

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

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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)

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

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 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 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.

Hartlebury Castle Preservation Trust

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

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'.

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.

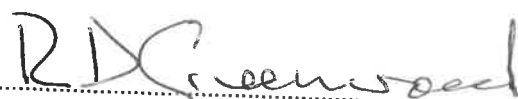
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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:


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.

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:

- 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

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

Hartlebury Castle Preservation Trust

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
		<u>7,309</u>	<u>4,598,647</u>	<u>4,605,956</u>	<u>4,596,101</u>
CURRENT ASSETS					
Debtors	19	32,142	124,701	156,843	130,856
Cash at bank		67,496	162,860	230,356	285,168
		<u>99,638</u>	<u>287,561</u>	<u>387,199</u>	<u>416,024</u>
CREDITORS					
Amounts falling due within one year	20	(30,785)	(169,284)	(200,069)	(196,566)
		<u>68,853</u>	<u>118,277</u>	<u>187,130</u>	<u>219,458</u>
NET CURRENT ASSETS					
		<u>76,162</u>	<u>4,716,924</u>	<u>4,793,086</u>	<u>4,815,559</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>76,162</u>	<u>4,716,924</u>	<u>4,793,086</u>	<u>4,815,559</u>
CREDITORS					
Amounts falling due after more than one year	21	-	(100,000)	(100,000)	(100,000)
		<u>76,162</u>	<u>4,616,924</u>	<u>4,693,086</u>	<u>4,715,559</u>
NET ASSETS					
		<u>76,162</u>	<u>4,616,924</u>	<u>4,693,086</u>	<u>4,715,559</u>
FUNDS	24				
Unrestricted funds				76,162	76,651
Restricted funds				<u>4,616,924</u>	<u>4,638,908</u>
TOTAL FUNDS				<u>4,693,086</u>	<u>4,715,559</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 13/12/22 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 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>27,016</u>	<u>60,422</u>
Net cash provided by operating activities		<u>27,016</u>	<u>60,422</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(81,828)</u>	<u>(35,632)</u>
Purchase of heritage assets		<u>-</u>	<u>(41,482)</u>
Net cash used in investing activities		<u>(81,828)</u>	<u>(77,114)</u>
Change in cash and cash equivalents in the reporting period		<u>(54,812)</u>	<u>(16,692)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>285,168</u>	<u>301,860</u>
Cash and cash equivalents at the end of the reporting period		<u><u>230,356</u></u>	<u><u>285,168</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 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
	<u>285,168</u>	<u>(54,812)</u>		<u>230,356</u>
Debt				
Debts falling due within 1 year	(125,000)	-	25,000	(100,000)
Debts falling due after 1 year	(100,000)	-	-	(100,000)
	<u>(225,000)</u>	<u>-</u>	<u>25,000</u>	<u>(200,000)</u>
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.

Hartlebury Castle Preservation Trust

Notes to the Financial Statements for the Year Ended 31st March 2022

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

Hartlebury Castle Preservation Trust

Notes to the Financial Statements - continued for the Year Ended 31st March 2022

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.

Hartlebury Castle Preservation Trust

Notes to the Financial Statements - continued for the Year Ended 31st March 2022

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
	<u>335,335</u>	<u>340,108</u>

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
	<u>274,579</u>	<u>301,479</u>

4. OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Fundraising events	<u>4,232</u>	<u>350</u>

5. INVESTMENT INCOME

	2022	2021
	£	£
Rents received	<u>30,818</u>	<u>29,467</u>

Hartlebury Castle Preservation Trust

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2022**

6. INCOME FROM CHARITABLE ACTIVITIES

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

7. RAISING FUNDS

RAISING DONATIONS AND LEGACIES

	2022	2021
	£	£
Fundraising event costs	5,562	-
	<u>5,562</u>	<u>-</u>

OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Purchases	5,937	-
	<u>5,937</u>	<u>-</u>

INVESTMENT MANAGEMENT COSTS

	2022	2021
	£	£
Property management costs	3,560	5,678
	<u>3,560</u>	<u>5,678</u>
Aggregate amounts	15,059	5,678
	<u>15,059</u>	<u>5,678</u>

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
	<u>284,133</u>	<u>104,647</u>	<u>388,780</u>

Hartlebury Castle Preservation Trust

Notes to the Financial Statements - continued for the Year Ended 31st March 2022

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
	<u>284,133</u>	<u>236,086</u>

10. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Preservation of Hartlebury Castle	<u>4,311</u>	<u>1,570</u>	<u>98,766</u>	<u>104,647</u>

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
	<u>104,647</u>	<u>100,268</u>

11. NET INCOME/(EXPENDITURE)

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

	2022 £	2021 £
Depreciation - owned assets	<u>71,973</u>	<u>55,511</u>

Hartlebury Castle Preservation Trust

Notes to the Financial Statements - continued for the Year Ended 31st March 2022

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
	<u>9,840</u>	<u>10,873</u>

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
	<u>129,920</u>	<u>103,033</u>

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
	7	5
Trust staff	<u>7</u>	<u>5</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 2022

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	<u>98,457</u>	<u>283,655</u>	<u>382,112</u>
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	<u>89,242</u>	<u>252,790</u>	<u>342,032</u>
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	<u>76,651</u>	<u>4,638,908</u>	<u>4,715,559</u>

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	<u>128,391</u>	<u>219,443</u>	<u>11,940</u>	<u>359,774</u>
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	<u>111,316</u>	<u>124,206</u>	<u>8,557</u>	<u>244,079</u>
NET BOOK VALUE				
At 31st March 2022	<u>17,075</u>	<u>95,237</u>	<u>3,383</u>	<u>115,695</u>
At 31st March 2021	<u>26,995</u>	<u>75,229</u>	<u>3,616</u>	<u>105,840</u>

Hartlebury Castle Preservation Trust

Notes to the Financial Statements - continued for the Year Ended 31st March 2022

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)

Hartlebury Castle Preservation Trust

Notes to the Financial Statements - continued for the Year Ended 31st March 2022

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
	<u>156,843</u>	<u>130,856</u>

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
	<u>200,069</u>	<u>196,566</u>

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	<u>100,000</u>	<u>125,000</u>
Amounts falling due between two and five years:		
Concessionary loans	<u>100,000</u>	<u>100,000</u>

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 received. 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.

Hartlebury Castle Preservation Trust

Notes to the Financial Statements - continued for the Year Ended 31st March 2022

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
	<u>418</u>	<u>1,256</u>

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
	<u>76,651</u>	<u>(489)</u>	<u>76,162</u>
Restricted funds			
Restoration and preservation fund	4,579,465	(483)	4,578,982
Magic mirror fund	1,200	(600)	600
HLF resilient 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
	<u>4,638,908</u>	<u>(21,984)</u>	<u>4,616,924</u>
TOTAL FUNDS	<u>4,715,559</u>	<u>(22,473)</u>	<u>4,693,086</u>

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 resilient 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
	<u>257,284</u>	<u>(279,268)</u>	<u>(21,984)</u>
TOTAL FUNDS	<u>381,366</u>	<u>(403,839)</u>	<u>(22,473)</u>

Hartlebury Castle Preservation Trust

Notes to the Financial Statements - continued for the Year Ended 31st March 2022

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
	<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 resilient fund	5,428	(16,606)	11,312	134
Tesco bags fund	-	278	-	278
Culture recovery fund - claim 1	-	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>

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 resilient fund	25,000	(41,606)	(16,606)
Tesco bags fund	998	(720)	278
Culture recovery fund - claim 1	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>

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.

Hartlebury Castle Preservation Trust

Notes to the Financial Statements - continued for the Year Ended 31st March 2022

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)

Hartlebury Castle Preservation Trust

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2022**

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.