u>	<u>4,236</u>
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
	<u>12,307</u>	<u>85,145</u>	<u>97,452</u>	<u>77,503</u>
Total resources expended	<u>89,242</u>	<u>252,790</u>	<u>342,032</u>	<u>290,068</u>
Net (expenditure)/income	<u>9,215</u>	<u>30,865</u>	<u>40,080</u>	<u>(9,114)</u>