THE ROGER & DOUGLAS TURNER CHARITABLE TRUST

England & Wales · Charity number 1154467

Details

Other names	R D TURNER CHARITABLE TRUST, THE R D TURNER CHARITABLE TRUST, Turner Trust
Status	Registered
Legal form	CIO
Registered	2013-11-05
Register	View on the Charity Commission register

Contact

Address	Arley House Lion Lane Upper Arley Worcestershire DY12 1SQ
Phone	01299861368
Email	sevans@turnertrust.co.uk
Website	www.turnertrust.co.uk

Activities

Objects: THE TRUSTEES SHALL HOLD THE TRUST FUND UPON TRUST TO PAY OR APPLY THE INCOME THEREOF AS IT ARISES AND ALL OR SO MUCH (IF ANY) OF THE CAPITAL THEREOF (INCLUDING ACCUMULATED INCOME) AS THE TRUSTEES SHALL FROM TIME TO TIME IN THEIR DISCRETION THINK FIT IN OR TOWARDS THE FURTHERANCE OF SUCH CHARITABLE PURPOSE OR PURPOSES AND IF MORE THAN ONE IN SUCH PROPORTIONS AND IN SUCH MANNER IN ALL RESPECTS AS THE TRUSTEES SHALL FROM TIME TO TIME IN THEIR DISCRETION THINK FIT.

Activities: The trust makes grants to registered charities (mainly local) and provides public access and education at Arley Arboretum, which is part of Arley Estate in Worcestershire's Severn Valley. Contact the website or Grants Officer for further details.

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Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes
- **Who:** Other Charities Or Voluntary Bodies

Geography

- **Area of benefit:** LOCAL
- Birmingham City
- Dudley
- Herefordshire
- Sandwell
- Walsall
- Wolverhampton
- Worcestershire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-12-31	£1,904,000	£3,075,000	£67,494,000	47
2024-12-31	£2,205,000	£2,630,000	£67,743,000	46
2023-12-31	£2,110,000	£2,672,000	£65,531,000	49
2022-12-31	£2,365,000	£2,508,000	£65,011,000	45
2021-12-31	£2,021,000	£2,156,000	£65,823,000	28

Trustees

Name	Role	Appointed
Amanda Jane McGeever		2021-10-12
Dawn Emma Long		2021-10-12
Geoffrey Patterson Thomas		2021-10-12
RONALD ALFRED WILSON MIDDLETON		2021-10-12
Sharon De Souza-Stotts		2021-10-12

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Linked charities

- THE R D TURNER CHARITABLE TRUST (1154467-1)
- THE DOUGLAS TURNER TRUST (1154467-2)

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THE ROGER & DOUGLAS TURNER CHARITABLE TRUST

England & Wales - Charity number 1154467

Accounts

The Roger & Douglas Turner Charitable Trust

CIO 1154467 Annual Report 2025



Maidenhair Tree (Ginkgo Biloba) – One of the first trees to be planted in the Arboretum around 1820

HISTORICAL BACKGROUND

The Roger & Douglas Turner Charitable Trust ("the Trust"), a Charitable Incorporated Organisation, was incorporated on 5 November 2013 and merged with two unincorporated grant-making charitable trusts established separately by the late Douglas William Turner ("DWT") and his son, the late Roger Douglas Turner ("RDT"); both had been successful industrialists with Wellington Tube Works Ltd. in Great Bridge. The two unincorporated trusts were linked to The Trust during 2024:

- The RD Turner Charitable Trust ("The Legacy Charity" 1154467-1) was settled on 21 December 1971 and its assets amounted to £30.1m (including £22.1m in Arley Estate) when it merged with The Trust on 31 December 2013.
- The Douglas Turner Trust (Charity 1154467-2) was settled on 27 January 1964, and its assets were accrued through lifetime gifts by DWT which increased in value to £16.7m when it merged with The Trust on 31 December 2015.

Under the terms of his Will RDT, who had owned the 1,600-acre Arley Estate in Worcestershire for 40 years until he died in 1999, passed it to The Legacy Charity *"as an accretion and addition to the fund of the said charity and subject to and with the benefit of the powers provisions and other matters contained in the said trust"*. He also "*without seeking to impose any binding trust or obligation*" expressed the hope that the Trustees "*will use their best endeavours to ensure that:*

1. *The Arley Estate should continue so far as practicable in its current form.*
2. *They continue to employ where practicable as many as possible of the persons employed by me at my death in connection with the Arley Estate and allow them to continue occupying any accommodation on the same basis as that upon which they are occupying the same at my death.*
3. *They continue where practicable to allow as many as possible of the persons who at the date of my death have been previously employed by me in connection with the Arley Estate and who at that date are occupying accommodation either rent free or on favourable terms to continue occupying such accommodation on the same basis.*
4. *They continue to give such assistance as at present to St Peter's Church, Arley Memorial Hall and Arley Sports and Social Club*".

In 1999 the Trustees consulted leading Counsel on various issues including RDT's expressed wish that '*the Arley Estate should continue so far as practicable in its current form*'. They were advised that this neither made it a permanent endowment nor restricted Trustees' powers of sale or disposition of land in relation to Arley Estate nor imposed a condition on the gift or a restriction on Arley Estate under Charity Law. Counsel advised Trustees to formulate a policy for the charitable use of funds (disclosed in 'Key Financial Policies' section) and to identify which assets were to be held as investments.

Following various strategic reviews since 2013, the Trustees resolved both to increase the amount of charitable grant-making and to improve the charitable impact of Arley Estate, whilst retaining its unique charm for public benefit, by providing for:

1. The general fund's market securities, held as investments, to be professionally managed to maximise total return with capital drawdowns to supplement dividend income primarily for charitable grant-making but also for funding long-term capital investment projects in Arley Estate, whilst maintaining the portfolio's long-term value in real terms.
2. Arley Arboretum, a leisure and educational resource for public benefit, to be held as own-use tangible fixed asset.
3. Arley House and The Grange to be held as own-use tangible fixed assets to generate additional income to support charitable activities relating to Arley Estate.
4. Other assets of Arley Estate to be held as investments.
5. Arley House & Gardens Limited, ("AHAG") a wholly owned company, to manage the Estate's trading activities including weddings and conferences at Arley House with accommodation at The Grange.

The Trustees have carefully considered the wishes expressed by RDT and how they may respect these while complying with principles of charity law. In line with this:

- the Trustees have agreed policies relating to the tenancies of properties within the Arley Estate to ensure the Trust's assets are managed appropriately to best support the Trust's charitable activities. The Trustees have carefully considered the application of charity law principles to the ongoing tenancies which were originally granted by RDT to his employees and have agreed that these arrangements are limited to the employee personally and cannot be transferred to those connected with the employee.
- grant assistance is given to support charitable activities undertaken by St Peter's Church, Arley Memorial Hall and Arley Sports and Social Club within the normal award process.
- St Peter's Church also benefits from any marriage ceremonies referred from AHAG's wedding couples.

The Trustees recognise that, while the Trust's focus is on its charitable activities, both grant making and direct provision, the Trust's relationships with the tenants of Arley Estate, including farming, residential and commercial tenants are key to its success. The Trust encourages open communication via the Chief Executive to support these relationships.

Footnote: Charitable grant appeal guidelines are available from The Trust for potential applicants.

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Arial photograph of Arley House, St Peter's Church & The Barbican Tower in the height of Autumn Colours.

REFERENCE AND ADMINISTRATIVE INFORMATION

Charitable Incorporated Organisation (CIO) **Charity number 1154467**

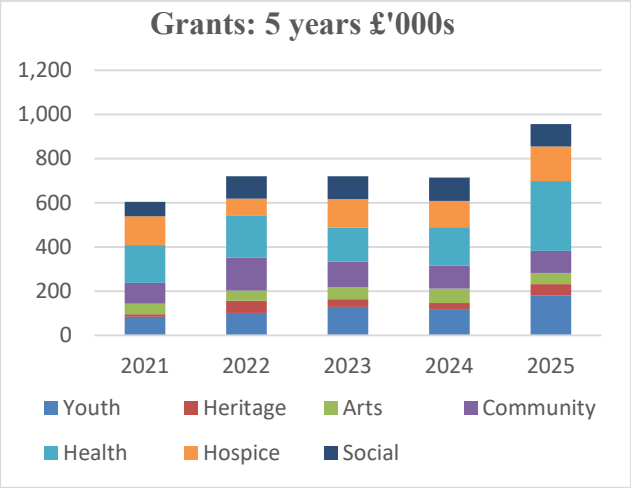
Trustees	Amanda McGeever (Chair) Ron Middleton (Vice Chair) Peter Millward Dawn Long Sharon Stotts Geoff Thomas	
Chief Executive	Mark Webb	mark@arleyestate.co.uk
Grants Officer	Simon Evans	sevans@turnertrust.co.uk
Principal Office	Arley House Lion Lane Upper Arley DY12 1SQ	Phone 01299 861368
Websites	Grants Arboretum Weddings, events and trading	www.turnertrust.co.uk www.arleyestate.co.uk
Auditors	Crowe U.K. LLP 4th Floor, St James House St James' Square Cheltenham Gloucestershire, GL50 3PR	
Investment Managers	Sarasin & Partners LLP 50 George Street London W1U 7DY	Rathbones Investment Management 30 Gresham Street London EC2V 7QN
Property Consultants	Halls Chartered Surveyors Gavel House 137 Franche Road Kidderminster DY11 5AP	Bronwin & Abbey Chartered Foresters and Surveyors Auction House King George's Way Pershore Worcestershire WR10 1 EY
Bankers	Barclays Bank PLC 2nd Floor 54 High Street Worcester, WR1 2QQ	CCLA Investment Management 85 Queen Victoria Street London EC4V 4ET
Solicitors	Lodders Solicitors LLP 10 Elm Court, Arden St Stratford-upon-Avon CV37 6PA	Higgs and Sons 3 Waterfront Business Park Brierley Hill West Midlands DY5 1LX
IT consultants	Pinfields IT Unit 3, Ryelands Business Centre Ryland, Droitwich WR9 0PT	

OVERVIEW OF THE YEAR

Despite market volatility caused by US$ weakness, President Trump's tariff proposals and increased geopolitical risks, our investment portfolio generated a total return of 5.7% compared with some 10% in 2024 but sufficient for us to draw £1,307k in both dividends and capital. This was used to fund both a planned 34% increase in grants to £957k and extra costs and property investments at Arley Estate.

UK consumer confidence remained low during the year which affected both Arboretum visitor numbers and trading income. With many part-time and seasonal staff, the increased minimum wage and National Insurance costs have disproportionately affected our activities at Arley as they are heavily reliant on the availability of discretionary personal expenditure.

Grants to UK charities



The increase in grant-aid payments was much needed as many UK charity applicants have experienced financial stress from reduced donations and government funding along with their own higher employment costs.

Some two thirds of our grants by value were again awarded to our regularly supported charities principally to fund core costs. Local charities based in our area continued to receive priority over larger national charities. This year we also supported capital schemes with £50k capital grants to Worcester Snoezelen and The Myriad Centre towards the cost of large building projects.

We have now refocused our grant strategy towards a thematic approach in 2026 to provide a more measurable impact. Our 6 new themes are Young people in need, Adults in need, Hospices, Mental health support, Poverty and Environment and heritage.

Charitable activities at Arley Arboretum

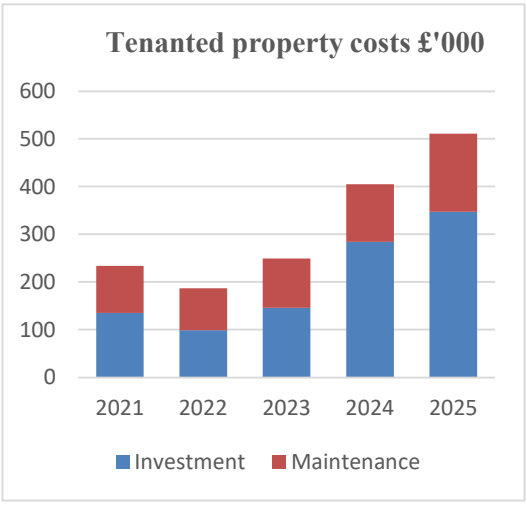
We are pleased that our educational offering continued to expand, with children from 3 new groups experiencing our outdoor learning space and adult groups enjoying Head Gardener tours. Visitor numbers were down 11% at 23,184, however income generated from these visitors increased by £25k. The year was again affected by storms at key times which have caused us to close the arboretum for public safety reasons, sadly with the loss of several trees. Climate change is becoming a real and constant threat to the specimen trees which are particularly vulnerable as many are up to two hundred years old and suffer in high winds and saturated ground.

The Board is aware of the need to maintain and develop this historic arboretum for the future, so we appointed Lear Associates, a specialist consultancy with expertise in historic gardens and arboreta, to undertake detailed mapping of the arboretum; their work has been delayed but their initial report is now due.

Arley Estate

Our focus over the past five years has been to resolve long-term issues raised in response to both tenants' requests and the last quinquennial review and inspection undertaken by our land agents in December 2022. We made good progress last year with major investments at four vacant properties and significant improvements to five others, which cost over £250k.

Also, we invested in a new property maintenance system to schedule both planned maintenance and on-going repair requests from tenants. Overall, the expenditure on tenanted properties (excluding own-labour costs) amounted to £511k, a record level reflecting a need to comply with new regulations for energy conservation, damp and mould. A continuing constraint is the availability of suitably qualified contractors who have the skills and experience to work on old buildings in a conservation area.



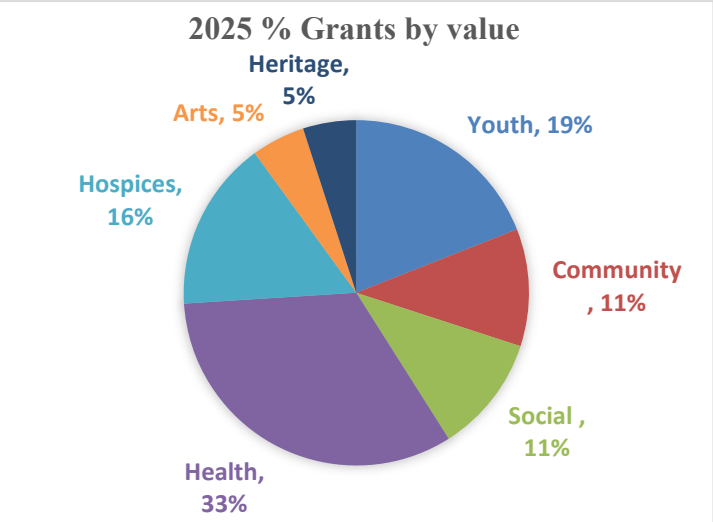
Trading activities

Arley House & Gardens Limited ("AHAG") had an extremely challenging year with income down by 26% after a dramatic fall in demand for formal weddings as a consequence of the cost-of-living crisis. The problem was exacerbated by the increase in minimum wage and employers' national insurance. As a consequence a loss of £58k was incurred in these financial statements compared with a profit of £10k in 2024. Nevertheless, the overall result was broadly in line with the five-year plan approved in 2024. In response to these challenges, the Board approved a revised budget supported by a new tactical marketing approach to attract more corporate income with less dependence on wedding income in the future.

OUR PRIMARY AIM: providing grants to UK registered charities

We focus on charities in the beneficial area of Birmingham, the Black Country, Worcestershire and Herefordshire, which support impaired health, hospices, community work, social support, children and some limited funds for both the arts and heritage and environmental projects. Many beneficiaries have been regularly supported for many years with unrestricted grants which can be used for core costs including salaries. Biennial due diligence is undertaken on these so-called 'Regulars' for a discussion with management about performance, outcomes, governance, and plans.

Achievements, impact and performance in 2025



During 2025 we awarded 184 grants totalling £957k, up from £714k, an average of £5,201 (2024: £3,945).

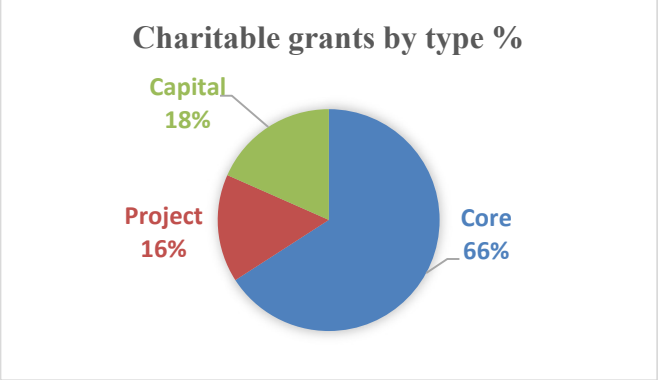
This year we supported more capital schemes with a £50k grant to Worcester Snoezelen expanding their multi-sensory therapy facilities for disabled people and £50k to The Myriad Centre towards the purchase of a new day centre building for young adults with profound and multiple learning difficulties.

The biggest increase in support was for impaired health, up 82% to £316k including the two capital grants above.

Grants to the youth sector increased by 51% to £180k including £15k to the Stonehouse Gang, a charity set up with help from Douglas Turner many years ago.

The nine hospices in our area benefited from a 31% increase in funding to £156k for their core costs.

We have prioritised 'Regular' and local charities because so many are still facing funding shortages following cuts in local government support as Councils face their own financial challenges. Whilst we have continued to support those national charities which have established a relationship with us, we have declined most new national applications unless there is a registered office (or "hub") in our beneficial area which is not being met by other local charities.



Our biennial due diligence programme was extended again with 123 visits and due diligence reports up from 100 last year, with on-site visits for local Regulars, video conferencing where it was more efficient to do so or remote due diligence for less regular applicants. Due diligence reports have now been completed on 236 different charities. We expect the impact of any grant to be explained clearly in the application, whether it is for core costs or for a specific project. Impact reporting under the new thematic approach will be further improved in 2026 with recipient charities now being formally asked to report back on impact and outcomes. Some examples of feedback received in the year include:

Worcester Snoezelen (£50k capital grant): *"I wanted to let you know that today we have lift off! We are absolutely delighted that the build work has finally commenced due to the generosity of the Turner Trust. Thank you once again for the support we have had from Turner Trust. Without your support this would not have been possible".*

Engineering Development Trust (£4k project costs grant): *"We are delighted that this will help young people develop skills and learn more about their potential STEM Futures. We know how valuable the regular support of Turner Trust has been in helping us work with schools and young people in the West Midlands and so many thanks for this continued support".*

Mary Stevens Hospice (£15k core costs grant): *"The continued support of Turner Trust is truly amazing and continues to have a profoundly positive impact on our hospice and the people we care for."*

Birmingham Settlement (£8k core costs grant): *"We are extremely grateful for your support as it allows us to continue to deliver much needed services to disadvantaged communities. Our work supports those most marginalised in society who face financial hardship, social isolation and other difficult circumstances. Your donation helps to ensure we can continue to deliver our services to the community".*

The Myriad Centre (£50k capital grant): *"We would like to thank Turner Trust for your continued support, including the exceptional £50,000 contribution towards the purchase of our new centre this year".*

OUR SECONDARY AIM: providing public access to Arley Estate including its Arboretum and gardens.

Arley Estate, located in Worcestershire's Severn Valley, is a significant tourist attraction which can be accessed via Arley Station on the Severn Valley Railway or by road. There are many walks around the Estate including The Severn Way.

The 200-year-old Arboretum, an RHS partner garden, has some of the most magnificent exotic species in England and provides a wonderful setting in every season.

Children are welcomed with many activities including an adventure play area, a living maze together with quests, scavenger hunts and seasonal events and encouragement to learn about the natural environment.



Wedding guests enjoying the fountain in the walled Italian Garden.

The Italian Garden, inspired by the renaissance gardens of the late 15th Century is an integral part of the Arboretum and features a spectacular fountain with 18 foot water jets, formal flower beds, box hedging, colonnades of silver lime trees and a dovecote. Although normally for public benefit, it is licenced for weddings and can be hired for private use.

Achievements and performance 2025



Children enjoying outdoor learning in one of our new groups.

Arboretum: visitor numbers of 23,184 were down from 26,122 in 2024 reflecting the impact of the high cost of living.

We welcomed 3 new groups, Nature Makers, Home Ed Hang Outs and Milkworks to expand our educational programme which is a key part of our future visitor strategy. We welcomed 499 children participating to learn about plants and living things as part of the 'STEM' curriculum at local schools for Key Stages 1 and 2. The early years nursery (age 3+) was welcomed to learn about the 'world around'.

Guided walks around the Arboretum were well attended by external groups who were keen to learn about our specimen trees, their history and the impact of climate change.

Turnover increased by £22k (10%) in the Garden Tearoom. It is a destination of choice for homemade cakes, hot food and locally sourced ice cream which complements its surroundings and is a real testament to our hard-working team. The cost base, specifically the huge increase in the cost of employment in the hospitality sector, remains a challenge and will form part of an operational review in 2026.

ARLEY HOUSE & GARDENS LIMITED ('AHAG')

AHAG turnover fell £107k delivering 16 weddings in 2025 compared to 28 in 2024 as the cost of living crisis continues to affect the hospitality and wedding market. Wedding industry reports have highlighted numerous challenges for the sector with a particular trend towards sub-£10k weddings and twilight weddings, rather than a full-day event, to reduce cost. The Events team is closely monitoring the market and is introducing bespoke packages to meet the changing demands.

The Grange guest house has continued to increase its presence on 'booking.com'. Accommodation income of £81k was in line with 2024 despite the reduced number of weddings. 50% of income is now externally generated thereby reducing reliance on wedding guests for occupancy.



Newly wedded couple walking back to Arley House after their Italian Gardens ceremony.

The Board has implemented a tactical marketing plan to boost income from new revenue streams. The business will concentrate on three main revenue streams: weddings, accommodation and corporate/private venue hire.

FINANCIAL REVIEW

General Fund

The general fund holds our market securities and is focussed on our primary aim of supporting UK charities.

Market securities performed well although both dividends and gains were lower than in 2024. Grants increased by 34% as part of a revised strategy to giver greater support to charities.

General Fund	2025 £'000	2024 £'000	
Investment income *(net of fees)*	423	531	Reduced dividend income following move to global portfolio
Charitable grants	(955)	(712)	Strategic decision to increase grant giving
Charitable costs	(64)	(71)	
Other income/(costs)	-	130	Partial reimbursement of 2024 Authorised Push Payment cost
Operating (deficit)	**(596)**	**(122)**	Expected deficit following increase in grant payments
Investment gains	1,198	2,309	Positive global equity markets
Net income	602	2,187	
Transfers (to) Arley Fund	(387)	(1,129)	Property refurbishment and £400k AHAG share capital in 2024
Movement in funds	**215**	**1,058**	

Arley Fund (designated)

This fund holds the Arley Estate properties both for investment and own-use and supports our secondary aim of providing access for recreation and education at Arley Arboretum together with our trading activities.

The local property market was subdued so tenanted properties were held at 2024 values but the amortisation and depreciation of own-use properties together with increased property repair costs caused a deficit in 2025. The trading company faced very challenging trading conditions and recorded its first loss within the consolidated statements.

Arley Fund	2025 £'000	2024 £'000	
Estate property (deficit)/surplus	(77)	50	Increased repair costs, investment in in-house maintenance team. Amortisation of own-use properties due to sector downturn
Trading contribution	(58)	10	Fall in sales pipeline in 2023 and 2024 impacted delivery in 2025
Charitable (deficit)	(440)	(363)	Cost inflation only partially reflected in prices
Operating (deficit)	**(575)**	**(303)**	
Investment gains	-	303	Arley Property values increased following refurbishments
Tangible asset revaluation	(276)	25	Fall in value of own-use properties linked to hospitality sector
Transfers from General Fund	387	1,129	Funding property refurbishment and AHAG share capital in 2024
Movement in funds	**(464)**	**1,154**	

INVESTMENTS

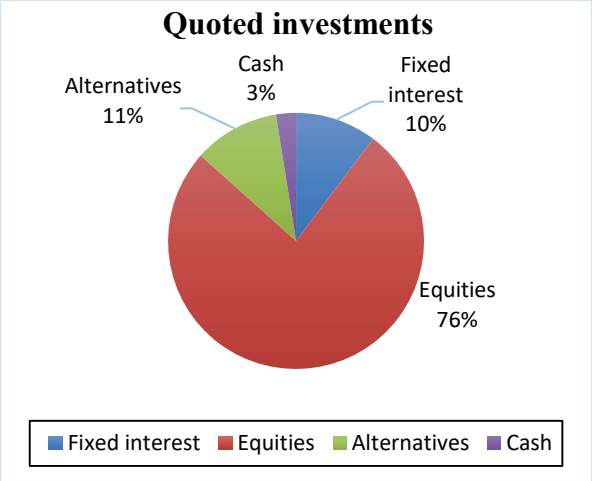
Investments include both quoted market securities and a portfolio of investment properties at Arley Estate.

QUOTED SECURITIES

Following the equalisation of holdings between Sarasin and Rathbones in 2023 a single global benchmark was used with a target return of CPI+4% and a neutral asset allocation of 70% equities, 15% bonds and 15% alternatives.

At 31 December 2025, equities were overweight at 76% with both bonds and alternatives underweight at 10% and 11% respectively and the balance held in cash.

During the year, and following positive returns in the investment portfolio, £720k capital was drawn down of which £387k was transferred to the Arley Fund for investment into the Estate. Despite these withdrawals the year-end value was £30,544k, an uplift from £30,229k in 2024.



Investment performance: 2025 was another strong year for equity markets with positive portfolio returns despite the so called 'Liberation Day' US tariff proposals, heightened geopolitical risks and US$ weakness. Global market performance was again concentrated in certain areas such as a relatively small number of artificial intelligence technology companies and other growth stocks, where prices rose sharply. Like many active fund managers with a so called 'quality style', our two managers significantly under-performed when compared to the index. Net investment gains were £1,198k (2024: £2,309k).

Income on the portfolio decreased to £587k (2024: £693k) as expected with the global mandate and total return approach. The positive total return of 5.7% for Sarasin and 5.7% for Rathbones compared with positive returns of 12.2% and 7.6% respectively in 2024.

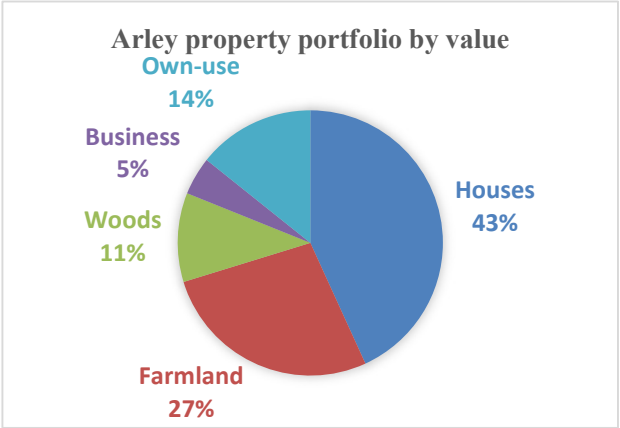
FREEHOLD PROPERTIES AT ARLEY

Arley Estate includes the following:

Investment properties: a tenanted portfolio includes 54 residential houses, 4 farms, a pub, post office, art studio, and bed & breakfast business together with managed woodland.

Own-use properties include the Arboretum (a charitable asset), and two properties held for commercial purposes which are leased by the trading subsidiary:

- Arley House provides both our own office and our wedding and conference venue.
- The Grange provides bespoke accommodation.



Professional valuation:
In 2022, Halls, Chartered Surveyors, conducted a quinquennial valuation of the component parts of Arley Estate, subject to the current occupation and tenancies in place but without making any adjustment for the 'marriage value' of the entire estate. The 2025 Trustees' valuation was done with advice from Halls; it reflects the 2025 enhancement costs (see below) but no other changes to values as the local property market remains subdued.

Valuation as allocated in the financial statements in £'000	2025	2024
Tenanted properties and woodland within Investments	32,217	31,870
Own-use properties (including Arboretum) within Tangible Fixed Assets	4,245	4,627
Total	**36,462**	**36,497**

Enhancements from additional investment at tenanted properties

The professional valuation in 2022 included a condition report of each property in the portfolio and a prioritised action plan was developed to address the issues arising, which included improved energy conservation. However, the constraints placed upon old properties in the Arley conservation area have precluded the use of modern technologies such as heat pumps. Despite these frustrations, we made good progress last year with major improvements at four vacant properties and significant improvements to five others. The aggregate new investments in tenanted properties amounted to £347k (2024 £284k).

MANAGING STRATEGIC RISK

The risk profile of the Trust has evolved since the Covid pandemic, and the key risks have been summarised as follows:

Category	Strategic Risk	How risk is managed
Market correction	US equity values (particularly AI) are high and vulnerable to market corrections & competition.	Investments under-weight to MSCI index in technology; markets historically recover from shocks within 2 years.
Grant impact	Core cost grant could support a failing charity; Grants too low as % of investment returns.	Due diligence provides extensive data for decisions. Strategy supports higher grants & thematic grant-giving.
Energy performance	Government paper on energy performance is a major challenge in a conservation area.	Extensive capital expenditure on properties to improve energy performance within legal & practical constraints.
Housing maintenance	Condition of rental properties could fall below our minimum standards.	2022 independent condition report largely implemented, maintenance triaged by priority and tenants consent.
Extreme weather	High winds & storm damage - specimen trees; Flooded properties from exceptional rainfall.	Regular clearance of water courses and use of sandbags. Specialist mapping inspection of trees in 2025.
Reputation	Adverse social media comments or unexpected dialogue with media organisations.	Monitoring of social media; new tenant communications & meetings to manage expectations
Cyber-fraud	Cyber-terrorism threatens internal systems; Authorised Push Payment (APP) frauds.	Robust IT security software installed and tested. Lower authorisation limits, staff training refreshed.

Market security risks are mitigated in the long term by:

- Using two experienced investment managers with globally spread portfolios but with differing investment strategies.
- Investing in quality securities traded on major global exchanges and avoiding high-risk derivative-based products.
- Holding six-monthly meetings with managers to review performance, strategic asset allocations and ranges.

Extreme weather is becoming a major threat to our specimen trees during the many winter storms. Regular inspections and preventative work is undertaken.



Felled Beech Tree due to storm damage and fungus die back through the heart and base.

Estate hazard risks are managed by the Chief Executive who, as Safety Officer, reports to the Audit Committee. A comprehensive system of risk assessments is in operation prior to any work being undertaken on the Estate. All our employees are encouraged to identify emerging risks and propose appropriate training needs so that a broad range of skills are developed. The safety of our employees is hugely important; particular emphasis is given to working at height, mechanical handling, and chain saws. The use of safety equipment is a mandatory requirement. An independent review of the hazard risk framework was also undertaken.

Property risks protocols to mitigate our tenants' health risks include gas safety inspections, carbon monoxide monitoring and advice on reducing the likelihood of damp and mould occurring. Specialist consultants are engaged to provide support for complex projects and contractors are approved based on experience with historic properties in a conservation area. Care is taken before doing any work involving the isolation or removal of asbestos which normally requires specialist expertise.

Visitors and safeguarding risks to which arboretum visitors are potentially exposed are carefully monitored, striking a reasonable balance between safety, conservation, and access. The trees are assessed regularly from a safety perspective, and the arboretum is closed during periods of high winds. Visitors to the Arboretum are required to take responsibility for their own safety; children and vulnerable adult visitors must be safeguarded and supervised by a responsible adult visitor.

Cyber security: user access controls, malware protection, patch management are in force; internet banking controls require multiple layers of access codes; all transactions also require segregation of duties between a loader and two approvers. Our internet security software was enhanced in 2024 following advice from our IT consultants and both management and Trustees are cognisant of the need to be vigilant in assessing risks of cyber-attack. Authorisation limits have been revised following an earlier APP fraud despite the associated operational inefficiency which arises.

Conflicts of interest and loyalty, principally associated with grant-giving, are reported and avoided at every meeting.

Complaints are welcomed and, wherever possible, addressed immediately so that issues can be resolved before they escalate.

GOVERNANCE

The Charity Governance Code: We continue to comply with the Charity Governance Code so far as reasonably possible. New Trustees are appointed having regard to diversity of skills, experience and gender. However, we do not advertise trustee vacancies because of the need for high levels of knowledge and experience of charities, and we believe the current informal approach is more appropriate. There is no restriction on length of service or any specific term of office for the original Trustees in 2013; however, all new Trustees are appointed for renewable three-year terms of office, and the chairman is appointed for between 5 and 8 years. Trustees are encouraged to undertake appropriate training and any printed material from training courses is retained for trustee review; any key points are shared at Board meetings.

The Trustees' code of conduct is based on a code issued by the Association of Chief Executives of Voluntary Organisations and Good Governance: A Code for the Voluntary and Community Sector from the National Council for Voluntary Organisations. Through their actions as a Board, Trustees are responsible for the successful development of a strategy to further our objects, delivery of which, in respect of Arley Estate, is delegated to the Chief Executive. The code establishes the principles expected of Trustees and Management to fulfil these responsibilities by maintaining the highest standards of integrity and stewardship and ensuring the Trust is effective, open and accountable with good working relationships.

Declaration of interests: The Trust aims to uphold the Charity Commission's guidelines which state that *'trustees are required to act reasonably and prudently in all matters relating to the charity and need always to bear in mind that their prime concern is the interests of the charity. They cannot let their personal views or prejudices affect their conduct as trustee'*. A register of interests is maintained, and the policy includes examples of potential conflicts of interest and conflicts of loyalty which could arise and how they should be managed.

Board meetings take place regularly to review the charity's activities and to consider grant appeals. To facilitate the decision-making process, we delegate governance as follows:

- The **Audit Committee** liaises with external auditors, promotes and safeguards high standards of financial reporting, internal control, risk management and legal compliance.
- The **Investment Committee** monitors the performance of the Investment Managers against agreed benchmarks.
- The **Nominations Committee** ensures that Trustees of appropriate calibre and mix of skills are put forward for selection to the Board of Trustees.
- The **Grants Committee** previews all grant applications in detail and makes recommendations to the Board. We rotate membership at each meeting to reduce the risk of bias.
- The **Estates Committee** considers all property related matters with the Chief Executive and receives advice on Estate matters from our Property Consultants.
- The **Remuneration Committee** reviews the performance of the Chief Executive and recommends pay increments for staff.

Arley House & Gardens Limited has its own independent Board, but Trustees retain oversight with one Trustee-Director and by means of formal reports and informal dialogue with its chairman.

KEY FINANCIAL POLICIES

Investment policy for quoted securities: There are neither restrictions on the Trust's power to invest nor prohibitions on social, environmental ethical grounds beyond those adopted by the managers. Our objective is to generate a balanced total return based on relative benchmarks for key asset classes, which in 2025 included 70% equities, 15% bonds and 15% alternatives (excluding commercial property) to generate a long-term total return UK CPI + 4%, net of fees. Benchmarks were reviewed and slightly altered in 2026 to accommodate the differing strategies of the managers.

Investment policy for freehold properties: Investment returns are maximised within the constraints of long-term tenancy arrangements. Properties are maintained to minimum standards having regard to the wishes of sitting tenants.

Reserves Policy: Unrestricted funds total £67,494k (2024: £67,743k) are comprised of the General Fund of £30,678k (2024: £30,463k) and the Arley Fund of £36,816k (2024: £37,280k). The Arley fund can only be realised by disposing of either tangible fixed assets or investment properties in Arley Estate, and this designated fund is therefore excluded from free reserves. All investments held in the General Fund, totalling £30,544k (2024: £30,229k) are also excluded as they are held for the long term.

Free reserves are comprised of unrestricted funds which are freely available to spend on any of the charity's purposes; they are unencumbered amounts represented by cash or other readily realisable assets less liabilities. At 31 December 2025, reserves amounted to £134k (2024: £234k). Our policy is to hold reserves generally in the target range of £250k to £750k; although the reserves fell below target at 31 December 2025, £300k was drawn from the investment portfolio in early 2026 to restore them to within the target range.

KEY FINANCIAL POLICIES (CONTINUED)

Remuneration policy: Our approach to remuneration ensures that we can attract and retain talented and motivated people who can achieve our mission and deliver our strategic goals. Our aim is to pay competitively in the not-for-profit sector within the context of affordability. In addition to linking pay to performance and providing salary progression for those who deliver exceptional performance, we review internal relativity through a pay moderation process. In determining the Chief Executive's remuneration, we also periodically review external survey data from the Association of Chief Executives of Voluntary Organisations (ACEVO).

Charitable Use of Funds policy: The Trustees have formulated a policy embracing their power both to make charitable grants and to operate Arley Estate for public benefit having had due regard for Mr Roger Turner's expressed wishes:

- **Charitable Grant-making:** to support by means of grants to UK registered charities, within the main beneficial area of Birmingham, the Black Country boroughs, Worcestershire and Herefordshire, primarily for the benefit of charities supporting youth and children, community and elderly, impaired health, hospices and social support. Some limited support is also given to charities supporting the arts, the environment and heritage.
- **Arley Estate:** to maintain, to the extent practicable and necessary, (1) the amenities of the Estate for residents and visitors to the Arboretum to enjoy as an education and leisure resource on an affordable basis and (2) support for St Peter's Church, Arley Memorial Hall and Arley Sports and Social Club.
- **General:** To support such other general charitable purposes as the Trustees shall in their absolute discretion decide.

PEOPLE

The Trustees wish to record their appreciation for the loyalty and commitment of the whole team at Arley during the year. We have recently welcomed Kat Griffiths as Finance Manager and would like to thank Louise Cooper, the outgoing Senior Finance Administrator, for her 10 years of dedication and service. We wish to thank all 17 of our active volunteers who bring significant additional skills and experience and continue to support the work of the Arboretum with great enthusiasm.

The Directors of Arley House & Gardens Limited are non-executive and unremunerated. We are grateful to them for their continued diligent stewardship of the company's activities, enabling Trustees to focus on the charitable activities of the Trust.

CHAIR OF TRUSTEES

Peter Millward completed his term of office on 21 March 2025, and the Trustees were delighted to welcome Amanda McGeever as Chair in his place from that date. Peter remains as a Trustee.

PUBLIC BENEFIT

We have considered the Charities Act 2011 on public benefit, noting that the Act states that there is no presumption of benefit. We have also had due regard for Charity Commission Guidance on the subject, in the context of both our charitable activities at Arley Estate and our charitable grant giving.

FUNDRAISING ACTIVITIES

The Charity has no fundraising activities requiring disclosure under Section 162a Charities Act 2011.

LINKED CHARITIES

The RD Turner Charitable Trust and The Douglas Turner Trust ('the Linked Charities') are treated as forming part of The Trust for the purposes of the Charities Act 2011. Neither of the Linked Charities has any assets or liabilities to be aggregated within the financial statements of the reporting entity.

PLANS FOR THE FUTURE

Arley fund: we plan to:

- Extend the Arboretum tearoom to provide greater efficiency for staff.
- Reconfigure the Arboretum toilet block to provide improved facilities with enhanced disabled access.
- Renovate properties to comply, so far as reasonably practical, with minimum energy efficiency standards.
- Implement the requirements of the 'The Renters Rights Act 2025' following recent dialogue with tenants.
- Introduce a planned maintenance programme for tenanted properties

General fund: we plan to:

- Refocus the charitable grant-making policy to a thematic approach to improve impact.

TRUSTEES' RESPONSIBILITIES AND DISCLOSURE OF INFORMATION TO AUDITORS

The Charities Act 2011 requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Trust and of the surplus or deficit of the Trust for that period. In preparing those financial statements the Trustees are required to: -

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards and the Charities SORP, disclosing and explaining any departures in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Trust will continue in operation.

The Trustees are responsible for keeping accounting records which disclose, with reasonable accuracy, the financial position of the Trust at any time, and for ensuring that the financial statements comply with charity law. The Trustees are also responsible for safeguarding the Trust's assets, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Amanda McGeever
Chair
6 March 2026



Arley Village from the banks of the River Severn taken just below the Harbour Inn.

Independent Auditor's Report to the Members of The Roger and Douglas Turner Charitable Trust

Opinion

We have audited the financial statements of The Roger and Douglas Turner Charitable Trust ('the charity') and its subsidiary ('the group') for the year ended 31 December 2025 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated and Charity Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's or the group'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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

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.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charity and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 13, the Trustees 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 charity's and group'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for charity and group's operations were Charity Commission regulations, General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Environmental protection legislation, Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of rental income and weddings and events income, and the override of controls by management. Our audit procedures to respond to these risks included designing audit procedures over rental income and weddings and events income, enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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

Crowe UK LLP.

Crowe U.K. LLP

Statutory Auditor 4th Floor, St James House, St James' Square, Cheltenham, GL50 3PR 12 March 2026

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Unrestricted Funds	Note	2025 Arley Fund £'000	2025 General Fund £'000	2025 Total £'000	2024 Arley Fund £'000	2024 General Fund £'000	2024 Total £'000
Income from:							
Investments	3	637	587	1,224	622	693	1,315
Trading Activities	4	313	-	313	418	-	418
Charitable Activities	5	367	-	367	342	-	342
Other income	6	-	-	-	-	130	130
Total Income		**1,317**	**587**	**1,904**	1,382	823	2,205
Expenditure from:							
Raising Funds	7	714	164	878	572	162	734
Trading Activities	8	371	-	371	408	-	408
Charitable Activities	9	807	1,019	1,826	705	783	1,488
Total Expenditure		**1,892**	**1,183**	**3,075**	1,685	945	2,630
Operating (deficit)		(575)	(596)	(1,171)	(303)	(122)	(425)
Net investment gain	14	-	1,198	1,198	303	2,309	2,612
Net Income/(loss)		**(575)**	**602**	**27**	-	2,187	2,187
Revaluation of fixed assets	13	(276)	-	(276)	25	-	25
Transfers between funds	20	387	(387)	-	1,129	(1,129)	-
Net Movement in Funds		**(464)**	**215**	**(249)**	1,154	1,058	2,212
Total Funds at 1 January		**37,280**	**30,463**	**67,743**	36,126	29,405	65,531
Total Funds at 31 December		**36,816**	**30,678**	**67,494**	37,280	30,463	67,743

The charity had no recognised gains or losses other than the net movements in funds for the year.

The Arley Fund is a designated fund which includes the net assets and operations of Arley Estate, the Arboretum and the trading subsidiary, Arley House & Gardens Limited.

The notes on pages 19 to 32 form part of these financial statements.

BALANCE SHEETS AS AT 31 DECEMBER 2025

	Note	GROUP 2025 £'000	GROUP 2024 £'000	CHARITY 2025 £'000	CHARITY 2024 £'000
Fixed assets					
Intangible assets	13	7	4	7	4
Tangible assets	13	4,424	4,836	4,424	4,836
Investments	14	62,761	62,099	63,161	62,499
Total		**67,192**	66,939	**67,592**	67,339
Current assets					
Stock	15	31	27	10	13
Debtors	16	154	330	147	327
Cash	17	348	684	178	363
		533	1,041	**335**	703
Creditors:					
Amounts due within one year	18	(231)	(237)	(206)	(206)
Net current assets		**302**	804	**129**	497
Net assets		**67,494**	67,743	**67,721**	67,836
Arley Fund	19&21	36,816	37,280	36,643	36,973
General Fund	19&21	30,678	30,463	31,078	30,863
Total Funds		**67,494**	67,743	**67,721**	67,836

The funds movement dealt with in the charity's financial statements was negative £248,000 (2024: positive £2,212,000).

The notes on pages 19 to 32 form part of these financial statements.

Approved by the Board on 6 March 2026 and signed on its behalf by:

Amanda McGeever
Chair

CONSOLIDATED AND CHARITY CASH FLOW STATEMENT

For the year ended 31 December 2025

	Note	GROUP 2025 £'000	GROUP 2024 £'000	CHARITY 2025 £'000	CHARITY 2024 £'000
Cash (used in) operating activities	23	**(1,402)**	(1,089)	**(1,251)**	(985)
Cash flows from investing activities					
Dividend and interest income		587	693	587	693
Purchase of intangible/tangible fixed assets		(57)	(74)	(57)	(74)
Investment in subsidiary		-	-	-	(400)
Purchase of investments		(7,851)	(8,463)	(7,851)	(8,463)
Capital expenditure on investment properties		(347)	(284)	(347)	(284)
Investment cash drawn down		720	880	720	880
Proceeds from sale of investments		8,014	8,620	8,014	8,620
Cash provided by investing activities		**1,066**	1,372	**1,066**	972
(Decrease)/Increase in cash and cash equivalents in the year		(336)	283	(185)	(13)
Cash and cash equivalents at the beginning of the year		684	401	363	376
Total cash and cash equivalents at the end of the year		**348**	684	**178**	363

The notes on pages 19 to 32 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

This Charitable Trust (hereinafter 'the Trust' or 'the Charity') is a Charitable Incorporated Organisation (CIO), registered with the Charities Commission in England and Wales, registration number 1154467. The charity is a public benefit entity; its principal office is at Arley House, Lion Lane, Upper Arley, Worcestershire, DY12 1SQ.

2 PRINCIPAL ACCOUNTING POLICIES

***Basis of preparation*:** The financial statements have been prepared on the accruals basis under the historical cost convention, with items recognised at cost or transaction value unless otherwise stated in the relevant notes below, as amended for the revaluation of investments. They have been prepared in accordance with the current Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Assessment of going concern: The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern and the Financial Statements are drawn up on the Going Concern basis. This assumes that the Trust will continue in operational existence for the foreseeable future following stress testing numerous forecasts and scenarios. With respect to the next reporting year, the most significant areas of uncertainty that affect the income of the Trust and the carrying value of its assets are the level of investment return and the performance of investment markets. The willingness of the public both to purchase admission tickets to the Arboretum and to make bookings are areas of financial uncertainty which the Trustees have mitigated with an internet-based booking system to manage footfall more effectively.

***Basis of consolidation**:* The Trust has one wholly owned subsidiary, Arley House & Gardens Limited, which is registered in England. Consolidated financial statements of the Group have been prepared on a line-by-line basis, with the results of the subsidiary included in the designated Arley Fund. As permitted, a separate income and expenditure account, dealing with the results of the Trust only, has not been presented.

***Fund Accounting*:** The Trust's constitution permits funds to be expended without restriction. The Trustees have included the operations of the Arley Estate, including the trading company, in a separate designated fund.

***Income recognition**:* all income is recognised once the charity has entitlement, it is probable that the income will be received and the amount can be measured reliably.

Donations and legacies are recognised when the Group has been notified the amount and the settlement date.

Investment income is accounted for when receivable and the amount can be measured reliably by the Trust; dividends are recognised once the dividend has been declared, and notification has been received of the dividend due. This is normally upon notification by our investment managers.

Rental income from Arley Estate properties is recognised when it is receivable, and it is probable that the Group will receive the amount due under the lease.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group. Revenue is measured as the fair value of the consideration received, excluding discounts, rebates, value-added tax and other sales taxes; the following criteria must also be met before revenue is recognised:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

Revenue from sales of goods is recognised when all the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction;
- the respective costs incurred or to be incurred can be measured reliably.

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract, but all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion the contract can be measured reliably;
- the cost incurred and the cost to complete the contract can be measured reliably;

Expenditure is recognised as soon as there is a legal or constructive obligation committing the Group to that expenditure, it is probable that settlement will be required and the amount can be measured reliably. Expenditure is accounted for on the accruals basis. Expenses including support costs are allocated or apportioned to the applicable expenditure headings.

Grant awards are accounted for as expenditure as soon as a valid expectation has been communicated to the recipient charity. If an offer is conditional upon events outside the Trust's control and it is possible but not probable that an outflow of economic benefits will arise, such amounts are recognised as contingent liabilities until the grant conditions are fulfilled.

Irrecoverable VAT: the Group is partially exempt for VAT purposes and holds a group registration certificate. VAT is charged against the expenditure heading for which it was incurred.

Operating lease rentals are charged on a straight-line basis over the period of the lease.

***Pension costs*:** The Trust contributes to a defined contribution 'money purchase' scheme on behalf of certain employees. Costs are charged to the Statement of Financial Activities.

Holiday pay: The holiday year is also the financial year, and employees are required to take their holiday entitlement during the year; accordingly, there is normally no holiday pay accrual for permanent staff. An accrual is provided for casual workers in line with government guidance.

Fixed assets: Freehold land and buildings are recognised at valuation on an open market existing use basis. All other assets costing more than £100 are stated at historical cost less depreciation, which is charged on a straight-line basis down to expected residual value over the following estimated useful economic lives of 5 years for motor vehicles and equipment and 3-10 years for fixtures and fittings and 3-5 years for intangible assets.

Financial investments in market securities are basic financial instruments, initially recognised at transaction value and subsequently measured at fair value as at the year-end using the closing quoted market price. The statement of financial activities includes all the net gains and losses arising on revaluation and disposals.

Financial investments in freehold land and buildings are valued quinquennially on an open market existing use basis subject to current occupation and tenancies in place at that time by independent Chartered Surveyors. In intervening years, the Trustees value them by reference to market reports and government indices having discussed the circumstances of Arley Estate with the independent chartered surveyors. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Financial investments in subsidiary undertakings are stated at cost less any provision for impairment. An impairment review is completed annually.

Realised gains and losses on investments are taken to the Statement of Financial Activities as they arise. They are calculated as the difference between sales proceeds and their opening carrying value or their purchase value acquired after the first day of the financial year. Realised gains and losses are calculated as the difference between the fair value at the year-end and the carrying value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

Government grants are credited to the consolidated statement of financial activities as the related expenditure is incurred.

***Financial instruments*:** Other than financial investments, the Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value except for bank loans which are subsequently measured at amortised cost using the effective interest method.

Stocks are stated at the lower of cost (based on the cost of purchase on a first in first-out basis) and net realisable value. At each reporting stocks are assessed for impairment; any losses are recognised immediately.

Debtors: Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Reimbursement assets are recognised in debtors when receipt is virtually certain, and its amount can be measured reliably.

Cash with financial institutions is repayable without penalty on notice of not more than 24 hours.

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

3 INCOME FROM INVESTMENTS:

	2025 £'000	2024 £'000
Dividends on UK and overseas equities	393	472
Interest on fixed interest securities and deposits	194	221
Sub-total General Fund	**587**	693
Income - rental	615	564
- other	22	58
Sub-total Arley Fund	**637**	622
Total Investment Income	**1,224**	1,315

4 INCOME FROM TRADING

Accommodation	81	83
Weddings and events	218	327
Other income	14	8
Total income	**313**	418

5 CHARITABLE INCOME

The Arley Fund income arises from admissions and charges for events and refreshments at Arley Arboretum.

6 OTHER INCOME

Other income of £nil (2024: General Fund other income of £130k was received as partial reimbursement of an Authorised Push Payment fraud in 2023).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 RAISING FUNDS EXPENDITURE

	2025			2024		
	Arley Fund £'000	General Fund £'000	Total 2025 £'000	Arley Fund £'000	General Fund £'000	Total 2024 £'000
Investment management charges	-	164	164	-	162	162
Repairs & property maintenance	167	-	167	121	-	121
Woodland maintenance	5	-	5	28	-	28
Depreciation & amortisation	115	-	115	107	-	107
Loss on revaluation (note 13)	75	-	75	-	-	-
Direct staff costs	129	-	129	82	-	82
Shared staff costs	35	-	35	32	-	32
Shared overheads	131	-	131	110	-	110
Governance	15	-	15	7	-	7
Professional charges	42	-	42	85	-	85
Total Raising Funds	**714**	**164**	**878**	572	162	734

8 TRADING EXPENDITURE

Direct expenses	130	-	130	219	-	219
Direct staff costs	158	-	158	110	-	110
Shared staff costs	38	-	38	38	-	38
Shared overheads	42	-	42	39	-	39
Governance	3	-	3	2	-	2
Total trading expenditure	**371**	**-**	**371**	408	-	408

9 CHARITABLE EXPENDITURE

Direct costs Arboretum & Estate	137	-	137	120	-	120
Direct staff costs	347	43	390	288	47	335
Shared staff costs	188	-	188	167	-	167
Shared overheads	103	10	113	102	8	110
Professional charges	15	4	19	20	10	30
Governance	15	7	22	6	6	12
Charitable grants	2	955	957	2	712	714
Total charitable expenditure	**807**	**1,019**	**1,826**	705	783	1,488

Shared costs of staff and overheads are analysed in note 12.
Governance includes audit fees of £20,000 (2024: £18,000) and professional fees of £13,500 (2024: £850).

10 CHARITABLE GRANTS ANALYSIS

	2025			2024		
	Number	% value	£'000	Number	% value	£'000
Young people	47	19%	180	40	17%	119
Community work	27	11%	100	32	14%	104
Social support	25	11%	102	28	15%	106
Impaired health	53	33%	316	48	24%	173
Hospices	9	16%	156	9	17%	119
The Arts	13	5%	51	18	9%	66
Environment & heritage	10	5%	52	6	4%	27
Total	**184**	**100**	**957**	181	100%	714

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 CHARITABLE GRANTS ANALYSIS (Continued)

75 charitable grants of £5,000 or more:

Name	£'000	Name	£'000
Acacia Family Support	5	Little Hearts Matter	5
ASPIE	7	Maggs Day Centre	5
Acorns Children's Hospice Trust	30	Mary Stevens Hospice	15
ARCOS	5	Martineau Gardens	5
Age UK Birmingham	5	Malvern Youth & Community Trust	5
Avoncroft Museum of Historic Buildings	5	Marches Family Network	5
B:Music	10	Myriad Centre (2 grants inc. £50k capital)	55
Better Understanding Dementia Sandwell	5	Megan Baker House	5
BID Services	5	National Churches Trust	10
Birmingham Boys & Girls Union	8	Nonentities Society	5
Birmingham Centre for Arts Therapies	5	NICE – Centre for Movement Disorders	8
Birmingham City Mission	8	Norton Hall Children and Family Centre	5
Birmingham PHAB Camps	5	Primrose Hospice	19
Birmingham Settlement	8	Parks for Play	5
Birmingham Botanical Gardens	15	Quinborne Community Association	5
Blackwell Advent. (2 grants inc. £12k capital)	17	REACT	5
Busoga Trust*	5	Redditch Night stop	5
Cerebral Palsy Midlands	10	Sandwell Homeless and Resettlement	5
Changing Faces	6	Sight Concern Worcestershire	5
City of Birmingham Symphony Orchestra	5	Sport 4 Life UK	6
Compton Care	20	St Basil's	10
Criminon	5	St Giles Hospice	10
Dorothy Parkes Centre	8	St Martin's Youth Centre	5
Edwards Trust	7	St Michael's Hospice	12
ESO (2006) Ltd	5	St Richard's Hospice	22
Farms for City Children	5	Stonehouse Gang	15
FoodCycle	5	Sudden Productions	5
Friends of Sick Children in Malawi*	5	The Haven Worcestershire	5
Good Shepherd Services	6	The Odell Trust	5
Hartlebury Castle Trust	5	The Relationship Therapy Centre	5
Headway Birmingham & Solihull	5	Village Water*	5
Headway Worcestershire	5	Walsall Society for the Blind	5
Hospice Charity Partnership	20	Where Next Association	5
James' Place Charity	5	Worcester Snoezelen (2 grants inc. £50k capital)	55
Kapella (was Relate Birmingham)	5	Wyre Forest & South Worcs. Night stop	*6*
Kemp Hospice	8	*Brought forward column 1*	*294*
Listening Books	6		
Sub-total carried forward	*294*	**Total at least £5,000 (48 grants)**	647

**International charities that have been supported historically and continue to be supported.*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 STAFF COSTS

	2025 £'000	2024 £'000
Wages and salaries	843	704
Social security costs	78	51
Pension costs	30	25
	951	780

The key management personnel of the charity comprise the Trustees, the Chief Executive, the Business Development & Engagement Manager, the HR Manager and the Grants Officer. The total employee benefits of the key management personnel of the charity were £224,428 (2024: £191,386). One employee had earnings which fell between £100,000 and £110,000 (2024: One employee had earnings which fell between £90,000 and £100,000).

There were 17 active volunteers (2024: 21) who provided ad-hoc support to projects in the Arboretum. The economic contribution of general volunteers is not recognised in the financial statements.

The average number of employees calculated on an average head count basis was:

	2025	2024
Estate and property	3	3
Events	13	12
Arboretum	23	22
Management and administration	8	9
	47	46

12 SHARED COSTS (Arley Fund)

Cost sharing within Arley Estate is based on time spent:		2025 Staff costs £'000	2025 Other costs £'000	2025 Total £'000	2024 Staff costs £'000	2024 Other costs £'000	2024 Total £'000
Raising funds	Note 7	35	131	166	32	110	142
Trading	Note 8	38	42	80	38	39	77
Charitable	Note 9	188	103	291	167	102	269
		261	**276**	**537**	237	251	488

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 FIXED ASSETS: GROUP AND CHARITY

Intangible fixed assets: The net book amount at 31 December 2025 was £6,630 (2024: £3,712)

Tangible fixed assets	Freehold land and buildings	Plant and equipment	Fixtures and fittings	Total
Cost or valuation	**£'000**	**£'000**	**£'000**	**£'000**
At 1 January 2025	4,866	399	407	5,672
Additions	18	8	30	56
Disposals	-	-	(2)	(2)
Revaluation - movement in reserve	(276)	-	-	(276)
- loss in year	(75)	-	-	(75)
At 31 December 2025	4,533	407	435	5,375
Depreciation				
At 1 January 2025	239	304	293	836
Charge for the year	49	28	38	115
Disposals	-	-	-	-
At 31 December 2025	288	332	331	951
Net book amount				
At 31 December 2025	4,245	75	104	4,424
At 31 December 2024	4,627	95	114	4,836

Freehold land and buildings were reduced in value by £400k at 31 December 2025 (2024: £nil) which included £49k annual depreciation, the £351k revaluation charge exceeded the revaluation reserve (reducing it to £nil), resulting in a balance of £75k loss on revaluation.

Freehold land and buildings which had an historical cost of £5,023,000 (2024: £5,023,000).

14 FIXED ASSET INVESTMENTS – CHARITY AND GROUP

	Freehold land and buildings	Quoted securities	Investment in subsidiary undertaking	2025 Total
	£'000	**£'000**	**£'000**	**£'000**
At 1 January	31,870	30,229	400	**62,499**
Additions at cost	347	7,851	-	**8,198**
Disposal proceeds	-	(8,014)	-	**(8,014)**
Net investment gain	-	1,198	-	**1,198**
Cash drawdown	-	(720)	-	**(720)**
At 31 December (Charity)	32,217	30,544	400	**63,161**
Investment in subsidiary	-	-	(400)	**(400)**
At 31 December (Group)	**32,217**	**30,544**	-	**62,761**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 FIXED ASSET INVESTMENTS – CHARITY AND GROUP (Continued)

Freehold land and buildings: an independent quinquennial valuation of freehold land and buildings was carried out by Halls, Chartered Surveyors, on 31 December 2022. The woodland was valued by Bronwin & Abbey, Chartered Foresters and Surveyors. The valuation of £36,248,000 was based on the freehold value of all component parts of the Arley Estate, on an open market existing use basis subject to current occupation and tenancies in place. At 31 December 2025, having taken informal advice from Halls, the Trustees valued the Estate on a similar basis at £36,462,000 (2024: £36,497,000). For accounting, the assets have been disclosed as follows:

		2025 £'000	2024 £'000
Own use tangible fixed assets	Note 13	**4,245**	4,627
Investments	Above	**32,217**	31,870
At 31 December		**36,462**	36,497

The historical cost of the Estate, represented by the probate value on the death of the late Mr. R D Turner on 30 April 1999, was £8,841,000.

Quoted securities portfolio	**2025 %**	**2024 %**	**2025 £'000**	**2024 £'000**
Fixed interest	**10.3**	11.6	**3,138**	3,513
UK listed equities	**6.8**	5.5	**2,088**	1,643
Overseas equities	**69.5**	70.4	**21,231**	21,289
Commercial property	**-**	1.7	**-**	513
Alternative investments	**10.9**	9.8	**3,323**	2,961
Cash	**2.5**	1.0	**764**	310
	100.0	100.0	**30,544**	30,229
Historical cost			**26,190**	26,694

Material investments: The Investment Policy states that no investments should exceed 5.0% of the value of the portfolio. At 31 December 2025 there were no such investments (2024: none).

Fixed asset investments – Charity
In addition to the above investments the charity has a £400,000 (2024: £400,000) investment in the entire share capital of Arley House & Gardens Ltd. following an equity subscription of £399,900 on 31 December 2024.

15 STOCK

	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Goods for resale	**31**	27	**10**	13

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 DEBTORS

	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Trade debtors	62	47	57	44
Prepayments and accrued income	57	123	55	120
Other debtors	35	160	35	160
Amounts due from group undertaking	-	-		3
	154	330	**147**	327

Other debtors include £nil (2024: £98,000) related to amounts reimbursed from banks after the year-end in relation to an Authorised Push Payment fraud.

17 CASH

Cash at bank	348	684	178	363
	348	684	**178**	363

18 CREDITORS DUE WITHIN ONE YEAR

Trade creditors	47	43	45	40
Investment Management charges	43	41	43	41
Rents received in advance	53	48	53	48
Other taxes and social security	32	23	6	19
Other creditors	16	9	5	6
Accruals and deferred income	40	73	36	52
Amounts due to group undertaking	-	-	18	-
	231	237	**206**	206

Included within accruals and deferred income are wedding deposits held for weddings in future years of:

Balance at 1 January	18	62	-	-
New deposits during the year	124	277	-	-
Deposits released during the year	(134)	(321)	-	-
Balance at 31 December	8	18	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19 ANALYSIS OF GROUP ASSETS AND LIABILITIES WITHIN FUNDS

	2025			2024		
	Arley Fund £'000	General Fund £'000	Total Funds £'000	Arley Fund £'000	General Fund £'000	Total Funds £'000
Intangible Assets	7	-	7	4	-	4
Tangible Assets	4,424	-	4,424	4,836	-	4,836
Investments	32,217	30,544	62,761	31,870	30,229	62,099
Fixed Assets	36,648	30,544	67,192	36,710	30,229	66,939
Stock	31	-	31	27	-	27
Debtors	127	27	154	115	215	330
Cash	198	150	348	624	60	684
Creditors	(188)	(43)	(231)	(196)	(41)	(237)
Net Current Assets	168	134	302	570	234	804
Total Funds	**36,816**	**30,678**	**67,494**	37,280	30,463	67,743

20 FUNDS ANALYSIS – GROUP

/	1 January 2025 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Gains / (Losses) £'000	31 December 2025 £'000
Operational funds	37,004	1,317	(1,892)	387	-	**36,816**
Revaluation reserve	276	-	-	-	(276)	**-**
Arley Fund	37,280	1,317	(1,892)	387	(276)	**36,816**
General Fund	30,463	587	(1,183)	(387)	1,198	**30,678**
Total Funds	67,743	**1,904**	**(3,075)**	**-**	**922**	**67,494**

	1 January 2024 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Gains / (Losses) £'000	31 December 2024 £'000
Operational funds	35,875	1,382	(1,685)	1,129	303	37,004
Revaluation reserve	251	-	-	-	25	276
Total Arley Fund	36,126	1,382	(1,685)	1,129	**328**	37,280
General Fund	29,405	823	(945)	(1,129)	**2,309**	30,463
Total Funds	65,531	2,205	(2,630)	-	**2,637**	67,743

Transfers between funds is cash transferred to finance major projects at Arley Estate and in relation to shared costs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21 ANALYSIS OF CHARITY ASSETS AND LIABILITIES WITHIN FUNDS

	2025			2024		
	Arley Fund £'000	General Fund £'000	Total Funds £'000	Arley Fund £'000	General Fund £'000	Total Funds £'000
Intangible Assets	7	-	7	4	-	4
Tangible Assets	4,424	-	4,424	4,836	-	4,836
Investments	32,217	30,944	63,161	31,870	30,629	62,499
Fixed Assets	36,648	30,944	67,592	36,710	30,629	67,339
Stock	10	-	10	13	-	13
Debtors	120	27	147	112	215	327
Cash	28	150	178	303	60	363
Creditors	(163)	(43)	(206)	(165)	(41)	(206)
Net Current Assets	(5)	134	129	263	234	497
Total Funds	**36,643**	**31,078**	**67,721**	36,973	30,863	67,836

22 FUNDS ANALYSIS – CHARITY

/	1 January 2025 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Gains / (Losses) £'000	31 December 2025 £'000
Operational funds	36,697	1,079	(1,520)	387	-	**36,643**
Revaluation reserve	276	-	-	-	(276)	**-**
Arley Fund	36,973	1,079	(1,520)	387	(276)	**36,643**
General Fund	30,863	587	(1,183)	(387)	1,198	**31,078**
Total Funds	67,836	**1,666**	**(2,703)**	**-**	**922**	**67,721**

	1 January 2024 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Gains / (Losses) £'000	31 December 2024 £'000
Operational funds	35,875	1,065	(1,275)	729	303	36,697
Revaluation reserve	251	-	-	-	25	276
Total Arley Fund	36,126	1,065	(1,275)	729	328	36,973
General Fund	29,405	823	(945)	(729)	2,309	30,863
Total Funds	65,531	1,888	(2,220)	-	2,637	67,836

Transfers between funds is cash transferred to finance major projects at Arley Estate and in relation to shared costs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET OPERATING CASH FLOW

	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Net movement in funds	(249)	2,212	(115)	2,305
Add back depreciation and amortisation	190	107	190	107
Movement on revaluation reserve	276	(25)	276	(25)
Deduct income shown in quoted investing activities	(587)	(693)	(587)	(693)
(Gain) on revaluation of investments	(1,198)	(2,612)	(1,198)	(2,612)
(Increase) in stock	(4)	(2)	3	(1)
Decrease / (increase) in debtors	176	(21)	180	(45)
(Decrease) in creditors	(6)	(55)	-	(21)
Net cash used in operating activities	**(1,402)**	(1,089)	**(1,251)**	(985)

24 INCOME EARNED FROM TRADING ACTIVITIES

The wholly owned trading subsidiary, Arley House & Gardens Limited was incorporated in the United Kingdom (company number 09448082) and details of the trading results for the subsidiary alone are given below:

	2025 £'000	2024 £'000
Turnover	310	417
Direct costs	(289)	(329)
Overheads	(74)	(79)
(Loss) / profit included in Statement of Financial Activities on consolidation	(53)	9
Intra-group charge from the charity arising from internal leases, included in the company's own financial statements	(81)	(102)
(Loss) for the financial year	(134)	(93)
Retained in subsidiary	**(134)**	**(93)**
The assets and liabilities of the subsidiary were:		
Current assets	215	351
Current liabilities	(42)	(44)
Total net assets representing aggregate share capital and reserves	**173**	**307**

The Statement of Financial Activities of the Charity alone is not required to be published. It excludes the above trading turnover and costs but includes (£53,000) (2024: £9,000) investment (losses)/income comprising £81,000 (2024: £102,000) intra-group service charges and £nil (2024: £nil) gift aid income from the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25 FINANCIAL INSTRUMENTS

	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Financial assets				
Financial assets measured at fair value through profit or loss	30,544	30,229	30,544	30,229

Financial assets measured at fair value through profit or loss comprise of fixed asset investments – quoted securities.

26 COMMITMENTS RECEIVABLE UNDER OPERATING LEASES

At 31 December 2025 the Group and Charity had future minimum lease receipts under non-cancellable operating leases as follows:

	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Not later than one year	102	101	122	151
Later than one year and not later than five years	289	232	319	356
Later than five years	925	737	925	737
	1,316	1,070	**1,366**	1,244

27 CAPITAL COMMITMENTS

At 31 December 2025 the Group and Charity had capital commitments of £nil (2024: £158,000).

28 COMMITMENTS PAYABLE UNDER OPERATING LEASES

At 31 December 2025 the Group and Charity had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Not later than one year	6	6	6	6
Later than one year and not later than five years	8	9	8	9
Later than five years	-	-	-	-
	14	15	**14**	15

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29 RELATED PARTY TRANSACTIONS

(i) Transactions involving Trustees and connected parties
No Trustees are remunerated. One Trustee is also a director of the trading subsidiary.

One Trustee is a private client partner of our solicitors, Lodders LLP. Payments totalling £3,500 (2024: £7,500) were made to Lodders LLP for legal advice on residential and agricultural leases on an arm's length basis and were provided by a separate independent team. £743 was outstanding at the end of the year.

Three Trustees purchased surplus IT equipment on an arm's length basis for £100 each.

(ii) Trustee expenses
The sum of £49 (2024: £534) was reimbursed to one (2024: two) Trustee(s) in respect of travel expenses.

(iii) Transactions with trading subsidiary
Costs (principally staff costs) recharged to the trading subsidiary amounted to £137,882 (2024: £148,296). Rent, service charge and catering income was received from the trading subsidiary amounting to £74,459 (2024: £101,922).

There are no other related party transactions to disclose.

THE ROGER & DOUGLAS TURNER CHARITABLE TRUST

England & Wales - Charity number 1154467

Accounts

The Roger & Douglas Turner Charitable Trust

CIO 1154467 Annual Report 2024



HISTORICAL BACKGROUND

The Roger & Douglas Turner Charitable Trust ("the Trust"), a Charitable Incorporated Organisation, was incorporated on 5 November 2013 and merged with two unincorporated grant-making charitable trusts established separately by the late Douglas William Turner ("DWT") and his son, the late Roger Douglas Turner ("RDT"); both had been successful industrialists with Wellington Tube Works Ltd. in Great Bridge. The two unincorporated trusts were linked to The Trust during 2023:

- The RD Turner Charitable Trust ("The Legacy Charity" 1154467-1) was settled on 21 December 1971 and its assets amounted to £30.1m (including £22.1m in Arley Estate) when it merged with The Trust on 31 December 2013.
- The Douglas Turner Trust (Charity 1154467-2) was settled on 27 January 1964 and its assets were accrued through lifetime gifts by DWT which increased in value to £16.7m when it merged with The Trust on 31 December 2015.

Under the terms of his Will RDT, who had owned the 1,600-acre Arley Estate in Worcestershire for 40 years until he died in 1999, passed it to The Legacy Charity *"as an accretion and addition to the fund of the said charity and subject to and with the benefit of the powers provisions and other matters contained in the said trust"*. He also "*without seeking to impose any binding trust or obligation*" expressed the hope that the Trustees "*will use their best endeavours to ensure that:*

1. *The Arley Estate should continue so far as practicable in its current form.*
2. *They continue to employ where practicable as many as possible of the persons employed by me at my death in connection with the Arley Estate and allow them to continue occupying any accommodation on the same basis as that upon which they are occupying the same at my death.*
3. *They continue where practicable to allow as many as possible of the persons who at the date of my death have been previously employed by me in connection with the Arley Estate and who at that date are occupying accommodation either rent free or on favourable terms to continue occupying such accommodation on the same basis.*
4. *They continue to give such assistance as at present to St Peter's Church, Arley Memorial Hall and Arley Sports and Social Club*".

In 1999 the Trustees consulted leading Counsel on various issues including RDT's expressed wish that '*the Arley Estate should continue so far as practicable in its current form*'. They were advised that this neither made it a permanent endowment nor restricted Trustees' powers of sale or disposition of land in relation to Arley Estate nor imposed a condition on the gift or a restriction on Arley Estate under Charity Law. Counsel advised Trustees to formulate a policy for the charitable use of funds (disclosed in 'Key Financial Policies' section) and to identify which assets were to be held as investments.

Following various strategic reviews since 2013, the Trustees resolved both to increase the amount of charitable grant-making and to improve the charitable impact of Arley Estate, whilst retaining its unique charm for public benefit, by providing for:

1. The general fund's market securities, held as investments, to be professionally managed to maximise total return with capital drawdowns to supplement dividend income primarily for charitable grant-making but also for funding long-term capital investment projects in Arley Estate, whilst maintaining the portfolio's long-term value in real terms.
2. Arley Arboretum, a leisure and educational resource for public benefit, to be held as own-use tangible fixed asset.
3. Arley House and The Grange to be held as own-use tangible fixed assets to generate additional income to support charitable activities relating to Arley Estate.
4. Other assets of Arley Estate to be held as investments.
5. Arley House & Gardens Limited, ("AHAG") a wholly owned company, to manage the Estate's trading activities including weddings and conferences at Arley House with accommodation at The Grange.

The Trustees have carefully considered the wishes expressed by RDT and how they may respect these while complying with principles of charity law. In line with this:

- the Trustees have agreed policies relating to the tenancies of properties within the Arley Estate to ensure the Trust's assets are managed appropriately to best support the Trust's charitable activities. The Trustees have carefully considered the application of charity law principles to the ongoing tenancies which were originally granted by RDT to his employees and have agreed that these arrangements are limited to the employee personally and cannot be transferred to those connected with the employee.
- grant assistance is given to support charitable activities undertaken by St Peter's Church, Arley Memorial Hall and Arley Sports and Social Club within the normal award process.
- St Peter's Church also benefits from any marriage ceremonies referred from AHAG's wedding couples.

The Trustees recognise that, while the Trust's focus is on its charitable activities, both grant making and direct provision, the Trust's relationships with the tenants of Arley Estate, including farming, residential and commercial tenants are key to its success. The Trust encourages open communication via the Chief Executive to support these relationships.

Footnote: Charitable grant appeal guidelines are available from The Trust for potential applicants.

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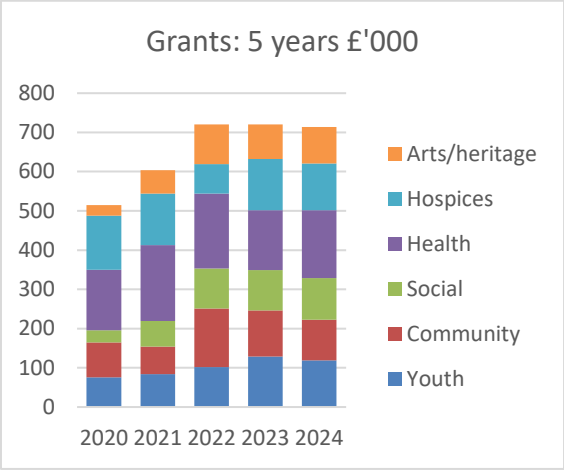
REFERENCE AND ADMINISTRATIVE INFORMATION

Charitable Incorporated Organisation (CIO) **Charity number 1154467**

Trustees	Peter Millward (Chairman) Ron Middleton (Vice Chairman) Dawn Long Amanda McGeever Sharon Stotts Geoff Thomas	
Chief Executive	Mark Webb	mark@arleyestate.co.uk
Grants Officer	Simon Evans	sevans@turnertrust.co.uk
Principal Office	Arley House Lion Lane Upper Arley DY12 1SQ	Phone 01299 861368
Websites	Grants Arboretum Weddings, events and trading	www.turnertrust.co.uk www.arleyestate.co.uk
Auditors	Crowe U.K. LLP 4th Floor, St James House St James' Square Cheltenham Gloucestershire, GL50 3PR	
Investment Managers	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU	Rathbones Investment Management 30 Gresham Street London EC2V 7QN
Property Consultants	Halls Chartered Surveyors Gavel House 137 Franche Road Kidderminster DY11 5AP	Bronwin & Abbey Chartered Foresters and Surveyors Auction House King George's Way Pershore Worcestershire WR10 1 EY
Bankers	Barclays Bank PLC 2nd Floor 54 High Street Worcester, WR1 2QQ	CCLA Investment Management 85 Queen Victoria Street London EC4V 4ET
Solicitors	Lodders Solicitors LLP 10 Elm Court, Arden St Stratford-upon-Avon CV37 6PA	Higgs and Sons 3 Waterfront Business Park Brierley Hill West Midlands DY5 1LX
IT consultants	Pinfields IT Unit 3, Ryelands Business Centre Ryland, Droitwich WR9 0PT	

OVERVIEW OF THE YEAR

Elections have dominated many western economies in 2024; the first budget of the new UK government has had a negative impact at Arley, with increased minimum wage and National Insurance costs disproportionately impacting part-time employees which will cost us over £40,000 annually from 2025. Despite reducing interest rates, consumer confidence remained low for much of the year, so our housing stock values were largely unchanged. Conversely global equity markets rose, driven by US technology (particularly Artificial Intelligence) generating £2.3m gains for us after £1.6m a year ago.



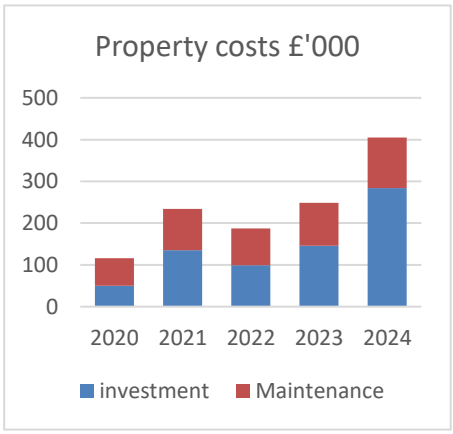
Grant-aid to UK charities: Our grant-aid payments have remained at broadly the same level over the last 3 years, as activity levels at local charities normalised following the pandemic. Unfortunately, many of them have experienced the dual impact of downward pressure on their income from lower public sector funding along with increasing costs arising from higher employment costs.

Some two thirds of our grants by value were awarded to our regularly supported charities principally for core costs funding. Local charities based in our area continued to receive priority over large national charities. The amount requested for project and capital schemes was lower in 2024, possibly reflecting caution in uncertain times. We will be refocusing our grant strategy towards a thematic approach to provide a more measurable impact and to increase the overall amount of grants in future, with a transitional year in 2025.

Charitable activities at Arley Arboretum: We are pleased that our educational offering continued to expand, with an 89% increase in the number of children experiencing our outdoor learning space. Visitor numbers were 26,122, very similar to the previous year, with both years affected by storms at key times which have caused us to close the arboretum for public safety reasons; storm Darragh in December was particularly fierce and triggered the closure of the arboretum for much of December and caused the loss of several trees. Climate change is becoming a real and constant threat to the specimen trees which are particularly vulnerable because many are up to two hundred years old.

The Board is aware of the need to maintain and develop this historic arboretum for the future, so early in the year we appointed Lear Associates, a specialist consultancy with expertise in historic gardens and arboreta, to undertake a detailed mapping exercise in the arboretum; their work was delayed by the storms but their initial report is due imminently after which they will recommend how the arboretum might be expanded and developed in future.

Arley Estate: Our focus in the past year has been to resolve issues raised in the quinquennial review and inspection undertaken by our land agents in December 2022. We made good progress last year with increased expenditure on tenanted properties (excluding own-labour costs) amounting to £405,000, a record level reflecting both a proactive approach by the management team and a need to respond to evolving regulations for energy conservation, damp and mould. A continuing constraint is the availability of suitably qualified contractors who have the skills and experience to work on old buildings in a conservation area.



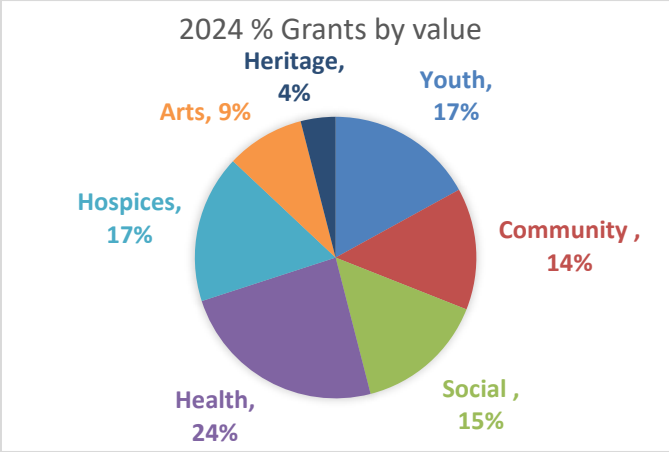
Trading activities: Arley House & Gardens Limited ("AHAG") had a difficult year with income down by over 7% because the number of weddings fell from 30 to 28 reflecting a reduction in demand for formal weddings following the cost-of-living crisis together with both increased costs and internal staffing challenges. Nevertheless the quality of our offering continued and we were delighted to win regional venue of the year at the English Wedding Awards and Highly Commended Venue at the National Wedding Awards.

After the wedding season the Board carried out a strategic review and decided to appoint an experienced marketing manager who has worked with local charities, to run AHAG more effectively and increase the number of business streams. The Board also decided, after taking professional advive, to increase the company's share capital to £400,000 in December to provide for future growth and implement a five-year business plan.

Banking fraud: in December 2023 the Trust became victim of a sophisticated 'APP' (Authorised Push Payment) fraud costing a net £240,000. Throughout the year we were seeking to recover the loss; as this was unsuccessful, we contacted the Financial Ombudsman Service and were pleased to receive an agreed 50% settlement of £120,000 plus interest from the bank.

OUR PRIMARY AIM: providing grants to UK registered charities

We focus on charities in the beneficial area of Birmingham, the Black Country, Worcestershire and Herefordshire, which support impaired health, hospices, community work, social support, children and some limited funds for both the arts and heritage and environmental projects. Most beneficiaries have been regularly supported for many years with unrestricted grants which can be used for core costs including salaries. Biennial due diligence is undertaken on these so-called 'Regulars' for a discussion with management about performance, outcomes, governance, and plans.



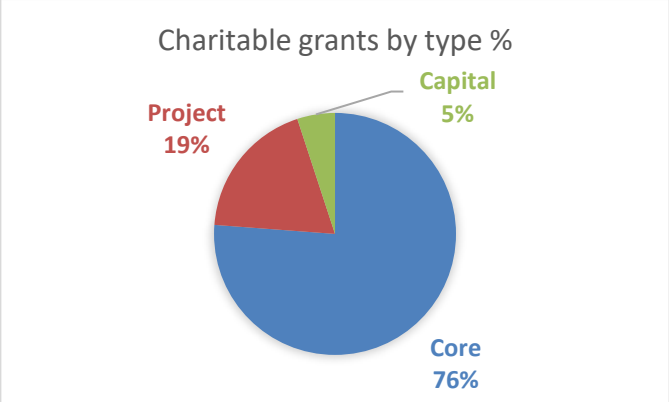
Achievements and performance in 2024

During 2024 we awarded 181 grants totalling £714k (2023: £720k from 172 grants), an average of £3,945 (2023: £4,186).

By sector the largest average grants were £13,222 to local hospices which no longer receive the additional government funding available after the pandemic. The largest grants were to Acorns Children's Hospice £25k, Mary Stevens Hospice £15k, The Hospice Charity Partnership £12k, St. Giles Hospice £10k, Primrose Hospice £20k and Compton Care £20k. Other large grants included core costs at each of Stonehouse Gang (£12k), St Basil's (£10k), City of Birmingham Symphony Orchestra, (£15k) with £12k to Cerebral Palsy Midlands' "Access for All" project, and £10k for capital costs at National Churches Trust.

Core costs funding is particularly needed in a challenging environment with 76% by value of our grants for these costs, up from 64% a year ago. The value of applications for capital schemes was much lower than in previous years.

We have prioritised Regular and local charities because so many are still facing funding shortages as a result of cuts in local government support as Councils face their own financial challenges. Whilst we have continued to support those national charities which have established a relationship, with us, we have declined most new national applications unless there is a physical presence in our beneficial area which is not being met by other local charities.



Our biennial due diligence programme was extended again with 100 visits and due diligence reports up from 70 last year, with on-site visits for local Regulars, and video conferencing where it was more efficient to do so. or remote due diligence where it was more appropriate. Due diligence reports have now been completed on 215 different charities.

Our impact is usually not separately identifiable or measurable as grants for core costs are inextricably linked to the overall charitable outcomes of our recipients and we do not attempt to identify the use of funds except for specific projects. During 2024, we have received unsolicited feedback from many recipient charities, including the following examples:

Acorns Children's Hospice: "At Acorns only one third of our care is provided from statutory sources. For the remaining two thirds we rely on the incredible generosity of donors such as yourselves. In total your trust has gifted us more than £500,000 over the past 30 years, which is honestly astonishing. Countless life limited children and their families will have felt the impact of your kindness. Without your generosity, we simply wouldn't be able to help these families when they need us."

FoodCycle: "Since 2015, The Roger & Douglas Turner Charitable Trust have donated £32,000 to help us provide community meals for vulnerable and lonely people. This year's donation will help us continue our work offering nourishing three-course meals for anyone to who needs or wants to join us."

Birmingham PHAB Camps: "On behalf of everyone involved in Birmingham PHAB Camps please accept my thanks for your kind donation of £5,000 dated July 2024. This grant will help to fund our exciting programme of PHAB Camp holidays this year."

Samaritans Birmingham: £3,000 core costs grant. "On behalf of my fellow trustees and volunteers of the Birmingham Samaritans, I am writing to thank the Trust for providing us with a grant of £3,000 in 2024. This will allow us to support many callers, allow us to expand our outreach work within the city, and ensure that our work with people in distress and despair can continue."

OUR SECONDARY AIM: providing public access to Arley Estate including its Arboretum and gardens.

Arley Estate, located in Worcestershire's Severn Valley, is a significant tourist attraction which can be accessed via Arley Station on the Severn Valley Railway or by road. There are many walks around the Estate including The Severn Way.

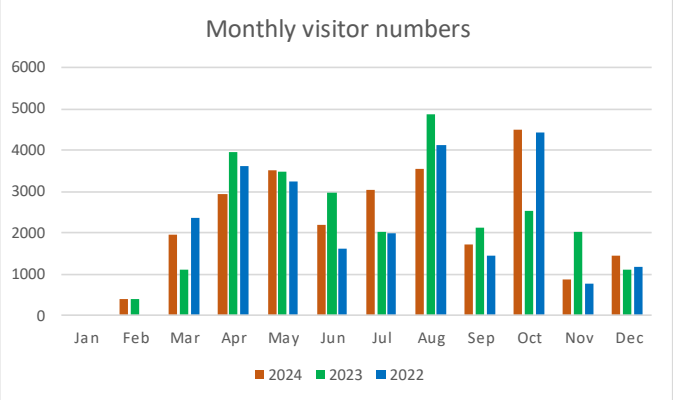


The 200-year-old Arboretum, an RHS partner garden, has some of the most magnificent exotic species in England and provides a wonderful setting in every season.

Children are welcomed with many activities including an adventure play area, a living maze together with quests, scavenger hunts and seasonal events and encouragement to learn about the natural environment.

The Italian Garden, inspired by the renaissance gardens of the late 15th Century is an integral part of the Arboretum and features a spectacular fountain with 18 foot water jets, formal flower beds, box hedging, colonnades of silver lime trees and a dovecote. Although normally for public benefit, it is licenced for weddings and can be hired for private use.

Achievements and performance 2024



Arboretum: visitor numbers of 26,122 were down from 26,666 in 2023 primarily because we lost 11 trees during storm Darragh and had to close it to visitors for most of December for safety reasons whilst we cleared the debris.

Our educational programme was hugely successful last year with 479 children (almost doubling the 2023 attendances) participating to learn about plants and living things as part of the 'STEM' curriculum at local schools for Key Stages 1 and 2. Our continued focus on growing our educational offering is a key part of our future strategy. The early years nursery (age 3+) was welcomed to learn about the 'world around'. Guided walks around the many trees are complemented with structured learning in a garden building which serves as an outdoor classroom to understand various topics including renewable energy and climate change.

Turnover increased by £43k (25%) in the Garden Tearoom. It is a destination of choice for homemade cakes, hot food and locally sourced ice cream which complements its surroundings and is a real testament to our hard-working team.

ARLEY HOUSE & GARDENS LIMITED ('AHAG')

AHAG successfully delivered 28 weddings in 2024 compared to 30 in 2023 and we were delighted to win regional venue of the year at the English Wedding Awards and to be recognised as a Highly Commended Venue in the National Wedding Awards following excellent feedback from our couples and guests.

The Grange guest house launched on Booking.com and has seen a steady increase in occupancy throughout the year resulting in £35k of new bookings.

Following the challenging year in 2023 the Board undertook a full review of the business and prepared a new five-year business plan concentrating on growth in 3 main revenue streams: Weddings, Accommodation and Corporate/Private venue hire.



The financial element of the five-year plan highlighted the need for additional capital in the company to enable it to invest in staff and infrastructure to achieve its growth ambitions. The Board agreed in to increase the share capital of company to £400,000 in December 2024.

FINANCIAL REVIEW

Total income increased by 4.5% to £2,205k compared to £2,110k in 2023 largely due to as an agreed 50% settlement of £120,000 in relation to the prior year banking fraud. As expected, following a strategic shift to global investing this reduced dividend income, largely offset by increased Arley Estate income. Market investments performed strongly, driven by US technology stocks with Artificial Intelligence the primary source. Within the Arley Estate there were no major changes and property prices were more stable.

General Fund

The General fund holds our market securities and is focussed on our primary aim of giving grant-aid to UK charities:

General Fund	2024 £'000	2023 £'000	
Investment income *(net of fees)*	531	619	Reduced dividend income following global investment strategy
Charitable grants	(712)	(703)	2023 cost is net of a £15k income for a returned grant
Charitable costs	(71)	(63)	
Other income/(costs)	130	(220)	Authorised Push Payment fraud loss in 2023 and recovery 2024
Operating (deficit)	**(122)**	**(367)**	
Investment gains	2,309	1,596	Recovery in global equity markets and UK bonds
Net income	2,187	1,229	
Transfers (to) Arley Fund	(1,129)	(214)	Funding property refurbishment and £400k AHAG share capital
Movement in funds	**1,058**	**1,015**	

Arley Fund (designated)

The Arley fund holds the Arley Estate properties, for both investment and own-use, and supports our secondary aim of providing access for recreation and education at Arley Arboretum and gardens and includes the contribution from trading via AHAG:

Arley Fund	2024 £'000	2023 £'000	
Estate property surplus	50	2	Revised allocation of shared costs following review
Trading contribution	10	72	Fall in sales pipeline in 2023 due to staffing changes
Charitable (deficit)	(363)	(249)	Cost inflation only partially reflected in prices
Other costs	-	(20)	Authorised Push Payment fraud loss
Operating (deficit)	**(303)**	**(195)**	
Investment gains/(losses)	303	(561)	Arley Property values increased following refurbishments
Tangible asset revaluation	25	47	Own use properties maintained negating depreciation
Transfers from General Fund	1,129	214	Funding property refurbishment and £400k AHAG share capital
Movement in funds	**1,154**	**(495)**	

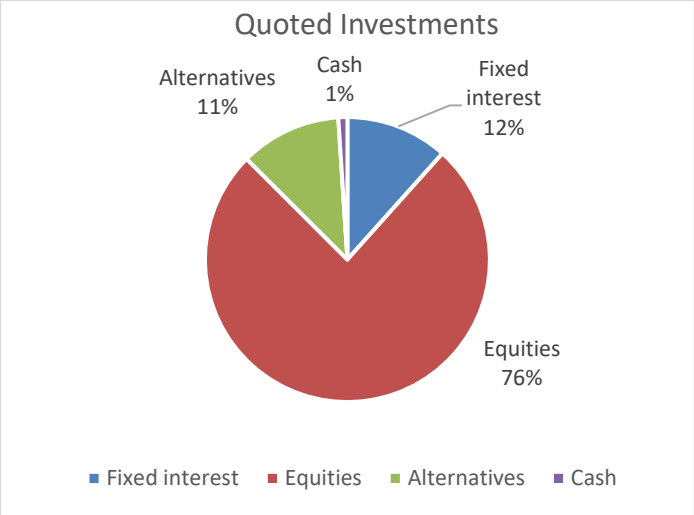
INVESTMENTS

Investments include both quoted market securities and a portfolio of investment properties at Arley Estate.

QUOTED SECURITIES

Following the equalisation of holdings between Sarasin and Rathbones in late 2023 a single global benchmark is now used with a target return of CPI+4%. The overall equity weighting increased to 76% compared with 72% a year earlier. Year-end allocations to bonds and alternatives were both underweight compared with a 15% neutral weighting.

During the year, and following strong returns in the investment portfolio, £772k was drawn down and transferred to the Arley Fund for investment into the Estate. Despite these transfers the aggregate year-end value was £30,229k, an uplift from £28,957k in 2023.



Investment performance: 2024 was a positive year for equity markets with improved portfolio returns despite geopolitical turmoil in Europe and the Middle East, escalating trade tensions with China, and persistently sticky core inflation. Markets were dominated by returns in US technology companies (Alphabet, Amazon, Apple, Meta, Microsoft & Nvidia). Like many active fund managers, our two managers managed risk with a lower concentration in these stocks (particularly those involved with chips for Artificial Intelligence) when compared with the index. Net investment gains were £2,309k (2023: £1,596k).

Income on the portfolio decreased to £693k (2023: £762k) due to a global mandate and total return approach reducing dividends, partly offset by higher interest income. The positive total return of 12.2% for Sarasin and 7.6% for Rathbones compared with positive returns of 8.1% and 7.9% respectively in 2023.

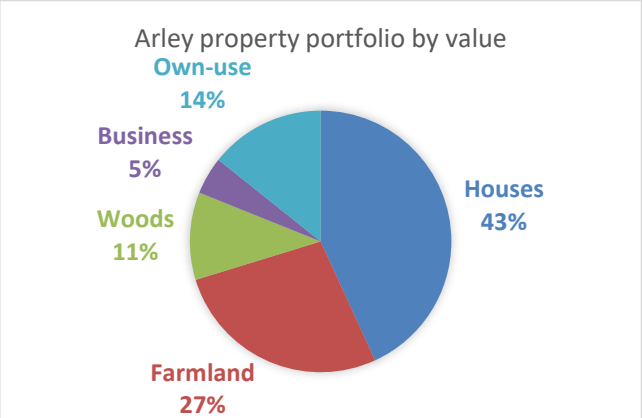
FREEHOLD PROPERTIES AT ARLEY

Arley Estate includes the following:

Investment properties: a tenanted portfolio includes 54 residential houses, 4 farms, a pub, post office, art studio, and bed & breakfast business together with managed woodland. Two properties were transferred to investments from own use following change of use of the previous holiday lets.

Own-use properties include the Arboretum (a charitable asset), and two properties held for commercial purposes which are leased by the trading subsidiary:

- Arley House provides both our own office and our wedding and conference venue.
- The Grange provides bespoke accommodation.



Professional valuation:
In 2022, Halls Chartered Surveyors conducted a quinquennial valuation of the component parts of Arley Estate, subject to the current occupation and tenancies in place but without making any adjustment for the 'marriage value' of the entire estate. The 2024 Trustees' valuation has been carried out with advice from Halls and reflects the significant refurbishment costs in response to the 2022 condition report.

Valuation as allocated in the financial statements in £'000	2024	2023
Tenanted properties and woodland within Investments	31,870	30,658
Own-use properties (including Arboretum) within Tangible Fixed Assets	4,627	5,470
Total	**36,497**	**36,128**

The professional valuation in 2022 included a condition report of each property in the portfolio and a prioritised action plan has been developed to address the issues arising. As noted in the 'Overview of the year' expenditure on maintenance and enhancement of tenanted properties has reached record levels and we will be continuing this programme in 2025, having due regard to minimum energy efficiency standards so far as reasonably practical within the constraints of a conservation area.

MANAGING STRATEGIC RISK

The risk profile of the Trust has evolved since the Covid pandemic, and the key risks have been summarised as follows:

Category	Strategic Risk	How risk is managed
Market correction	US equity market values (particularly AI) are high and vulnerable to emerging competition	Investments under-weight to MSCI index in technology; markets historically recover from shocks within 2 years
Grant impact	Core cost grant could support a failing charity; Grants too low as % of investment returns	Due diligence provides extensive data for decisions. Plans to focus towards increase in thematic grant-giving
Energy performance	Government paper on energy performance is a major challenge in a conservation area	Recent experience on renovating properties under review to establish future energy performance strategy
Housing maintenance	Condition of rental properties could fall below our minimum standards	Halls' condition reports drive planned maintenance which is triaged according to priority and tenants consent
Extreme weather	High winds & storm damage - specimen trees; Flooded properties from exceptional rainfall;	Regular clearance of water courses and use of sandbags. Specialist mapping inspection of trees is imminent
Reputation	Adverse social media comments or unexpected dialogue with media organisations	Monitoring of social media; improved tenant communications & management of expectations
Cyber-fraud	Cyber-terrorism threatens internal systems; Authorised Push Payment (APP) frauds	Robust IT security software installed and tested. Lower authorisation limits, staff training refreshed.

Market security risks are mitigated in the long term by:

- Using two experienced investment managers with globally spread portfolios but with differing investment strategies.
- Investing in quality securities traded on major global exchanges and avoiding high-risk derivative-based products.
- Holding six-monthly meetings with managers to review performance, strategic asset allocations and ranges.

Extreme weather is becoming a major threat to our specimen trees during the many winter storms. Eleven trees were damaged in December during storm Darragh, one of which is shown in the attached picture. The extent of the damage meant that it was necessary to close the arboretum for the remainder of the year.



Estate hazard risks are managed by the Chief Executive who, as Safety Officer, reports to the Audit Committee. A comprehensive system of risk assessments is in operation prior to any work being undertaken on the Estate. All our employees are encouraged to identify emerging risks and propose appropriate training needs so that a broad range of skills are developed. The safety of our employees is hugely important; particular emphasis is given to working at height, mechanical handling, and chain saws. The use of safety equipment is a mandatory requirement. An independent review of the hazard risk framework was undertaken in 2024.

Property risks protocols to mitigate our tenants' health risks include gas safety inspections, carbon monoxide monitoring and advice on reducing the likelihood of damp and mould occurring. Specialist consultants are engaged to provide support for complex projects and contractors are approved based on experience with historic properties in a conservation area. Care is taken before doing any work involving the isolation or removal of asbestos which normally requires specialist expertise.

Visitors and safeguarding risks to which arboretum visitors are potentially exposed are carefully monitored, striking a reasonable balance between safety, conservation, and access. The trees are assessed regularly from a safety perspective, and the arboretum is closed during periods of high winds. Visitors to the Arboretum are required to take responsibility for their own safety; children and vulnerable adult visitors must be safeguarded and supervised by a responsible adult visitor.

Cyber security: user access controls, malware protection, patch management are in force; internet banking controls require multiple layers of access codes; all transactions also require segregation of duties between a loader and two approvers. Our internet security software was enhanced during the year following advice from our IT consultants and both management and trustees are cognisant of the need to be vigilant in assessing risks of cyber-attack. Following the APP fraud during the year authorisation limits have been reduced despite the associated operational inefficiency which arises.

Conflicts of interest and loyalty, principally associated with grant-giving, are reported and avoided at every meeting.

Complaints are welcomed and, wherever possible, addressed immediately so that issues can be resolved before they escalate.

GOVERNANCE

The Charity Governance Code: We continue to comply with the Charity Governance Code so far as reasonably possible. New Trustees are appointed having regard to diversity of skills, experience and gender. However, we do not advertise trustee vacancies because of the need for high levels of knowledge and experience of charities and we believe the current informal approach is more appropriate. There is no restriction on length of service or any specific term of office for the original Trustees in 2013; however, all new Trustees are appointed for renewable three-year terms of office and the chairman is appointed for between 5 and 8 years. Trustees are encouraged to undertake appropriate training and any printed material from training courses is retained for trustee review; any key points are shared at Board meetings.

The Trustees' code of conduct is based on a code issued by the Association of Chief Executives of Voluntary Organisations and Good Governance: A Code for the Voluntary and Community Sector from the National Council for Voluntary Organisations. Through their actions as a Board, trustees are responsible for the successful development of a strategy to further our objects, delivery of which, in respect of Arley Estate, is delegated to the Chief Executive. The code establishes the principles expected of Trustees and Management to fulfil these responsibilities by maintaining the highest standards of integrity and stewardship and ensuring the Trust is effective, open and accountable with good working relationships.

Declaration of interests: The Trust aims to uphold the Charity Commission's guidelines which state that *'trustees are required to act reasonably and prudently in all matters relating to the charity and need always to bear in mind that their prime concern is the interests of the charity. They cannot let their personal views or prejudices affect their conduct as trustee'*. A register of interests is maintained, and the policy includes examples of potential conflicts of interest and conflicts of loyalty which could arise and how they should be managed.

Board meetings take place regularly to review the charity's activities and to consider grant appeals. To facilitate the decision-making process, we delegate governance as follows:

- The **Audit Committee** liaises with external auditors, promotes and safeguards high standards of financial reporting, internal control, risk management and legal compliance.
- The **Investment Committee** monitors the performance of the Investment Managers against agreed benchmarks.
- The **Nominations Committee** ensures that Trustees of appropriate calibre and mix of skills are put forward for selection to the Board of Trustees.
- The **Grants Committee** previews all grant applications in detail and makes recommendations to the Board. We rotate membership at each meeting to reduce the risk of bias.
- The **Estates Committee** considers all property related matters with the Chief Executive and receives advice on Estate matters from our Property Consultants.
- The **Remuneration Committee** reviews the performance of the Chief Executive and recommends pay increments for staff.

Arley House & Gardens Limited has its own independent Board, but Trustees retain oversight with one Trustee-Director and by means of formal reports and informal dialogue with its chairman.

KEY FINANCIAL POLICIES

Investment policy for quoted securities: There are neither restrictions on the Trust's power to invest nor prohibitions on social, environmental ethical grounds beyond those adopted by the managers' internal procedures. Our investment objective is to generate a balanced total return based on relative benchmarks for different asset classes with 70% in equities, 15% in bonds and 15% in alternatives (including property) to generate a total return over the long term of 4% above UK CPI, net of fees.

Investment policy for freehold properties: Investment returns are maximised within the constraints of long-term tenancy arrangements. Properties are maintained to minimum standards having regard to the wishes of sitting tenants.

Reserves Policy: Unrestricted funds total £67,743k (2023: £65,771k) which comprises the General Fund of £30,463k (2023: £29,405k) and the Arley Fund of £37,280k (2023: £36,126k). The Arley fund is a designated fund and can only be realised by disposing of tangible fixed assets, which are inextricably linked with the Estate's investment properties and this designated fund is therefore excluded from free reserves. All investments held in the General Fund, totalling £30,229k (2023: £28,957k) are also excluded from free reserves which comprise the unrestricted funds which are freely available to spend on any of the charity's purposes; they are unencumbered amounts represented by cash or other readily realisable assets less liabilities. At 31 December 2024, reserves amounted to £234k (2023: £448k). Our policy is to hold reserves generally in the target range of £250k to £750k and the reserves held therefore fall just short of this target range but have since recovered in 2025.

KEY FINANCIAL POLICIES (CONTINUED)

Remuneration policy: Our approach to remuneration ensures that we can attract and retain talented and motivated people who can achieve our mission and deliver our strategic goals. Our aim is to pay competitively in the not-for-profit sector within the context of affordability. In addition to linking pay to performance and providing salary progression for those who deliver exceptional performance, we review internal relativity through a pay moderation process. In determining the Chief Executive's remuneration, we also periodically review external survey data from the Association of Chief Executives of Voluntary Organisations (ACEVO).

Charitable Use of Funds policy: The Trustees have formulated a policy embracing their power both to make charitable grants and to operate Arley Estate for public benefit having had due regard for Mr Roger Turner's expressed wishes:

- **Charitable Grant-making:** to support by means of grants to UK registered charities, within the main beneficial area of Birmingham, the Black Country boroughs, Worcestershire and Herefordshire, primarily for the benefit of charities supporting youth and children, community and elderly, impaired health, hospices and social support. Some limited support is also given to charities supporting the arts, the environment and heritage.
- **Arley Estate:** to maintain, to the extent practicable and necessary, (1) the amenities of the Estate for residents and visitors to the Arboretum to enjoy as an education and leisure resource on an affordable basis and (2) support for St Peter's Church, Arley Memorial Hall and Arley Sports and Social Club.
- **General:** To support such other general charitable purposes as the Trustees shall in their absolute discretion decide.

PEOPLE

The Trustees wish to record their appreciation for the loyalty and commitment of the whole team at Arley during the year. We have recently welcomed Nikki Davies as communication and engagement specialist and Helen Barnsley as property maintenance co-ordinator; we wish them success in their new roles. We wish to thank all 21 of our active volunteers who bring significant additional skills and experience and continue to support the work of the Arboretum with great enthusiasm.

The Directors of Arley House & Gardens Limited are non-executive and unremunerated. We are grateful to them for their continued diligent stewardship of the company's activities, enabling Trustees to focus on the charitable activities of the Trust.

PUBLIC BENEFIT

We have considered the Charities Act 2011 on public benefit, noting that the Act states that there is no presumption of benefit. We have also had due regard for Charity Commission Guidance on the subject, in the context of both our charitable activities at Arley Estate and our charitable grant giving.

FUNDRAISING ACTIVITIES

The Charity has no fundraising activities requiring disclosure under Section 162a Charities Act 2011.

LINKED CHARITIES

The RD Turner Charitable Trust and The Douglas Turner Trust ('the Linked Charities') are treated as forming part of The Trust for the purposes of the Charities Act 2011. Neither of the Linked Charities has any assets or liabilities to be aggregated within the financial statements of the reporting entity.

PLANS FOR THE FUTURE

Arley fund: we plan to:

- Extend the Arboretum tearoom to provide greater efficiency for staff.
- Reconfigure the Arboretum toilet block to provide improved facilities with improved disabled access.
- Renovate properties to comply, so far as reasonably practical, with minimum energy efficiency standards.

General fund: we plan to:

- Refocus the above charitable grant-making policy to a thematic approach to improve overall impact.
- Rewrite the grant guidelines to emphasise preferred grant criteria and increase the success rate of appeals.

TRUSTEES' RESPONSIBILITIES AND DISCLOSURE OF INFORMATION TO AUDITORS

The Charities Act 2011 requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Trust and of the surplus or deficit of the Trust for that period. In preparing those financial statements the Trustees are required to: -

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards and the Charities SORP, disclosing and explaining any departures in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Trust will continue in operation.

The Trustees are responsible for keeping accounting records which disclose, with reasonable accuracy, the financial position of the Trust at any time, and for ensuring that the financial statements comply with charity law. The Trustees are also responsible for safeguarding the Trust's assets, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.



Peter J Millward
Chairman
21 March 2025



Independent Auditor's Report to the Members of The Roger and Douglas Turner Charitable Trust

Opinion

We have audited the financial statements of The Roger and Douglas Turner Charitable Trust ('the charity') and its subsidiary ('the group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated and Charity Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity and group's affairs as at 31 December 2024 and of the charity and group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's or the group'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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

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.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charity and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees 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 charity's and group'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for charity and group's operations were Charity Commission regulations, General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Environmental protection legislation, Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of rental income and weddings and events income, and the override of controls by management. Our audit procedures to respond to these risks included designing audit procedures over rental income and weddings and events income, enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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

Crowe UK LLP.

Crowe U.K. LLP

Statutory Auditor 4th Floor, St James House, St James' Square, Cheltenham, GL50 3PR 24 March 2025

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Unrestricted Funds	Note	2024 Arley Fund £'000	2024 General Fund £'000	2024 Total £'000	2023 Arley Fund £'000	2023 General Fund £'000	2023 Total £'000
Income from:							
Investments	3	622	693	1,315	574	762	1,336
Trading Activities	4	418	-	418	451	-	451
Charitable Activities	5	342	-	342	308	15	323
Other income	6	-	130	130	-	-	-
Total Income		**1,382**	**823**	**2,205**	1,333	777	2,110
Expenditure from:							
Raising Funds	7	572	162	734	572	143	715
Trading Activities	8	408	-	408	379	-	379
Charitable Activities	9	705	783	1,488	557	781	1,338
Other costs	6	-	-	-	20	220	240
Total Expenditure		**1,685**	**945**	**2,630**	1,528	1,144	2,672
Operating (deficit)		(303)	(122)	(425)	(195)	(367)	(562)
Net investments gain/(loss)	14	303	2,309	2,612	(561)	1,596	1,035
Net Income/(loss)		**-**	**2,187**	**2,187**	(756)	1,229	473
Revaluation of fixed assets	13	25	-	25	47	-	47
Transfers between funds	20	1,129	(1,129)	-	214	(214)	-
Net Movement in Funds		**1,154**	**1,058**	**2,212**	(495)	1,015	520
Total Funds at 1 January		**36,126**	**29,405**	**65,531**	36,621	28,390	65,011
Total Funds at 31 December		**37,280**	**30,463**	**67,743**	36,126	29,405	65,531

The charity had no recognised gains or losses other than the net movements in funds for the year.

The Arley Fund is a designated fund which includes the net assets and operations of Arley Estate, the Arboretum and the trading subsidiary, Arley House & Gardens Limited.

The notes on pages 19 to 31 form part of these financial statements.

BALANCE SHEETS AS AT 31 DECEMBER 2024

	Note	GROUP 2024 £'000	GROUP 2023 £'000	CHARITY 2024 £'000	CHARITY 2023 £'000
Fixed assets					
Intangible assets	13	4	3	4	3
Tangible assets	13	4,836	5,470	4,836	5,470
Investments	14	62,099	59,615	62,499	59,615
Total		**66,939**	65,088	**67,339**	65,088
Current assets					
Stock	15	27	25	13	12
Debtors	16	330	309	327	282
Cash	17	684	401	363	376
		1,041	735	**703**	670
Creditors:					
Amounts due within one year	18	(237)	(292)	(206)	(227)
Net current assets		**804**	443	**497**	443
Net assets		**67,743**	65,531	**67,836**	65,531
Arley Fund	19&21	37,280	36,126	36,973	36,126
General Fund	19&21	30,463	29,405	30,863	29,405
Total Funds		**67,743**	65,531	**67,836**	65,531

The funds movement dealt with in the charity's financial statements was positive £2,212,000 (2023: positive £520,000).

The notes on pages 19 to 31 form part of these financial statements.

Approved by the Board on 21 March 2025 and signed on its behalf by:



Peter J Millward
Chairman

CONSOLIDATED AND CHARITY CASH FLOW STATEMENT

For the year ended 31 December 2024

	Note	GROUP 2024 £'000	GROUP 2023 £'000	CHARITY 2024 £'000	CHARITY 2023 £'000
Cash (used in) operating activities	23	**(1,089)**	(1,266)	**(985)**	(1,215)
Cash flows from investing activities					
Dividend and interest income		693	762	693	762
Distribution received under deed of covenant		-	-	-	4
Purchase of intangible/tangible fixed assets		(74)	(125)	(74)	(125)
Investment in subsidiary		-	-	(400)	-
Purchase of investments		(8,463)	(19,491)	(8,463)	(19,491)
Capital expenditure on investment properties		(284)	(146)	(284)	(146)
Investment cash drawn down		880	200	880	200
Proceeds from sale of investments		8,620	19,635	8,620	19,635
Cash provided by investing activities		**1,372**	835	**972**	839
Increase/(decrease) in cash and cash equivalents in the year		283	(431)	(13)	(376)
Cash and cash equivalents at the beginning of the year		401	832	376	752
Total cash and cash equivalents at the end of the year		**684**	401	**363**	376

The notes on pages 19 to 31 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

This Charitable Trust (hereinafter 'the Trust' or 'the Charity') is a Charitable Incorporated Organisation (CIO), registered with the Charities Commission in England and Wales, registration number 1154467. The charity is a public benefit entity; its principal office is at Arley House, Lion Lane, Upper Arley, Worcestershire, DY12 1SQ.

2 PRINCIPAL ACCOUNTING POLICIES

***Basis of preparation*:** The financial statements have been prepared on the accruals basis under the historical cost convention, with items recognised at cost or transaction value unless otherwise stated in the relevant notes below, as amended for the revaluation of investments. They have been prepared in accordance with the current Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Assessment of going concern: The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern and the Financial Statements are drawn up on the Going Concern basis. This assumes that the Trust will continue in operational existence for the foreseeable future following stress testing numerous forecasts and scenarios. With respect to the next reporting year, the most significant areas of uncertainty that affect the income of the Trust and the carrying value of its assets are the level of investment return and the performance of investment markets. The willingness of the public both to purchase admission tickets to the Arboretum and to make bookings are areas of financial uncertainty which the Trustees have mitigated with an internet-based booking system to manage footfall more effectively.

***Basis of consolidation**:* The Trust has one wholly owned subsidiary, Arley House & Gardens Limited, which is registered in England. Consolidated financial statements of the Group have been prepared on a line-by-line basis, with the results of the subsidiary included in the designated Arley Fund. As permitted, a separate income and expenditure account, dealing with the results of the Trust only, has not been presented.

***Fund Accounting*:** The trust's constitution permits funds to be expended without restriction. The Trustees have included the operations of the Arley Estate, including the trading company, in a separate designated fund.

***Income recognition**:* all income is recognised once the charity has entitlement, it is probable that the income will be received and the amount can be measured reliably.

Donations and legacies are recognised when the group has been notified the amount and the settlement date.

Investment income is accounted for when receivable and the amount can be measured reliably by the Trust; dividends are recognised once the dividend has been declared, and notification has been received of the dividend due. This is normally upon notification by our investment managers.

Rental income from Arley Estate properties is recognised when it is receivable, and it is probable that the Group will receive the amount due under the lease.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group. Revenue is measured as the fair value of the consideration received, excluding discounts, rebates, value-added tax and other sales taxes; the following criteria must also be met before revenue is recognised:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

Revenue from sales of goods is recognised when all the following conditions are satisfied:

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction;
- the respective costs incurred or to be incurred can be measured reliably.

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract, but all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion the contract can be measured reliably;
- the cost incurred and the cost to complete the contract can be measured reliably;

Expenditure is recognised as soon as there is a legal or constructive obligation committing the Group to that expenditure, it is probable that settlement will be required and the amount can be measured reliably. Expenditure is accounted for on the accruals basis. Expenses including support costs are allocated or apportioned to the applicable expenditure headings.

Grant awards are accounted for as expenditure as soon as a valid expectation has been communicated to the recipient charity. If an offer is conditional upon events outside the Trust's control and it is possible but not probable that an outflow of economic benefits will arise, such amounts are recognised as contingent liabilities until the grant conditions are fulfilled.

Irrecoverable VAT: the Group is partially exempt for VAT purposes and holds a group registration certificate. VAT is charged against the expenditure heading for which it was incurred.

Operating lease rentals are charged on a straight-line basis over the period of the lease.

***Pension costs*:** The Trust contributes to a defined contribution 'money purchase' scheme on behalf of certain employees. Costs are charged to the Statement of Financial Activities.

Holiday pay: The holiday year is also the financial year, and employees are required to take their holiday entitlement during the year; accordingly, there is normally no holiday pay accrual for permanent staff. An accrual is provided for casual workers in line with government guidance.

Fixed assets: Freehold land and buildings are recognised at valuation on an open market existing use basis. All other assets costing more than £100 are stated at historical cost less depreciation, which is charged on a straight-line basis down to expected residual value over the following estimated useful economic lives of 5 years for motor vehicles and equipment and 3-10 years for fixtures and fittings and 3-5 years for intangible assets.

Financial investments in market securities are basic financial instruments, initially recognised at transaction value and subsequently measured at fair value as at the year-end using the closing quoted market price. The statement of financial activities includes all the net gains and losses arising on revaluation and disposals.

Financial investments in freehold land and buildings are valued quinquennially on an open market existing use basis subject to current occupation and tenancies in place at that time by independent Chartered Surveyors. In intervening years, the Trustees value them by reference to market reports and government indices having discussed the circumstances of Arley Estate with the independent chartered surveyors. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Financial investments in subsidiary undertakings are stated at cost less any provision for impairment. An impairment review is completed annually.

Realised gains and losses on investments are taken to the Statement of Financial Activities as they arise. They are calculated as the difference between sales proceeds and their opening carrying value or their purchase value acquired after the first day of the financial year. Realised gains and losses are calculated as the difference between the fair value at the year-end and the carrying value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

Government grants are credited to the consolidated statement of financial activities as the related expenditure is incurred.

***Financial instruments*:** Other than financial investments, the Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value except for bank loans which are subsequently measured at amortised cost using the effective interest method.

Stocks are stated at the lower of cost (based on the cost of purchase on a first in first-out basis) and net realisable value. At each reporting stocks are assessed for impairment; any losses are recognised immediately.

Debtors: Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Reimbursement assets are recognised in debtors when receipt is virtually certain, and its amount can be measured reliably.

Cash with financial institutions is repayable without penalty on notice of not more than 24 hours.

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

3 INCOME FROM INVESTMENTS:

	2024 £'000	2023 £'000
Dividends on equities	472	650
Interest on fixed interest securities and deposits	221	112
Sub-total General Fund	**693**	762
Income - rental	564	562
- other	58	12
Sub-total Arley Fund	**622**	574
Total Investment Income	**1,315**	1,336

4 INCOME FROM TRADING

Accommodation	83	76
Weddings and events	327	346
Other income	8	29
Total income	**418**	451

5 CHARITABLE INCOME

The Arley Fund income arises from admissions and charges for events and refreshments at Arley Arboretum.

6 OTHER INCOME/(COSTS)

Other income in the Arley Fund of £nil and General Fund of £130k (2023: Arley Fund other costs of £20k and General Fund other costs of £220k), after reimbursement, were received/incurred in relation to an Authorised Push Payment fraud ("APP fraud").

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 RAISING FUNDS EXPENDITURE

	2024			2023		
	Arley Fund £'000	General Fund £'000	Total 2024 £'000	Arley Fund £'000	General Fund £'000	Total 2023 £'000
Investment management charges	-	162	162	-	143	143
Repairs & property maintenance	121	-	121	103	-	103
Woodland maintenance	28	-	28	16	-	16
Depreciation & amortisation	107	-	107	103	-	103
Direct staff costs	82	-	82	86	-	86
Shared staff costs	32	-	32	68	-	68
Shared overheads	110	-	110	161	-	161
Governance	7	-	7	5	-	5
Professional charges	85	-	85	30	-	30
Total Raising Funds	**572**	**162**	**734**	572	143	715

8 TRADING EXPENDITURE

Direct expenses	219	-	219	204	-	204
Direct staff costs	110	-	110	79	-	79
Shared staff costs	38	-	38	57	-	57
Shared overheads	39	-	39	37	-	37
Governance	2	-	2	2	-	2
Total trading expenditure	**408**	**-**	**408**	379	-	379

9 CHARITABLE EXPENDITURE

Direct costs Arboretum & Estate	120	-	120	106	-	106
Direct staff costs	288	47	335	257	52	309
Shared staff costs	167	-	167	108	-	108
Shared overheads	102	8	110	78	5	83
Professional charges	20	10	30	-	-	-
Governance	6	6	12	6	6	12
Charitable grants	2	712	714	2	718	720
Total charitable expenditure	**705**	**783**	**1,488**	557	781	1,338

Shared costs of staff and overheads are analysed in note 11.
Governance includes audit fees of £18,000 (2023: £17,000) and accountancy costs of £850 (2023: £650).

10 CHARITABLE GRANTS ANALYSIS

	2024			2023		
	Number	% value	£'000	Number	% value	£'000
Young people	40	17%	119	38	18%	129
Community work	32	14%	104	31	16%	117
Social support	28	15%	106	29	14%	103
Impaired health	48	24%	173	44	21%	153
Hospices	9	17%	119	9	18%	130
The Arts	18	9%	66	14	8%	54
Environment & heritage	6	4%	27	7	5%	34
Total	**181**	**100%**	**714**	172	100%	720

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 CHARITABLE GRANTS ANALYSIS (Continued)

Charitable grants of £5,000 or more:

Name	£'000	Name	£'000
ASPIE	5	Kemp House Trust	7
Acorns Children's Hospice Trust	25	Listening Books	5
ARCOS	5	Mary Stevens Hospice	15
Age UK Birmingham	5	Martineau Gardens	5
B:Music	5	Music in Hospital and Care	5
Better Understanding of Dementia for Sandwell	5	Myriad Centre	5
Birmingham Boys & Girls Union	6	National Churches Trust	10
Birmingham City Mission	6	Nerve Tumours UK	5
Birmingham PHAB Camps	5	NICE – Centre for Movement Disorders	8
Birmingham Settlement	5	Norton Hall Children and Family Centre	5
Birmingham Botanical Gardens	7	Primrose Hospice	20
City of Birmingham Symphony Orchestra	15	REACT	5
Cerebral Palsy Midlands	12	Relate Birmingham	5
Clow Top Victory Hall	5	Sandwell Homeless and Resettlement	5
Compton Care	20	Samaritans of Walsall & District	5
Dorothy Parkes Centre	7	Sport 4 Life UK	6
Edwards Trust	5	St Anne's Hostel	7
ESO (2006) Ltd	5	St Basil's	10
FoodCycle	5	St Giles Hospice	10
Friends of Sick Children in Malawi	5	St Michael's Hospice	5
FareShare Midlands	5	St Richard's Hospice	5
Good Shepherd Services	5	Stonehouse Gang	12
Headway Worcestershire	5	Wyre Forest Nightstop & Mediation	5
Hospice Charity Partnership	12	*Brought forward column 1*	*190*
James' Place Charity	5		
Sub-total carried forward	*190*	**Total at least £5,000 (48 grants)**	360

11 STAFF COSTS

	2024 £'000	2023 £'000
Wages and salaries	704	697
Social security costs	51	48
Pension costs	25	23
	780	768

The key management personnel of the charity comprise the trustees, the Chief Executive, the Operations Manager, HR Manager and the Grants Officer. The total employee benefits of the key management personnel of the charity were £191,386 (2023: £188,742). 1 employee had earnings which fell between £90,000 and £100,000 (2023: £90,000 and £100,000).

There were 21 active volunteers (2023: 18) who provided ad-hoc support to projects in the Arboretum. The economic contribution of general volunteers is not recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 STAFF COSTS (Continued)

The average number of employees calculated on an average head count basis was:

	2024	2023
Estate and property	3	4
Events	12	15
Arboretum	22	23
Management and administration	9	7
	46	49

12 SHARED COSTS (Arley Fund)

Cost sharing within Arley Estate is based on time spent:		2024			2023		
		Staff costs	**Other costs**	**Total**	**Staff costs**	**Other costs**	**Total**
		£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Raising funds	Note 7	32	110	142	68	161	228
Trading	Note 8	38	39	77	57	37	94
Charitable	Note 9	167	102	269	108	78	186
		237	**251**	**488**	233	276	509

13 FIXED ASSETS: GROUP AND CHARITY

Intangible fixed assets: The net book amount at 31 December 2024 was £3,712 (2023: £2,475)

Tangible fixed assets	**Freehold land and buildings**	**Plant and equipment**	**Fixtures and fittings**	**Total**
Cost or valuation	**£'000**	**£'000**	**£'000**	**£'000**
At 1 January 2024	5,442	378	394	6,214
Additions	24	30	19	73
Disposals	-	(9)	(6)	(15)
Revaluation	25	-	-	25
Transfer to fixed asset investments	(625)	-	-	(625)
At 31 December 2024	4,866	399	407	5,672
Depreciation				
At 1 January 2024	190	287	267	744
Charge for the year	49	26	32	107
Disposals	-	(9)	(6)	(15)
At 31 December 2024	239	304	293	836
Net book amount				
At 31 December 2024	4,627	95	114	4,836
At 31 December 2023	5,252	91	127	5,470

Freehold land and buildings which had an historical cost of £5,023,000 (2023: £5,023,000)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 FIXED ASSET INVESTMENTS – CHARITY AND GROUP

	Freehold land and buildings £'000	Quoted securities £'000	Investment in subsidiary undertaking £'000	2024 Total £'000
At 1 January	30,658	28,957	-	**59,615**
Additions at cost	284	8,463	**400**	**8,747**
Disposal proceeds	-	(8,620)	-	**(8,620)**
Net investment gain/(loss)	303	2,309	-	**2,612**
Transferred from fixed assets	625	-	-	**625**
Cash drawdown	-	(880)	-	**(880)**
At 31 December (Charity)	**31,870**	**30,229**	**400**	**62,499**
Investment in subsidiary	-	-	**(400)**	**(400)**
At 31 December (Group)	**31,870**	**30,229**	**62,099**	**62,099**

Freehold land and buildings: an independent quinquennial valuation of freehold land and buildings was carried out by Halls, Chartered Surveyors, on 31 December 2022. The woodland was valued by Bronwin & Abbey, Chartered Foresters and Surveyors. The valuation of £36,248,000 was based on the freehold value of all component parts of the Arley Estate, on an open market existing use basis subject to current occupation and tenancies in place. At 31 December 2024, having taken informal advice from Halls, the trustees valued the Estate on a similar basis at £36,497,000 (2023: £35,910,000). For accounting, the assets have been disclosed as follows:

		2024 £'000	2023 £'000
Own use tangible fixed assets	Note 13	**4,627**	5,252
Investments	Above	**31,870**	30,658
At 31 December		**36,497**	35,910

The historical cost of the Estate, represented by the probate value on the death of the late Mr. R D Turner on 30 April 1999, was £8,841,000.

Quoted securities portfolio	2024 %	2023 %	2024 £'000	2023 £'000
Fixed interest	**11.6**	14.4	**3,513**	4,178
UK listed equities	**5.5**	7.8	**1,643**	2,270
Overseas equities	**70.4**	64.1	**21,289**	18,560
Commercial property	**1.7**	1.8	**513**	514
Alternative investments	**9.8**	10.5	**2,961**	3,026
Cash	**1.0**	1.4	**310**	409
	100.0	100.0	**30,229**	28,957
Historical cost			**26,694**	27,405

Material investments: The Investment Policy states that no investments should exceed 5.0% of the value of the portfolio. At 31 December 2024 there were no such investments (2023: none).

Fixed asset investments – Charity
In addition to the above investments the charity has a £400,000 (2023: £100) investment in the entire share capital of Arley House & Gardens Ltd. following an equity subscription of £399,900 on 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
15 STOCK Goods for resale	**27**	25	**13**	12

16 DEBTORS

Trade debtors	47	88	44	66
Prepayments and accrued income	123	94	120	89
Other debtors	160	127	160	127
Amounts due from group undertaking	-	-	3	-
	330	309	**327**	282

Other debtors include £130,000 (2023: £98,000) related to amounts reimbursed from banks after the year-end in relation to an Authorised Push Payment fraud.

17 CASH

Cash at bank	684	321	363	296
CCLA deposit account	-	80	-	80
	684	401	**363**	376

18 CREDITORS DUE WITHIN ONE YEAR

Trade creditors	43	47	40	42
Investment Management charges	41	36	41	36
Rents received in advance	48	46	48	46
Other taxes and social security	23	46	19	25
Other creditors	9	14	6	12
Accruals and deferred income	73	103	52	39
Amounts due to group undertaking	-	-	-	27
	237	292	**206**	227

Included within accruals and deferred income are wedding deposits held for weddings in future years of:

Balance at 1 January	62	52	-	-
New deposits during the year	277	402	-	-
Deposits released during the year	(321)	(392)	-	-
Balance at 31 December	18	62	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19 ANALYSIS OF GROUP ASSETS AND LIABILITIES WITHIN FUNDS

	2024			2023		
	Arley Fund £'000	General Fund £'000	Total Funds £'000	Arley Fund £'000	General Fund £'000	Total Funds £'000
Intangible Assets	4	-	4	3	-	3
Tangible Assets	4,836	-	4,836	5,470	-	5,470
Investments	31,870	30,229	62,099	30,658	28,957	59,615
Fixed Assets	36,710	30,229	66,939	36,131	28,957	65,088
Stock	27	-	27	25	-	25
Debtors	115	215	330	175	134	309
Cash	624	60	684	51	350	401
Creditors	(196)	(41)	(237)	(256)	(36)	(292)
Net Current Assets	570	234	804	(5)	448	443
Total Funds	**37,280**	**30,463**	**67,743**	36,126	29,405	65,531

20 FUNDS ANALYSIS – GROUP

/	1 January 2024 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Gains / (Losses) £'000	31 December 2024 £'000
Operational funds	**35,875**	1,382	(1,685)	1,129	303	**37,004**
Revaluation reserve	**251**	-	-	-	25	**276**
Arley Fund	**36,126**	1,382	(1,685)	1,129	328	**37,280**
General Fund	**29,405**	823	(945)	(1,129)	2,309	**30,463**
Total Funds	**65,531**	**2,205**	**(2,630)**	**-**	**2,637**	**67,743**

	1 January 2023 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Gains / (Losses) £'000	31 December 2023 £'000
Operational funds	36,417	1,333	(1,528)	214	(561)	35,875
Revaluation reserve	204	-	-	-	47	251
Total Arley Fund	36,621	1,333	(1,528)	214	(514)	36,126
General Fund	28,390	777	(1,144)	(214)	1,596	29,405
Total Funds	65,011	2,110	(2,672)	-	1,082	65,531

Transfers between funds is cash transferred to finance major projects at Arley Estate and in relation to shared costs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21 ANALYSIS OF CHARITY ASSETS AND LIABILITIES WITHIN FUNDS

	2024			2023		
	Arley Fund £'000	General Fund £'000	Total Funds £'000	Arley Fund £'000	General Fund £'000	Total Funds £'000
Intangible Assets	4	-	4	3	-	3
Tangible Assets	4,836	-	4,836	5,470	-	5,470
Investments	31,870	30,629	62,499	30,658	28,957	59,615
Fixed Assets	36,710	30,629	67,339	36,131	28,957	65,088
Stock	13	-	13	25	-	25
Debtors	112	215	327	175	134	309
Cash	303	60	363	51	350	401
Creditors	(165)	(41)	(206)	(256)	(36)	(292)
Net Current Assets	263	234	497	(5)	448	443
Total Funds	**36,973**	**30,863**	**67,836**	36,126	29,405	65,531

22 FUNDS ANALYSIS – CHARITY

/	1 January 2024 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Gains / (Losses) £'000	31 December 2024 £'000
Operational funds	**35,875**	1,065	(1,275)	729	303	**36,697**
Revaluation reserve	**251**	-	-	-	25	**276**
Arley Fund	**36,126**	1,065	(1,275)	729	328	**36,973**
General Fund	**29,405**	823	(945)	(729)	2,309	**30,863**
Total Funds	**65,531**	**1,888**	**(2,220)**	**-**	**2,637**	**67,836**

	1 January 2023 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Gains / (Losses) £'000	31 December 2023 £'000
Operational funds	36,417	1,333	(1,528)	214	(561)	35,875
Revaluation reserve	204	-	-	-	47	251
Total Arley Fund	36,621	1,333	(1,528)	214	(514)	36,126
General Fund	28,390	777	(1,144)	(214)	1,596	29,405
Total Funds	65,011	2,110	(2,672)	-	1,082	65,531

Transfers between funds is cash transferred to finance major projects at Arley Estate and in relation to shared costs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET OPERATING CASH FLOW

	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
Net movement in funds	2,212	520	2,305	516
Add back depreciation and amortisation	107	103	107	103
Profit on disposal of tangible fixed assets	-	-	-	-
Movement on revaluation reserve	(25)	(47)	(25)	(47)
Deduct income shown in quoted investing activities	(693)	(762)	(693)	(762)
(Gain) / loss on revaluation of investments	(2,612)	(1,035)	(2,612)	(1,035)
(Increase) / decrease in stock	(2)	(7)	(1)	(3)
(Increase) / decrease in debtors	(21)	(51)	(45)	(29)
(Decrease) / increase in creditors	(55)	13	(21)	42
Net cash used in operating activities	**(1,089)**	(1,266)	**(985)**	(1,215)

24 INCOME EARNED FROM TRADING ACTIVITIES

The wholly-owned trading subsidiary, Arley House & Gardens Limited was incorporated in the United Kingdom (company number 09448082) and details of the trading results for the subsidiary alone are given below:

	2024 £'000	2023 £'000
Turnover	417	451
Direct costs	(329)	(283)
Overheads	(79)	(96)
Profit included in Statement of Financial Activities on consolidation	9	72
Intra-group charge from the charity arising from internal leases, included in the company's own financial statements	(102)	(68)
(Loss) / profit for the financial year	(93)	4
Amount distributed to the charity	-	(4)
Retained in subsidiary	**(93)**	-
The assets and liabilities of the subsidiary were:		
Current assets	351	67
Current liabilities	(44)	(67)
Total net assets representing aggregate share capital and reserves	**307**	-

The Statement of Financial Activities of the Charity alone is not required to be published. It excludes the above trading turnover and costs but includes £9,000 (2023: £73,000) investment income comprising £102,000 (2023: £69,000) intra-group service charges and £nil (2023: £4,000) gift aid income from the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25 FINANCIAL INSTRUMENTS

	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
Financial assets				
Financial assets measured at fair value through profit or loss	30,229	28,957	30,229	28,957

Financial assets measured at fair value through profit or loss comprise of fixed asset investments – quoted securities.

26 COMMITMENTS RECEIVABLE UNDER OPERATING LEASES

At 31 December 2024 the Group and Charity had future minimum lease receipts under non-cancellable operating leases as follows:

	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
Not later than one year	101	147	151	197
Later than one year and not later than five years	232	55	356	229
Later than five years	737	3	737	3
	1,070	205	**1,244**	429

27 CAPITAL COMMITMENTS

At 31 December 2024 the Group and Charity had capital commitments of £158k (2023: £84k).

28 COMMITMENTS PAYABLE UNDER OPERATING LEASES

At 31 December 2024 the Group and Charity had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
Not later than one year	6	6	6	6
Later than one year and not later than five years	9	2	9	2
Later than five years	-	-	-	-
	15	8	**15**	8

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29 RELATED PARTY TRANSACTIONS

(i) Transactions involving Trustees and connected parties
No Trustees are remunerated. One Trustee is also a director of the trading subsidiary.

During both years the Trust awarded a small number of grants to charities which have a common or related trustee or director with a Trustee; in each case the trustee did not participate in the decision in accordance with the established policy on conflicts of interest.

During the year one Trustee became a partner at our lawyers, Lodders LLP, in their private client team. Payments totalling £7,500 were made to Lodders LLP during 2024 for legal advice on residential and agricultural leases on an arm's length basis and were provided by a separate independent team. No balance was outstanding at the end of the year.

(ii) Trustee expenses
The sum of £534 (2023: £477) was reimbursed to two (2023: two) Trustees in respect of travel expenses.

(iii) Transactions with trading subsidiary
Costs (principally staff costs) recharged to the trading subsidiary amounted to £148,296 (2023: £252,878). Rent, service charge and catering income was received from the trading subsidiary amounting to £101,922 (2023: £67,903).

There are no other related party transactions to disclose.

THE ROGER & DOUGLAS TURNER CHARITABLE TRUST

England & Wales - Charity number 1154467

Accounts

The Roger & Douglas Turner Charitable Trust

CIO 1154467 Annual Report 2023



HISTORICAL BACKGROUND

The Roger & Douglas Turner Charitable Trust ("the Trust"), a Charitable Incorporated Organisation, was incorporated on 5 November 2013 and merged with two unincorporated grant-making charitable trusts established separately by the late Douglas William Turner ("DWT") and his son, the late Roger Douglas Turner ("RDT"); both had been successful industrialists with Wellington Tube Works Ltd. in Great Bridge. The two unincorporated trusts were linked to The Trust during 2022:

- The RD Turner Charitable Trust ("The Legacy Charity" 1154467-1) was settled on 21 December 1971 and its assets amounted to £30.1m (including £22.1m in Arley Estate) when it merged with The Trust on 31 December 2013.
- The Douglas Turner Trust (Charity 1154467-2) was settled on 27 January 1964 and its assets were accrued through lifetime gifts by DWT which increased in value to £16.7m when it merged with The Trust on 31 December 2015.

Under the terms of his Will RDT, who had owned the 1,600-acre Arley Estate in Worcestershire for 40 years until he died in 1999, passed it to The Legacy Charity *"as an accretion and addition to the fund of the said charity and subject to and with the benefit of the powers provisions and other matters contained in the said trust"*. He also "*without seeking to impose any binding trust or obligation*" expressed the hope that the Trustees "*will use their best endeavours to ensure that:*

1. *The Arley Estate should continue so far as practicable in its current form.*
2. *They continue to employ where practicable as many as possible of the persons employed by me at my death in connection with the Arley Estate and allow them to continue occupying any accommodation on the same basis as that upon which they are occupying the same at my death.*
3. *They continue where practicable to allow as many as possible of the persons who at the date of my death have been previously employed by me in connection with the Arley Estate and who at that date are occupying accommodation either rent free or on favourable terms to continue occupying such accommodation on the same basis.*
4. *They continue to give such assistance as at present to St Peter's Church, Arley Memorial Hall and Arley Sports and Social Club*".

In 1999 the Trustees consulted leading Counsel on various issues including RDT's expressed wish that '*the Arley Estate should continue so far as practicable in its current form*'. They were advised that this neither made it a permanent endowment nor restricted Trustees' powers of sale or disposition of land in relation to Arley Estate nor imposed a condition on the gift or a restriction on Arley Estate under Charity Law. Counsel advised Trustees to formulate a policy for the charitable use of funds (disclosed in 'Key Financial Policies' section) and to identify which assets were to be held as investments.

Following various strategic reviews since 2013, the Trustees resolved both to increase the amount of charitable grant-making and to improve the charitable impact of Arley Estate, whilst retaining its unique charm for public benefit, by providing for:

1. The general fund's market securities, held as investments, to be professionally managed to maximise total return with capital drawdowns to supplement dividend income primarily for charitable grant-making but also for funding long-term capital investment projects in Arley Estate, whilst maintaining the portfolio's long-term value in real terms.
2. Arley Arboretum, a leisure and educational resource for public benefit, to be held as own-use tangible fixed asset.
3. Arley House and The Grange to be held as own-use tangible fixed assets to generate additional income to support charitable activities relating to Arley Estate.
4. Other assets of Arley Estate to be held as investments.
5. Arley House & Gardens Limited, ("AHAG") a wholly owned company, to manage the Estate's trading activities including weddings and conferences at Arley House with accommodation at The Grange.

The Trustees have carefully considered the wishes expressed by RDT and how they may respect these while complying with principles of charity law. In line with this:

- the Trustees have agreed policies relating to the tenancies of properties within the Arley Estate to ensure the Trust's assets are managed appropriately to best support the Trust's charitable activities. The Trustees have carefully considered the application of charity law principles to the ongoing tenancies which were originally granted by RDT to his employees and have agreed that these arrangements are limited to the employee personally and cannot be transferred to those connected with the employee.
- grant assistance is given to support charitable activities undertaken by St Peter's Church, Arley Memorial Hall and Arley Sports and Social Club within the normal award process;
- St Peter's Church also benefits from any marriage ceremonies referred from AHAG's wedding couples.

The Trustees recognise that, while the Trust's focus is on its charitable activities, both grant making and direct provision, the Trust's relationships with the tenants of Arley Estate, including farming, residential and commercial tenants are key to its success. The Trust encourages open communication via the Chief Executive to support these relationships.

Footnote: Charitable grant appeal guidelines are available from The Trust for potential applicants.

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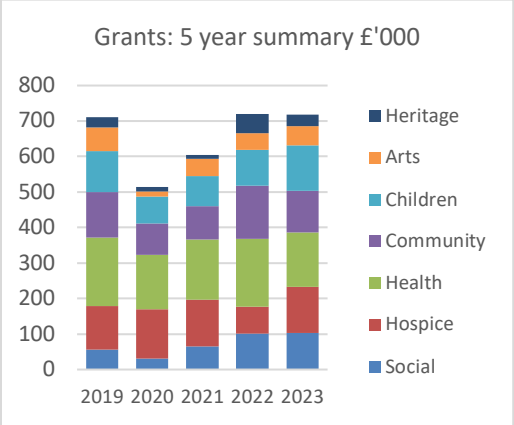
REFERENCE AND ADMINISTRATIVE INFORMATION

Charitable Incorporated Organisation (CIO) **Charity number 1154467**

Trustees	Peter Millward (Chairman) Ron Middleton (Vice Chairman) Dawn Long Amanda McGeever Sharon Stotts Geoff Thomas	
Chief Executive	Mark Webb	mark@arleyestate.co.uk
Grants & Compliance Officer	Jenny Harris	jenny@turnertrust.co.uk
Principal Office	Arley House Lion Lane Upper Arley DY12 1SQ	Phone 01299 861368
Websites	Grants Arboretum Weddings, events and trading	www.turnertrust.co.uk www.arleyarboretum.co.uk www.arleyhouseandgardens.co.uk
Auditors	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury B69 2DG	
Investment Managers	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU	Rathbones (formerly Investec) 30 Gresham Street London EC2V 7QN
Property Consultants	Halls Chartered Surveyors Gavel House 137 Franche Road Kidderminster DY11 5AP	Bronwin & Abbey Chartered Foresters and Surveyors Auction House King George's Way Pershore Worcestershire WR10 1 EY
Bankers	Barclays Bank PLC 2nd Floor 54 High Street Worcester, WR1 2QQ	CCLA Investment Management 85 Queen Victoria Street London EC4V 4ET
Solicitors	Lodders Solicitors LLP 10 Elm Court, Arden St Stratford-upon-Avon CV37 6PA	Higgs and Sons 3 Waterfront Business Park Brierley Hill West Midlands DY5 1LX
IT consultants	Pinfields IT Unit 3, Ryelands Business Centre Ryland, Droitwich WR9 0PT	

OVERVIEW OF THE YEAR

Geopolitics again dominated the year with the continuing war in Ukraine, also now in Gaza. Consequently, UK energy, transport and staple food costs continued at a high level and, although UK CPI Inflation fell back from 10.5% to 4.0% during 2023, consumer confidence remained low for much of the year with an adverse impact on the Trust's activities. House prices fell, contributing locally to a £0.6m overall fall in value of Arley Estate. Global equity markets rose, driven by the so-called 'magnificent seven' US technology stocks; the £1.6m gains on our portfolio partially offset the losses in 2022.



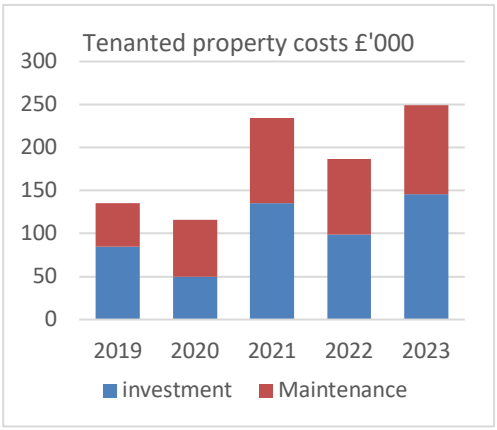
Grant-aid to UK charities: Many charities which provide help to children and vulnerable adults have experienced cuts to their income from over-stretched local authorities in our area, particularly since the pandemic. We have responded by increasing the proportion of grants for social support and children during that period and by restoring overall grant payments to pre-Covid levels.

We had cut back grants to hospices in the previous year as many had benefitted from additional temporary government funding but our previous level of support for them resumed in 2023.

Our due diligence programme has been active with more complex grant applications requiring careful detailed consideration. Some two thirds of our grants by value were awarded to our regularly supported charities principally for core funding, but with some project awards.

Charitable activities at Arley Arboretum: visitor numbers were 26,666, up from 24,854 in 2022, despite the very wet weather at key times in the year. The car park was extended during the year with four electric vehicle charging points and coach parking. Together with the maze and children's play area, there were additional trails and events for children during the year. The Autumn colours continued to provide spectacular pictures during October and Santa returned to his woodland grotto in December. With the booking system moving to on-line tickets since the pandemic, it has been easier to manage staffing levels and run the tea-room more cost-effectively with fewer queues which improved the visitor experience.

Arley Estate: Investment and maintenance expenditure on tenanted properties, excluding labour costs, amounted to £249,000, a record level reflecting both a proactive approach by the new management team and a need to respond to evolving regulations for energy conservation, damp and mould.



Our tenanted portfolio includes many older properties designed to have an airflow in an era of open fires so refurbishment in a conservation area presents many conflicting challenges and is often deferred until a change of tenancy. However extensive refurbishment has been carried out to the village Post Office to resolve chronic damp issues with extra insulation installed to reduce its carbon footprint. At the year-end two recently vacated properties were awaiting upgrade in 2024. Furthermore, tighter fire regulations for holiday lets have forced us to cease renting the recently refurbished former Gaol and Boathouse; planning consent is awaited for tenanted usage.

Trading activities: Arley House & Gardens Limited ("AHAG") had a difficult year with income down by 32% principally because the number of weddings fell from 43 to 30. This was partly a result of being excessively busy in 2022, so there had been too little time available for managing the future pipeline but it also reflected a reduction in demand for formal weddings as a result of the cost-of-living crisis. There were also internal staffing challenges. Nevertheless the quality of our offering continued and we were delighted to win "Wedding Venue of the Year" at the English Wedding Awards.

AHAG also operated fewer business streams in 2023. After much careful consideration a decision was taken to cease the third party licence for shooting rights. In addition, the holiday let business was forcibly terminated as noted above. The combined reduction of accommodation income of almost 40% was particularly tough leading to a lower consolidated profit (before intragroup charges) of £72,000 compared with £132,000 the previous year.

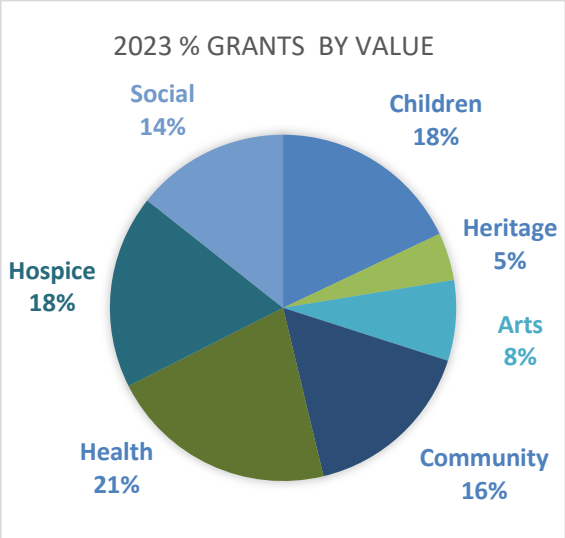
Banking fraud: in December 2023 the Trust became victim of a sophisticated Authorised Push Payment ('APP') fraud which triggered the loss of some £340,000 within one working day of the only capital drawdown transaction in 2023, from our investment portfolio. After a thorough review by our IT consultants, we believe that our own systems were robust; nevertheless, we have since reduced the daily limit for withdrawals irrespective of the adverse operational consequences in terms of efficiency and limited the staff authorisation levels. Some £98,000 of the loss has already been recovered and we are continuing to seek recovery of the balance via our insurers and other legal redress.

OUR PRIMARY AIM: providing grants to UK registered charities

We focus on charities in the beneficial area of Birmingham, the Black Country, Worcestershire and Herefordshire, which support impaired health, hospices, community work, children and social support with some limited funds for both the arts and heritage projects. Most beneficiaries have been regularly supported for four years or more with unrestricted grants which can be used for core costs including salaries. Biennial due diligence is undertaken on these so-called 'Regulars' for a discussion with management about performance, outcomes, governance, and plans.

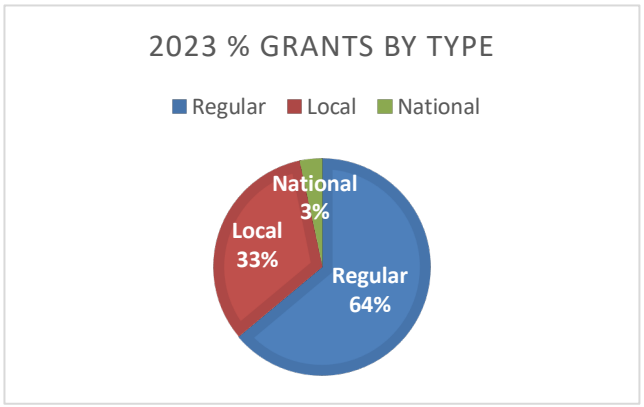
Achievements and performance in 2023

During 2023 we awarded 172 grants totalling £720k (2022: £720k and 192 grants), with an average grant of £4,186 (2022: £3,750). The split by category is shown in the chart.



Our biennial due diligence accelerated again during 2023 with 70 visits and due diligence reports up from 59 last year, on-site wherever possible but with video conferencing whenever it was more cost-effective. Approximately 70% of our grants were awarded for core costs.

The eight largest grants in 2023 included £18k towards a new signal box for the **Severn Valley Railway Charitable Trust**, £15k for an emergency response vehicle for **Severn Area Rescue Association** (£15k was also refunded for a 2022 project), £15k for core costs to the **City of Birmingham Symphony Orchestra** and contributions to five hospices: **Acorns Children's Hospice** £25k, **Mary Stevens Hospice** £30k, **The Hospice Charity Partnership** £20k, **Primrose Hospice** £15k and **Compton Care** £20k.



We have prioritised regular and local charities because so many are facing funding shortages as a result in cuts in local government support as Councils face their own financial challenges. Whilst we have continued to support national charities with which we have established a relationship, we have declined most new national applications unless there is a physical presence in our beneficial area which is not being met by other local charities.

Our impact is usually not separately identifiable or measurable as grants for core costs are inextricably linked to the overall charitable outcomes of our recipients and we do not attempt to identify the use of funds except for specific projects. During 2023, we have received unsolicited feedback from recipient charities including:

- **The Andrew Simpson Centre, Birmingham**: £3,000 grant. This grant funded 20 young people from Merritts Brook Academy through our Discover Sailing programme. Thank you so much!
- **Lullaby Trust: £2,000 grant.** we were able to support 40 families in West Midlands through: regular home visits by a CONI health visitor; fast-track access to immediate help from health specialists; and access to a range of other tools and resources such as a baby symptom diary, weight chart and scales, room thermometer and resuscitation training. Also we were able to distribute breathing monitors – a great source of comfort for anxious parents.
- **Droitwich AED: £2,000 grant.** With your help we have just put out our 132nd defibrillator. More importantly, with them, we have this year successfully defibrillated two people in Droitwich, one of them being a four year old girl.
- **Dyspraxia Foundation: £1,000 grant.** The West Midlands Group were able to run weekly sessions for, on average, 13 children and young people with dyspraxia to meet up. The sessions help with their core strength and body control, reducing clumsiness and improving coordination.

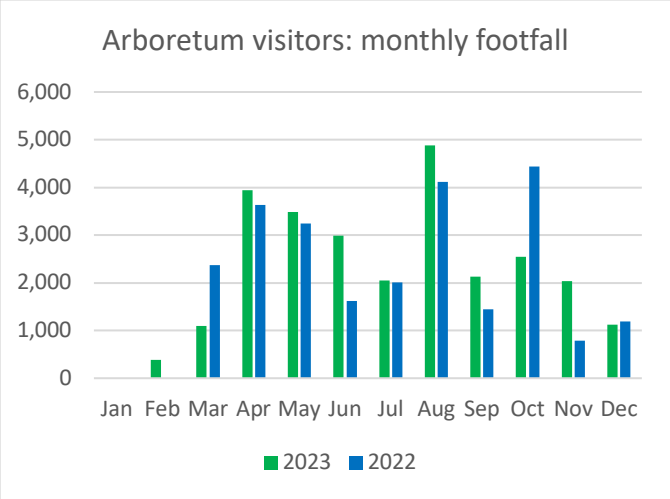
OUR SECONDARY AIM: providing public access to Arley Estate including its Arboretum and gardens.



Arley Estate, located in Worcestershire's Severn Valley, is a significant tourist attraction which can be accessed via Arley Station on the Severn Valley Railway or by road. There are many walks around the Estate and The Severn Way passes the village and crosses the footbridge to join the North Worcestershire Path.

The 200-year-old Arboretum, an RHS partner garden, has some of the most magnificent exotic species in England and provides a wonderful setting in every season. Children are welcomed with many activities including an adventure play area, a living maze together with quests, scavenger hunts and seasonal events and encouragement to learn about the natural environment.

The Italian Garden, inspired by the renaissance gardens of the late 15th Century, is an integral part of the Arboretum and features a spectacular fountain with 18 foot water jets, formal flower beds, box hedging, colonnades of silver lime trees and a dovecote. Although normally for public benefit, it is licenced for weddings and can be hired for private use.



Achievements and performance 2023

Arboretum: visitor numbers of 26,666 were up from 24,854 in 2022. Turnover increased by £41k (24%) in the Garden Tea Room. It is a destination of choice for homemade cakes, hot food and locally sourced ice cream which complements its surroundings and is a real testament to our hard-working team.

253 children from local schools attended the Arboretum to learn about plants and living things as part of the 'STEM' curriculum for Key Stages 1 and 2. The early years nursery (age 3+) was welcomed to learn about the 'world around'. Guided walks around the many trees are complemented with structured learning in a garden building which serves as an outdoor classroom to facilitate the understanding of various topics including renewable energy and climate change.

ARLEY HOUSE & GARDENS LIMITED ('AHAG')



AHAG delivered 30 weddings in 2023 down from 43 in 2022. The wedding industry has endured tougher trading as fewer new relationships formed in 2020 during Covid lockdowns. It is anticipated this could last for 2 years before returning to previous levels in 2025, subject to economic conditions.

The Grange guest house experienced a fall in occupancy in line with the decreased wedding activity on the Estate. Occupancy recovered slightly following a soft launch on 'Booking.com' which went well and will be fully rolled-out in 2024.

Our holiday lets, The Gaol and Boathouse (opened in 2021) were forced to cease operations in September 2023 following a change in fire regulations. They will now be let to residential tenants.

The third-party licence for shooting rights has been under review for some time and it was decided to cease shooting on the Estate from the 2023-24 season.

This was a difficult year for AHAG, exacerbated by staffing challenges. Nevertheless, the quality of our work continued, and we were delighted to win the Regional and National 'Wedding Venue of the Year' at the English Wedding Awards.

Overall turnover fell 32% to £451,000 returning a consolidated profit (before intragroup charges) of £72,000 compared £132,000 in 2022.

FINANCIAL REVIEW

Total income decreased from £2,365k to £2,110k mainly as a result of a fall in trading income, reflecting a reduction in the number of weddings. The wedding industry experienced a reduced demand in 2024 as few new couples were formed during the lockdown period of 2020 thus breaking the supply chain. Year 2 of our Countryside Stewardship Scheme for woodland had net expenditure £16k, whilst 2022 had net income of £54k. Investments recovered well from the shock of 2022 whilst property prices witnessed a slight (3%) fall in the Wyre Forest District area.

General Fund

The General fund holds our market securities and is focussed on our primary aim of giving grant-aid to UK charities:

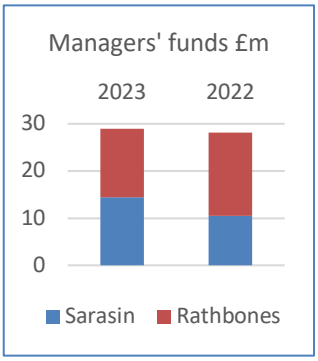
General Fund	2023 £'000	2022 £'000	
Investment income *(net of fees)*	619	556	Continued growth in dividend and interest income
Charitable grants	(703)	(714)	2023 cost is net of a £15k income for returned grant
Charitable costs	(63)	(66)	
Other costs	(220)	-	Authorised Push Payment fraud loss
Operating (deficit)	**(367)**	**(224)**	
Investment gains/(losses)	1,596	(4,385)	Recovery in global equity markets and UK bonds
Transfers (to)/from Arley Fund	(214)	18	Funding tenanted property costs in Arley village
Movement in funds	**1,015**	**(4,591)**	

Arley Fund (designated)

The Arley fund holds the Arley Estate properties, for both investment and own-use, and supports our secondary aim of providing access for recreation and education at Arley Arboretum and gardens and includes the contribution from trading via AHAG:

Arley Fund	2023 £'000	2022 £'000	
Estate property surplus	2	130	Increased tenanted property costs; 2022 included additional woodland income
Trading contribution	72	142	Fall in number of weddings; 2022 had been a busy year
Other income	-	28	Government hospitality grants and furlough income ceased
Charitable (deficit)	(249)	(219)	Double digit cost inflation only partially reflected in prices
Other costs	(20)	-	Authorised Push Payment fraud loss
Operating (deficit)/surplus	**(195)**	**81**	
Investment (losses)/gains	(561)	4,056	Arley Property values reflect downturn in Wyre Forest District
Tangible asset revaluation	47	(340)	Own use properties maintained negating depreciation
Transfers from/(to) General Fund	214	(18)	Specific projects on residential properties in Arley village
Movement in funds	**(495)**	**3,779**	2022 property gains were exceptional

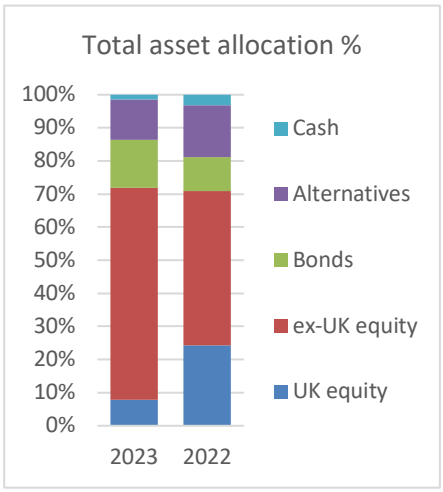
INVESTMENTS



Investments include both quoted securities and a portfolio of investment properties at Arley Estate.

QUOTED SECURITIES

Our 2019 independent portfolio review recommended using one benchmark for global equities and equalising the holdings for each manager. This process was delayed whilst markets were volatile but is now complete with Rathbones (who recently merged with Investec) transferring £3,300k to Sarasin gradually during 2023. In respect of both managers, we agreed to change the benchmark return from mid-year from RPI + 3½% to CPI + 4%.

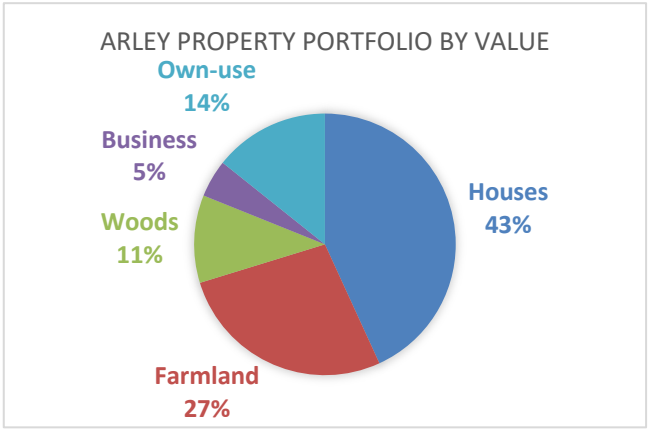


The aggregate neutral equity weighting for both portfolios continued at 70% with managers' discretion within agreed ranges. The overall equity weighting at the year-end was 72% compared with 71% a year earlier; the UK equity weighting fell from 24% to 8%, with a significantly increased allocation to ex-UK equities; by the year-end the geographical spread of equities was more representative of global market shares. The year-end bond allocation was almost back to 15% neutral weighting after the market turmoil in September 2022.

Investment performance: The final quarter of 2023 was positive for both equity and bond markets, with improved portfolio returns. This rally was prompted by a swift decline in US inflation and an indication from the Federal Reserve in mid-December that US interest rates might have peaked. This resulted in net gains of £1,596k partly offsetting 2022's losses of £4,385k. Both managers were cautious about exposure to the 'Magnificent Seven' technology stocks (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia & Tesla) which had driven growth of the US S&P 500 index in the year but had reached very high price-earnings ratios.

Income on the portfolio increased to £762k (2022: £705k) showing growth of 8.1%. The positive total return of 8.1% for Sarasin and 7.9% for Rathbones compared with negative returns of 7.8% and 7.9% respectively in 2022. The aggregate year-end value of £28,957k was ahead of the £27,705k in 2022, after drawing off £200k capital for investment in the Arley fund.

FREEHOLD PROPERTIES AT ARLEY



Arley Estate includes the following:

- **Investment properties:** our tenanted portfolio includes 54 residential houses, 4 farms, a pub, post office, art studio, and bed & breakfast business together with managed woodland.
- **Own-use properties** include the Arboretum (a charitable asset) and two properties held for commercial purposes:
  - Arley House provides both our own office and our wedding and conference venue for use by AHAG.
  - The Grange provides bespoke accommodation.

Professional valuation:
In the prior year, Halls conducted a quinquennial valuation of the component parts of Arley Estate, subject to the current occupation and tenancies in place but without making any adjustment for the 'marriage value' of the entire estate. The 2023 Trustees' valuation has been carried out with advice from Halls following a fall in the local market prices of 3% on residential properties, 5% on business properties and farmland remaining unchanged:

Valuation as allocated in the financial statements in £'000	2023	2022
Tenanted properties and woodland within Investments	30,658	31,073
Own-use properties (including Arboretum) within Tangible Fixed Assets	5,470	5,175
Total	**36,128**	**36,248**

The professional valuation in 2022 included a condition report of each property in the portfolio and a prioritised action plan has been developed to address the issues arising. As noted in the 'Overview of the year' expenditure on maintenance and enhancement of tenanted properties has increased during the past three years in response to various needs. The biggest project in 2023 which has continued into 2024, involved significant upgrading of Arley Post Office to resolve chronic damp problems with a new rear wall, re-roofing and modern insulation.

MANAGING STRATEGIC RISK

The risk profile of the Trust has evolved since the Covid pandemic, and the key risks have been summarised as follows:

Category	Strategic Risk	How risk is managed
Cost of living	Energy and other cost-of-living increases reduce budgets for wedding couples	Redesign of wedding proposition to provide more flexible options for wedding celebrations
Energy usage	Centuries-old properties are a challenge in meeting minimum energy performance	Tenancy changes give opportunity to upgrade insulation; Consultants engaged on optimal energy solutions
Housing maintenance	Condition of rental properties could fall below minimum standards	Halls' property condition reports and maintenance team feedback enable triaging of repair work programme
Climate change	Riverbank erosion or flooded properties; Higher rainfall threat to visitor attractions	Regular clearance of water courses; pre-booking system and weather reports enable efficient Arboretum staffing
Reputation	Adverse social media comments or dialogue with media organisations	Monitoring of social media; improved tenant communications & management of expectations
Cyber-fraud	Cyber-terrorism threatens internal systems. Authorised Push Payment (APP) frauds	Robust IT security software installed and tested. Lower authorisation limits, staff training refreshed.

Market security risks are mitigated in the long term by:

- Using two experienced investment managers with globally spread portfolios but with differing investment strategies.
- Investing in quality securities traded on major global exchanges and avoiding high-risk derivative-based products.
- Holding six-monthly meetings with managers to review performance, strategic asset allocations and ranges.
- Equalising the values of the Sarasin and Rathbones portfolios, following transfers between them of £3,300k during 2023.

Estate hazard risks are managed by the Chief Executive who, as Safety Officer, reports to the Audit Committee. A comprehensive system of risk assessments is in operation prior to any work being undertaken on the Estate. All our employees are encouraged to identify emerging risks and propose appropriate training needs so that a broad range of skills are developed. The safety of our employees is hugely important; particular emphasis is given to working at height, mechanical handling, and chain saws. The use of safety equipment is a mandatory requirement.



Flooding Additional challenges arise in the winter months when the river is prone to flooding and part of the village can be cut off. Temporary barriers are used to protect the Boathouse, the most vulnerable property.

Property risks protocols to mitigate our tenants' health risks include gas safety inspections, carbon monoxide monitoring and advice on reducing the likelihood of damp and mould occurring. Specialist consultants are engaged to provide support for complex projects and contractors are approved based on experience with historic properties in a conservation area. Care is taken before doing any work involving the isolation or removal of asbestos which normally requires specialist expertise.

Complaints are welcomed and, wherever possible, addressed immediately so that issues can be resolved before they escalate. We regret that during 2023 a property complaint was made via the broadcast media; we addressed the issue, reported the matter to the Charity Commission and resolved it to the satisfaction of the complainant. Nevertheless, we are aware that better management of expectations and improved communications should have been in place, so protocols have now been changed to ensure that such issues can be anticipated and resolved more effectively in future.

Visitors and safeguarding risks, to which arboretum visitors are potentially exposed, are carefully monitored, striking a reasonable balance between safety, conservation, and access. The trees are assessed regularly from a safety perspective, and the arboretum is closed during periods of high winds. Visitors to the Arboretum are required to take responsibility for their own safety; children and vulnerable adult visitors must be safeguarded and supervised by a responsible adult visitor.

Cyber security: user access controls, malware protection, patch management are in force; internet banking controls require multiple layers of access codes; all transactions also require segregation of duties between a loader and two approvers. Our internet security software was enhanced during the year following advice from our IT consultants and both management and Trustees are cognisant of the need to be vigilant in assessing risks of cyber-attack. Following the APP fraud during the year authorisation limits have been reduced despite the associated operational inefficiency which now arises.

Conflicts of interest and loyalty, principally associated with grant-giving, are reported and avoided at every meeting.

GOVERNANCE

The Charity Governance Code: We continue to comply with the Charity Governance Code so far as reasonably possible. New Trustees are appointed having regard to diversity of skills, experience and gender. However, we do not advertise trustee vacancies because of the need for high levels of knowledge and experience of charities and we believe the current informal approach is more appropriate. There is no restriction on length of service or any specific term of office for the original Trustees in 2013; however, all new Trustees are appointed for renewable three-year terms of office and the chairman is appointed for between 5 and 8 years. Trustees are encouraged to undertake appropriate training and any printed material from training courses is retained for trustee review; any key points are shared at Board meetings.

The Trustees' code of conduct is based on a code issued by the Association of Chief Executives of Voluntary Organisations and Good Governance: A Code for the Voluntary and Community Sector from the National Council for Voluntary Organisations. Through their actions as a Board, Trustees are responsible for the successful development of a strategy to further our objects, delivery of which, in respect of Arley Estate, is delegated to the Chief Executive. The code establishes the principles expected of Trustees and Management to fulfil these responsibilities by maintaining the highest standards of integrity and stewardship and ensuring the Trust is effective, open and accountable with good working relationships.

Declaration of interests: The Trust aims to uphold the Charity Commission's guidelines which state that *'trustees are required to act reasonably and prudently in all matters relating to the charity and need always to bear in mind that their prime concern is the interests of the charity. They cannot let their personal views or prejudices affect their conduct as trustee'*. A register of interests is maintained and the policy includes examples of potential conflicts of interest and conflicts of loyalty which could arise and how they should be managed.

Board meetings take place regularly to review the charity's activities and to consider grant appeals. To facilitate the decision-making process, we delegate governance as follows:

- The **Audit Committee** liaises with external auditors, promotes and safeguards high standards of financial reporting, internal control, risk management and legal compliance.
- The **Investment Committee** monitors the performance of the Investment Managers against agreed benchmarks and receives advice on Estate matters from our Property Consultants.
- The **Nominations Committee** ensures that trustees of appropriate calibre and mix of skills are put forward for selection to the Board of Trustees.
- The **Grants Committee** previews all grant applications in detail and makes recommendations to the Board. We rotate membership to reduce the risk of bias.
- The **Estates Committee** considers all property related matters in conjunction with the Chief Executive and our property consultants, Halls.
- The **Remuneration Committee** reviews the performance of the Chief Executive and recommends pay increments for staff.

Arley House & Gardens Limited has its own independent Board but Trustees retain oversight with one Trustee-Director and by means of formal reports and informal dialogue with its Chairman.

KEY FINANCIAL POLICIES

Investment policy for quoted securities: There are neither restrictions on the Trust's power to invest nor prohibitions on social, environmental ethical grounds beyond those adopted by the managers' internal procedures. Our investment objective is to generate a balanced total return based on relative benchmarks for different asset classes with 70% in equities, 15% in bonds and 15% in alternatives (including property) to generate a total return over the long term of 4% above UK CPI, net of fees (2022: 3.5% above UK RPI, net of fees).

Investment policy for freehold properties: Investment returns are maximised within the constraints of long-term tenancy arrangements. It is intended to maintain the properties to minimum standards having regard to the wishes of sitting tenants.

Reserves Policy: Unrestricted funds total £65,771k (2022: £65,011k) which comprises the General Fund of £29,625k (2022: £28,390k) and the Arley Fund of £36,146k (2022: £36,621k). The Arley fund is a designated fund and can only be realised by disposing of tangible fixed assets, which are inextricably linked with the Estate's investment properties and this designated fund is therefore excluded from free reserves. All investments held in the General Fund, totalling £28,957k (2022: £27,705k) are also excluded from free reserves which comprise the unrestricted funds which are freely available to spend on any of the charity's purposes; they are unencumbered amounts represented by cash or other readily realisable assets less liabilities. At 31 December 2023, reserves amounted to £448k (2022: £685k). Our policy is to hold reserves generally in the target range of £250k to £750k and the reserves held therefore fall within this target range.

Remuneration policy: Our approach to remuneration ensures that we can attract and retain talented and motivated people who can achieve our mission and deliver our strategic goals. Our aim is to pay competitively in the not-for-profit sector within the context of affordability. In addition to linking pay to performance and providing salary progression for those who deliver exceptional performance, we review internal relativity through a pay moderation process. In determining the Chief Executive's remuneration, we also periodically review external survey data from the Association of Chief Executives of Voluntary Organisations (ACEVO).

Charitable Use of Funds policy: The Trustees have formulated a policy embracing their power both to make charitable grants and to operate Arley Estate for public benefit having had due regard for Mr Roger Turner's expressed wishes:

1. **Charitable Grant-making:** to support by means of grants to UK registered charities, within the main beneficial area of Birmingham, the Black Country boroughs (Walsall, Wolverhampton, Sandwell and Dudley), Worcestershire and Herefordshire, primarily for the benefit of charities supporting children, community, impaired health, hospices and social support. Some limited support is also given to charities supporting the arts, the environment and heritage. The Trust's 'Grant Appeal Guidelines', which are available on the website set out the requirements for applications and the process through which decisions will be made.
2. **Arley Estate:** to maintain, to the extent practicable and necessary, (1) the public amenities of the Estate for residents and visitors to the Arboretum to enjoy as an education and leisure resource on an affordable basis and (2) support for the charitable activities undertaken by St Peter's Church, Arley Memorial Hall and Arley Sports and Social Club through the Trust's grant making activities.
3. **General:** To support such other general charitable purposes as the Trustees shall in their absolute discretion decide.

PEOPLE

The Trustees wish to record their appreciation for the loyalty and commitment of the whole team at Arley during the year. It has been extremely pleasing to welcome some new volunteers this year. We wish to thank all 18 of our active volunteers who bring significant additional skills and experience and continue to support the work of the Arboretum with great enthusiasm.

The Directors of Arley House & Gardens Limited are non-executive and unremunerated. We are grateful to them for their continued diligent stewardship of the company's activities, enabling Trustees to focus on the charitable activities of the Trust.

TRAINING

A new internal training platform was launched during 2023 called 'iHasco'. This provides mandatory training to all staff on key risk areas and job specific training tailored to individuals roles.

PUBLIC BENEFIT

We have considered the Charities Act 2011 on public benefit, noting that the Act states that there is no presumption of benefit. We have also had due regard for Charity Commission Guidance on the subject, in the context of both our charitable activities at Arley Estate and our charitable grant giving.

FUNDRAISING ACTIVITIES

The Charity has no fundraising activities requiring disclosure under Section 162a Charities Act 2011.

PLANS FOR THE FUTURE

Arley fund: we plan to:

- engage consultants to catalogue the arboretum and to assist us to prepare a plan for its development, incorporating the risk of climate change.
- Extend the Arboretum tearoom to provide greater efficiency for staff.
- Reconfigure the Arboretum toilet block to provide improved facilities with improved disabled access.

General fund: we plan to:

- Refocus grant-aid towards local charities.
- Arrange quarterly capital drawdowns to supplement the dividend income from our investment portfolio.

LINKED CHARITIES

The RD Turner Charitable Trust and The Douglas Turner Trust ('the Linked Charities') are treated as forming part of The Trust for the purposes of the Charities Act 2011. Neither of the Linked Charities has any assets or liabilities to be aggregated within the financial statements of the reporting entity.

TRUSTEES' RESPONSIBILITIES AND DISCLOSURE OF INFORMATION TO AUDITORS

The Charities Act 2011 requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Trust and of the surplus or deficit of the Trust for that period. In preparing those financial statements the Trustees are required to: -

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards and the Charities SORP, disclosing and explaining any departures in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Trust will continue in operation.

The Trustees are responsible for keeping accounting records which disclose, with reasonable accuracy, the financial position of the Trust at any time, and for ensuring that the financial statements comply with charity law. The Trustees are also responsible for safeguarding the Trust's assets, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.



Peter Millward
Chairman
8 March 2024



Independent Auditor's Report to the Members of The Roger and Douglas Turner Charitable Trust

Opinion

We have audited the financial statements of The Roger and Douglas Turner Charitable Trust ('the charity') and its subsidiary ('the group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated and Charity Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity and group's affairs as at 31 December 2023 and of the charity and group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's or the group'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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

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.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charity and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report included.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 13, the Trustees 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 charity's and group'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for charity and group's operations were Charity Commission regulations, General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Environmental protection legislation, Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of rental income and weddings and events income, and the override of controls by management. Our audit procedures to respond to these risks included designing audit procedures over rental income and weddings and events income, enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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

Crowe UK LLP

Crowe U.K. LLP
Statutory Auditor Black Country House, Rounds Green Road, Oldbury, B69 2DG 11 March 2024

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Unrestricted Funds	Note	2023 Arley Fund £'000	2023 General Fund £'000	2023 Total £'000	2022 Arley Fund £'000	2022 General Fund £'000	2022 Total £'000
Income from:							
Investments	3	574	762	1,336	711	705	1,416
Trading Activities	4	451	-	451	661	-	661
Charitable Activities	5	308	15	323	260	-	260
Other income	6	-	-	-	28	-	28
Total Income		**1,333**	**777**	**2,110**	**1,660**	**705**	**2,365**
Expenditure from:							
Raising Funds	7	572	143	715	581	149	730
Trading Activities	8	379	-	379	519	-	519
Charitable Activities	9	557	781	1,338	479	780	1,259
Other costs	6	20	220	240	-	-	-
Total Expenditure		**1,528**	**1,144**	**2,672**	**1,579**	**929**	**2,508**
Operating (deficit)/surplus		(195)	(367)	(562)	81	(224)	(143)
Net investments gain/(loss)	14	(561)	1,596	1,035	4,056	(4,385)	(329)
Net Income/(loss)		**(756)**	**1,229**	**473**	**4,137**	**(4,609)**	**(472)**
Revaluation of fixed assets	13	47	-	47	(340)	-	(340)
Transfers between funds	20	214	(214)	-	(18)	18	-
Net Movement in Funds		**(495)**	**1,015**	**520**	**3,779**	**(4,591)**	**(812)**
Total Funds at 1 January		**36,621**	**28,390**	**65,011**	**32,842**	**32,981**	**65,823**
Total Funds at 31 December		**36,126**	**29,405**	**65,531**	**36,621**	**28,390**	**65,011**

The charity had no recognised gains or losses other than the net movements in funds for the year.

The Arley Fund is a designated fund which includes the net assets and operations of Arley Estate, the Arboretum and the trading subsidiary, Arley House & Gardens Limited.

The notes on pages 19 to 30 form part of these financial statements.

BALANCE SHEETS AS AT 31 DECEMBER 2023

	Note	GROUP 2023 £'000	GROUP 2022 £'000	CHARITY 2023 £'000	CHARITY 2022 £'000
Fixed assets					
Intangible assets	13	3	4	3	4
Tangible assets	13	5,470	5,400	5,470	5,400
Investments	14	59,615	58,778	59,615	58,778
Total		**65,088**	**64,182**	**65,088**	**64,182**
Current assets					
Stock	15	25	18	12	9
Debtors	16	309	258	282	253
Cash	17	401	832	376	752
		735	**1,108**	**670**	**1,014**
Creditors:					
Amounts due within one year	18	(292)	(279)	(227)	(185)
Net current assets		**443**	**829**	**443**	**829**
Net assets		**65,531**	**65,011**	**65,531**	**65,011**
Arley Fund	19	36,126	36,621	36,126	36,621
General Fund	19	29,405	28,390	29,405	28,390
Total Funds		**65,531**	**65,011**	**65,531**	**65,011**

The funds movement dealt with in the charity's financial statements was positive £520,000 (2022: negative £812,000).

The notes on pages 19 to 30 form part of these financial statements.

Approved by the Board on 8 March 2024 and signed on its behalf by:



Peter Millward
Chairman

CONSOLIDATED AND CHARITY CASH FLOW STATEMENT

For the year ended 31 December 2023

	Note	GROUP 2023 £'000	GROUP 2022 £'000	CHARITY 2023 £'000	CHARITY 2022 £'000
Cash (used in) operating activities	21	**(1,266)**	**(953)**	**(1,215)**	**(855)**
Cash flows from investing activities					
Dividend and Interest income		762	705	762	705
Distribution received under deed of covenant		-	-	4	60
Purchase of tangible fixed assets		(125)	(45)	(125)	(45)
Purchase of investments		(19,491)	(10,548)	(19,491)	(10,548)
Capital expenditure on investment properties		(146)	(99)	(146)	(99)
Investment cash drawn down		200	-	200	-
Proceeds from sale of investments		19,635	10,701	19,635	10,701
Cash provided by investing activities		**835**	**714**	**839**	**774**
(Decrease) in cash and cash equivalents in the year		(431)	(239)	(376)	(81)
Cash and cash equivalents at the beginning of the year		832	1,071	752	833
Total cash and cash equivalents at the end of the year		**401**	**832**	**376**	**752**

The notes on pages 19 to 30 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

This Charitable Trust (hereinafter 'the Trust' or 'the Charity') is a Charitable Incorporated Organisation (CIO), registered with the Charities Commission in England and Wales, registration number 1154467. The charity is a public benefit entity; its principal office is at Arley House, Lion Lane, Upper Arley, Worcestershire, DY12 1SQ.

2 PRINCIPAL ACCOUNTING POLICIES

***Basis of preparation*:** The financial statements have been prepared on the accruals basis under the historical cost convention, with items recognised at cost or transaction value unless otherwise stated in the relevant notes below, as amended for the revaluation of investments. They have been prepared in accordance with the current Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Assessment of going concern: The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern and the Financial Statements are drawn up on the Going Concern basis. This assumes that the Trust will continue in operational existence for the foreseeable future following stress testing numerous forecasts and scenarios. With respect to the next reporting year, the most significant areas of uncertainty that affect the income of the Trust and the carrying value of its assets are the level of investment return and the performance of investment markets. The willingness of the public both to purchase admission tickets to the Arboretum and to make bookings are areas of financial uncertainty which the Trustees have mitigated with an internet-based booking system to manage footfall more effectively.

***Basis of consolidation**:* The Trust has one wholly owned subsidiary, Arley House & Gardens Limited, which is registered in England. Consolidated financial statements of the Group have been prepared on a line-by-line basis, with the results of the subsidiary included in the designated Arley Fund. As permitted, a separate income and expenditure account, dealing with the results of the Trust only, has not been presented.

***Fund Accounting*:** The Trust's constitution permits funds to be expended without restriction. The Trustees have included the operations of the Arley Estate, including the trading company, in a separate designated fund.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group. Revenue is measured as the fair value of the consideration received, excluding discounts, rebates, value-added tax and other sales taxes; the following criteria must also be met before revenue is recognised.

Donations and legacies are recognised when the group has been notified the amount and the settlement date.

Investment Income is accounted for when receivable and the amount can be measured reliably by the Trust. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due; this is normally upon notification by our investment managers.

Rental Income from Arley Estate properties is recognised when it is receivable and it is probable that the Group will receive the amount due under the lease.

Revenue from sales of goods is recognised when all of the following conditions are satisfied:

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction;
- the respective costs incurred or to be incurred can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract but all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion the contract can be measured reliably;
- the cost incurred and the cost to complete the contract can be measured reliably;

Government Grants are credited to the consolidated statement of financial activities as the related expenditure is incurred.

Expenditure is recognised as soon as there is a legal or constructive obligation committing the Group to that expenditure, it is probable that settlement will be required and the amount can be measured reliably. Expenditure is accounted for on the accruals basis. Expenses including support costs are allocated or apportioned to the applicable expenditure headings.

Grant awards are accounted for as expenditure as soon as a valid expectation has been communicated to the recipient charity. If an offer is conditional upon events outside the Trust's control and it is possible but not probable that an outflow of economic benefits will arise, such amounts are recognised as contingent liabilities until the grant conditions are fulfilled.

Irrecoverable VAT: the Group is partially exempt for VAT purposes and holds a group registration certificate. VAT is charged against the expenditure heading for which it was incurred.

Operating lease rentals are charged on a straight-line basis over the period of the lease.

***Pension Costs*:** The Trust contributes to a defined contribution 'money purchase' scheme on behalf of certain employees. Costs are charged to the Statement of Financial Activities.

Holiday pay: The holiday year is also the financial year and employees are required to take their holiday entitlement during the year; accordingly, there is normally no holiday pay accrual for permanent staff. An accrual is provided for casual workers in line with government guidance.

Fixed assets: Freehold land and buildings are recognised at valuation on an open market existing use basis. All other assets costing more than £100 are stated at historical cost less depreciation, which is charged on a straight-line basis down to expected residual value over the following estimated useful economic lives of 5 years for motor vehicles and equipment and 3-10 years for fixtures and fittings and 3-5 years for intangible assets.

Financial investments in market securities are basic financial instruments, initially recognised at transaction value and subsequently measured at fair value as at the year-end using the closing quoted market price. The statement of financial activities includes all the net gains and losses arising on revaluation and disposals.

Financial investments in freehold land and buildings are valued quinquennially on an open market existing use basis subject to current occupation and tenancies in place at that time by independent Chartered Surveyors. In intervening years, the Trustees value them by reference to market reports and government indices having discussed the circumstances of Arley Estate with the independent chartered surveyors. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Realised gains and losses on investments are taken to the Statement of Financial Activities as they arise. They are calculated as the difference between sales proceeds and their opening carrying value or their purchase value acquired subsequent to the first day of the financial year. Realised gains and losses are calculated as the difference between the fair value at the year-end and the carrying value.

***Financial instruments*:** Other than financial investments, the Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

Stocks are stated at the lower of cost (based on the cost of purchase on a first in first-out basis) and net realisable value. At each reporting stocks are assessed for impairment; any losses are recognised immediately.

Debtors: Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Reimbursement assets are recognised in debtors when receipt is virtually certain and its amount can be measured reliably.

Cash with financial institutions is repayable without penalty on notice of not more than 24 hours.

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

3 INCOME FROM INVESTMENTS:

	2023 £'000	2022 £'000
Dividends - UK and Overseas Equities	650	617
Interest - UK Fixed Interest Securities	112	88
Sub-total General Fund	**762**	**705**
Income - rental	562	538
- other (including forestry income in 2022)	12	173
Sub-total Arley Fund	**574**	**711**
Total Investment Income	**1,336**	**1,416**

4 INCOME FROM TRADING

Accommodation	76	125
Weddings and events	346	511
Other income	29	25
Total income	**451**	**661**

5 CHARITABLE INCOME

The Arley Fund income arises from admissions and charges for events and refreshments at Arley Arboretum. The General Fund income arises from a returned grant (see note 10).

6 OTHER INCOME / (COSTS)

Net costs in the Arley Fund £20k and General Fund of £220k (2022: £nil), after reimbursement, were incurred in relation to an Authorised Push Payment fraud ("APP fraud"). In 2022 the income arose from Government Grants and Furlough payments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 RAISING FUNDS EXPENDITURE

	2023			2022		
	Arley Fund £'000	General Fund £'000	Total 2023 £'000	Arley Fund £'000	General Fund £'000	Total 2022 £'000
Investment management charges	-	143	143	-	149	149
Repairs & property maintenance	103	-	103	88	-	88
Woodland maintenance	16	-	16	94	-	94
Depreciation & amortisation	103	-	103	101	-	101
Direct staff costs	86	-	86	92	-	92
Shared staff costs	68	-	68	48	-	48
Shared overheads	161	-	166	133	-	133
Governance	5	-	5	5	-	5
Professional charges	30	-	30	20		20
Total Raising Funds	**572**	**143**	**715**	**581**	**149**	**730**

8 TRADING EXPENDITURE

Direct expenses	204	-	204	334	-	334
Direct staff costs	79	-	79	77	-	77
Shared staff costs	57	-	57	53	-	53
Shared overheads	37	-	37	53	-	53
Governance	2	-	2	2	-	2
Total trading expenditure	**379**	**-**	**379**	**519**	**-**	**519**

9 CHARITABLE EXPENDITURE

Direct costs - Arboretum	106	-	106	82	-	82
Direct staff costs	257	52	309	223	49	272
Shared staff costs	108	-	108	57	-	57
Shared overheads	78	5	83	86	2	88
Professional charges	-	-	-	20	9	29
Governance	6	6	12	5	6	11
Charitable grants	2	718	720	6	714	720
Total charitable expenditure	**557**	**781**	**1,338**	**479**	**780**	**1,259**

Shared costs of staff and overheads are analysed in note 11.
Governance includes audit fees of £17,000 (2022: £16,025) and accountancy costs of £650 (2022: £600).

10 CHARITABLE GRANTS ANALYSIS

	2023			2022		
	Number	% value	£'000	Number	% value	£'000
Children	38	18%	129	35	14%	102
Community	31	16%	117	43	21%	149
Social support	29	14%	103	29	14%	102
Impaired health	44	21%	153	58	27%	191
Hospices	9	18%	130	9	10%	75
The Arts	14	8%	54	11	6%	46
Heritage	7	5%	34	7	8%	55
Total	**172**	**100%**	**720**	**192**	**100%**	**720**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 CHARITABLE GRANTS ANALYSIS (Continued)

Charitable grants of £5,000 or more:

Name	£'000	Name	£'000
ASPIE Worcester	5	Kemp House Trust	5
Acorns Children's Hospice Trust	25	Listening Books	5
ARCOS	5	Mary Stevens Hospice	30
B:Music	5	Martineau Gardens	5
Blackwell Adventure	10	Nerve Tumours UK	5
Better Understanding of Dementia for Sandwell	5	NICE–Centre for Movement Disorders	8
Birmingham Boys & Girls Union	6	Norton Hall Children and Family Centre	5
Birmingham City Mission	6	Primrose Hospice	15
Birmingham PHAB Camps	5	REACT	5
Birmingham Settlement	8	Relate Birmingham	5
Black Country Living Museum	5	Sandwell Homeless and Resettlement	5
City of Birmingham Symphony Orchestra	15	Severn Area Rescue Association*	15
Cerebral Palsy Midlands	10	Severn Valley Railway Charitable Trust	18
Changing Faces	6	Smethwick Community Centre	5
Compton Care	20	Sport 4 Life UK	6
Criminon UK	5	St Anne's Hostel	7
Dorothy Parkes Centre	6	St Basil's	10
Edwards Trust	5	St Giles Hospice	5
ESO (2006) Ltd	5	St Michael's Hospice	5
FoodCycle	5	St Richard's Hospice	5
Friends of Sick Children in Malawi	5	Stonehouse Gang	10
Friends of Victoria School	12	West Mercia Search and Rescue	5
Good Shepherd Services	5	Wyre Forest Nightstop & Mediation	5
Hospice Charity Partnership	20	*Brought forward column 1*	*204*
Sub-total carried forward	*204*	**Total at least £5,000 (47 grants)**	393

**£15,000 was also refunded to the Trust for a 2022 cancelled project.*

11 STAFF COSTS

	2023 £'000	2022 £'000
Wages and salaries	697	618
Social security costs	48	41
Pension costs	23	25
	768	**684**

The key management personnel of the charity are comprised of the Trustees, the Chief Executive, the Operations Manager and the Trust Administrator. The total employee benefits of the key management personnel of the charity were £188,742 (2022: £131,476). 1 employee had earnings which fell between £90,000 and £100,000 (2022: £80,000 and £90,000).

There were 18 active volunteers (2022: 15) who provided ad-hoc support to projects in the Arboretum. The economic contribution of volunteers is not recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 STAFF COSTS (Continued)

The average number of employees calculated on an average head count basis was:

	2023	2022
Estate and property	4	3
Events	15	17
Arboretum	23	18
Management and administration	7	7
	49	**45**

12 SHARED COSTS (Arley Fund)

Cost sharing within Arley Estate is based on time spent:		2023 Staff costs £'000	2023 Other costs £'000	2023 Total £'000	2022 Staff costs £'000	2022 Other costs £'000	2022 Total £'000
Raising funds	Note 7	68	161	228	48	133	181
Trading	Note 8	57	37	94	53	53	106
Charitable	Note 9	108	78	186	57	88	145
		233	**276**	**509**	**158**	**274**	**432**

13 FIXED ASSETS: GROUP AND CHARITY

Intangible fixed assets: The net book amount at 31 December 2023 was £2,475 (2022: £4,263)

Tangible fixed assets	**Freehold land and buildings**	**Plant and equipment**	**Fixtures and fittings**	**Total**
Cost or valuation	**£'000**	**£'000**	**£'000**	**£'000**
At 1 January 2023	5,318	366	361	6,045
Additions	77	12	33	122
Revaluation	47	-	-	47
At 31 December 2023	5,442	378	394	6,214
Depreciation				
At 1 January 2023	143	262	240	645
Charge for the year	47	25	27	99
At 31 December 2023	190	287	267	744
Net book amount				
At 31 December 2023	5,252	91	127	5,470
At 31 December 2022	5,175	104	121	5,400

Freehold land and buildings which had an historical cost of £5,023,000 (2022: £5,023,000)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 FIXED ASSET INVESTMENTS - GROUP AND CHARITY

	Freehold land and buildings £'000	Quoted securities £'000	2023 Total £'000	2022 Total £'000
At 1 January	31,073	27,705	58,778	59,161
Additions at cost	146	19,491	19,637	10,647
Disposal proceeds	-	(19,635)	(19,635)	(10,701)
Net investment gain/(loss)	(561)	1,596	1,035	(329)
Cash drawdown	-	(200)	(200)	-
At 31 December	30,658	28,957	59,615	58,778

Freehold land and buildings: an independent quinquennial valuation of freehold land and buildings was carried out by Halls, Chartered Surveyors, on 31 December 2022. The woodland was valued by Bronwin & Abbey, Chartered Foresters and Surveyors. The valuation of £36,248,000 was based on the freehold value of all component parts of the Arley Estate, on an open market existing use basis subject to current occupation and tenancies in place. At 31 December 2023, having taken informal advice from Halls, the Trustees valued the Estate on a similar basis at £36,128,000. For accounting purposes, the assets have been disclosed as follows:

		2023 £'000	2022 £'000
Own use tangible fixed assets	Note 13	5,470	5,175
Investments	Above	30,658	31,073
At 31 December		36,128	36,248

The historical cost of the Estate, represented by the probate value on the death of the late Mr R D Turner on 30 April 1999, was £8,841,000.

Quoted securities portfolio

	2023 %	2022 %	2023 £'000	2022 £'000
Fixed interest	14.4	10.2	4,178	2,837
UK listed equities	7.8	24.2	2,270	6,705
Overseas equities	64.1	46.7	18,560	12,933
Commercial property	1.8	2.0	514	547
Alternative investments	10.5	13.7	3,026	3,800
Cash	1.4	3.2	409	883
	100.0	100.0	28,957	27,705
Historical cost			27,405	25,552

Material investments:
The Investment Policy states that no investments should exceed 5.0% of the value of the portfolio. At 31 December 2023 there were no such investments (2022: none).

Fixed asset investments – Charity

In addition to the above investments the charity has a £100 investment in the entire share capital of Arley House & Gardens Ltd.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
15 STOCK Goods for resale	**25**	**18**	**12**	**9**

16 DEBTORS

Trade debtors	88	80	66	76
Prepayments and accrued income	94	152	89	150
Other debtors	127	26	127	25
Amounts due from group undertaking	-	-	-	2
	309	**258**	**282**	**253**

Other debtors include £98,000 (2022: £nil) related to amounts reimbursed from banks subsequent to the year-end in relation to an Authorised Push Payment fraud.

17 CASH

Cash at bank	321	537	296	457
CCLA deposit account	80	295	80	295
	401	**832**	**376**	**752**

18 CREDITORS DUE WITHIN ONE YEAR

Trade creditors	47	40	42	29
Investment Manager charges	36	37	36	37
Rents received in advance	46	43	46	43
Other taxes and social security	46	49	25	33
Other creditors	14	10	12	4
Accruals and deferred income	103	100	39	39
Amounts due to group undertaking	-	-	27	-
	292	**279**	**227**	**185**

Included within accruals and deferred income are wedding deposits held for weddings in future years of:

Balance at 1 January	52	149	-	-
New deposits during the year	402	483	-	-
Deposits released during the year	(392)	(580)	-	-
Balance at 31 December	62	52	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19 ANALYSIS OF GROUP ASSETS AND LIABILITIES WITHIN FUNDS

	2023			2022		
	Arley Fund £'000	General Fund £'000	Total Funds £'000	Arley Fund £'000	General Fund £'000	Total Funds £'000
Intangible Assets	3	-	3	4	-	4
Tangible Assets	5,470	-	5,470	5,400	-	5,400
Investments	30,658	28,957	59,615	31,073	27,705	58,778
Fixed Assets	36,131	28,957	65,088	36,477	27,705	64,182
Stock	25	-	25	18	-	18
Debtors	175	134	309	179	79	258
Cash	51	350	401	189	643	832
Creditors	(256)	(36)	(292)	(242)	(37)	(279)
Net Current Assets	(5)	448	443	144	685	829
Total Funds	36,126	29,405	65,531	36,621	28,390	65,011

20 FUNDS ANALYSIS – GROUP

	1 January 2023 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Gains / (Losses) £'000	31 December 2023 £'000
Operational funds	**36,417**	1,333	(1,528)	214	(561)	**35,875**
Revaluation reserve	**204**	-	-	-	47	**251**
Arley Fund	**36,621**	1,333	(1,528)	214	(514)	**36,126**
General Fund	**28,390**	777	(1,144)	(214)	1,596	**29,405**
Total Funds	**65,011**	**2,110**	**(2,672)**	**-**	**1,082**	**65,531**

	1 January 2022 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Gains / (Losses) £'000	31 December 2022 £'000
Operational funds	**32,298**	1,660	(1,579)	(18)	4,056	**36,417**
Revaluation reserve	**544**	-	-	-	(340)	**204**
Total Arley Fund	**32,842**	1,660	(1,579)	(18)	3,716	**36,621**
General Fund	**32,981**	705	(929)	18	(4,385)	**28,390**
Total Funds	**65,823**	**2,365**	**(2,508)**	**-**	**(669)**	**65,011**

Transfers between funds is cash transferred to finance major projects at Arley Estate and in relation to shared costs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET OPERATING CASH FLOW

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Net movement in funds	520	(812)	516	(872)
Add back depreciation and amortisation	103	101	103	101
Movement on revaluation reserve	(47)	340	(47)	340
Deduct income shown in quoted investing activities	(762)	(705)	(762)	(705)
(Gain) / loss on revaluation of investments	(1,035)	329	(1,035)	329
Decrease / (increase) in stock	(7)	2	(3)	4
Decrease / (increase) in debtors	(51)	(62)	(29)	(4)
Increase / (decrease) in creditors	13	(146)	42	(48)
Net cash used in operating activities	**(1,266)**	**(953)**	**(1,215)**	**(855)**

22 INCOME EARNED FROM TRADING ACTIVITIES

The wholly-owned trading subsidiary, Arley House & Gardens Limited was incorporated in the United Kingdom (company number 09448082) and details of the trading results for the subsidiary alone are given below:

	2023 £'000	2022 £'000
Turnover	451	661
Direct costs	(283)	(411)
Other income	-	10
Overheads	(96)	(128)
Profit included in Statement of Financial Activities on consolidation	72	132
Intra-group charge from the charity arising from internal leases, included in the company's own financial statements	(68)	(72)
(Loss) / profit for the financial year	4	60
Amount distributed to the charity	(4)	(60)
Retained in subsidiary	-	-
The assets and liabilities of the subsidiary were:		
Current assets	67	97
Current liabilities	(67)	(97)
Total net assets representing aggregate share capital and reserves	-	-

The Statement of Financial Activities of the Charity alone is not required to be published. It excludes the above trading turnover and costs but includes £73,000 (2022: £155,000) investment income comprising £69,000 (2022: £95,000) intra-group service charges and £4,000 (2022: £60,000) gift aid income from the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23 FINANCIAL INSTRUMENTS

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Financial assets				
Financial assets measured at fair value through profit or loss	28,957	27,705	28,957	27,705

Financial assets measured at fair value through profit or loss comprise of fixed asset investments – quoted securities.

24 COMMITMENTS RECEIVABLE UNDER OPERATING LEASES

At 31 December 2023 the Group and Charity had future minimum lease receipts under non-cancellable operating leases as follows:

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Not later than one year	147	139	197	188
Later than one year and not later than five years	55	124	229	324
Later than five years	3	6	3	30
	205	**269**	**429**	**542**

25 CAPITAL COMMITMENTS

At 31 December 2023 the Group and Charity had capital commitments of £84k (2022: £nil).

26 COMMITMENTS PAYABLE UNDER OPERATING LEASES

At 31 December 2023 the Group and Charity had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Not later than one year	6	8	6	8
Later than one year and not later than five years	2	8	2	8
Later than five years	-	-	-	-
	8	**16**	**8**	**16**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27 RELATED PARTY TRANSACTIONS

(i) Transactions involving Trustees and connected parties
No Trustees are remunerated. One Trustee is also a director of the trading subsidiary.

In the prior year, the Chairman paid £344 (the full arms-length price) as a guest at a third-party social event in November 2022, for catering at Arley House and accommodation at The Grange, on behalf of his wife and himself.

During both years the Trust awarded a small number of grants to charities which have a common or related trustee or director with a Trustee; in each case the trustee did not participate in the decision in accordance with the established policy on conflicts of interest.

(ii) Trustee expenses
The sum of £477 (2022: £580) was reimbursed to two (2022: one) Trustees in respect of travel expenses.

(iii) Transactions with trading subsidiary
Costs (principally staff costs) recharged to the trading subsidiary amounted to £252,878 (2022: £372,730). Rent and service charge income was received from the trading subsidiary amounting to £67,903 (2022: £94,669).

There are no other related party transactions to disclose.

THE ROGER & DOUGLAS TURNER CHARITABLE TRUST

England & Wales - Charity number 1154467

Accounts



TURNER TRUST

The Roger & Douglas Turner Charitable Trust

Annual Report 2022 CIO 1154467



HISTORICAL BACKGROUND

The Roger & Douglas Turner Charitable Trust ("The Trust"), a Charitable Incorporated Organisation, was incorporated on 5 November 2013 and merged with two unincorporated grant-making charitable trusts established separately by the late Douglas William Turner ("DWT") and his son, the late Roger Douglas Turner ("RDT"); both had been successful industrialists with Wellington Tube Works Ltd in Great Bridge. The two unincorporated trusts were linked to The Trust during 2021:

- The RD Turner Charitable Trust ("The Legacy Charity" 1154467-1) was settled on 21 December 1971 and its assets amounted to £30.1m (including £22.1m in Arley Estate) when it merged with The Trust on 31 December 2013.
- The Douglas Turner Trust (Charity 1154467-2) was settled on 27 January 1964 and its assets were accrued through lifetime gifts by DWT which increased in value to £16.7m when it merged with The Trust on 31 December 2015.

Under the terms of his Will RDT, who had owned the 1,600-acre Arley Estate in Worcestershire for 40 years until he died in 1999, passed the Arley Estate to The Legacy Charity *"as an accretion and addition to the fund of the said charity and subject to and with the benefit of the powers provisions and other matters contained in the said trust"*. He also "*without seeking to impose any binding trust or obligation*" expressed the hope that the Trustees "*will use their best endeavours to ensure that:*

1. *The Arley Estate should continue so far as practicable in its current form.*
2. *They continue to employ where practicable as many as possible of the persons employed by me at my death in connection with the Arley Estate and allow them to continue occupying any accommodation on the same basis as that upon which they are occupying the same at my death.*
3. *They continue where practicable to allow as many as possible of the persons who at the date of my death have been previously employed by me in connection with the Arley Estate and who at that date are occupying accommodation either rent free or on favourable terms to continue occupying such accommodation on the same basis.*
4. *They continue to give such assistance as at present to St Peter's Church, Arley Memorial Hall and Arley Sports and Social Club*".

In 1999 the Trustees consulted leading Counsel on various issues including RDT's expressed wish that '*the Arley Estate should continue so far as practicable in its current form*'. They were advised that this neither made it a permanent endowment nor restricted Trustees' powers of sale or disposition of land in relation to Arley Estate nor imposed a condition on the gift or a restriction on Arley Estate under Charity Law. Counsel advised Trustees to formulate a policy for the charitable use of funds and to identify which assets were to be held as investments.

Following various strategic reviews since 2013, the Trustees resolved both to increase the amount of charitable grant-making and to improve the charitable impact of Arley Estate, whilst retaining its unique charm for public benefit, by providing for:

1. Arley Estate to be retained by The Trust for the foreseeable future.
2. Arley Arboretum to be made available to a wide range of visitors to enhance public benefit.
3. Arley House & Gardens Limited, a wholly owned company, to manage the Estate's trading activities including a wedding and conference centre at Arley House and accommodation at both The Grange and the former Arley Gaol and Boathouse.

Arley Arboretum, Arley House, The Grange, Arley Gaol and Boathouse are held as own-use tangible fixed assets but the remaining assets of Arley Estate (primarily rental properties) are held as investments. In accordance with RDT's wishes former staff who had been employed by RDT at the date of his death continue to occupy accommodation on favourable terms.

POLICY FOR THE CHARITABLE USE OF FUNDS

The Trustees have formulated a policy embracing their power both to make charitable grants and to operate Arley Estate for public benefit having had due regard for RDT's expressed wishes:

1. **Charitable Grant-making:** to support by means of grants to UK registered charities, within the main beneficial area of Birmingham, the Black Country boroughs (Walsall, Wolverhampton, Sandwell and Dudley), Worcestershire and Herefordshire, primarily for the benefit of charities supporting youth and children, community and elderly, impaired health, hospices and social support. Some limited support is also given to charities supporting the arts, the environment and heritage.
2. **Arley Estate:** to maintain to the extent practicable the amenities of the Estate for the benefit of: (1) their present and future residents; (2) farming and other enterprises in the village and the surrounding areas; (3) St Peter's Church, Arley Memorial Hall and Arley Sports and Social Club; (4) visitors who come to the area primarily for the purpose of recreation; (5) visitors to the Arboretum to enjoy as an education and leisure resource on an affordable basis.
3. To support such other general charitable purposes as the Trustees shall in their absolute discretion decide.

Footnote: The full text of the Charitable Grant-making policy is available for potential applicants.

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REFERENCE AND ADMINISTRATIVE INFORMATION

Charitable Incorporated Organisation (CIO) **Charity number 1154467**

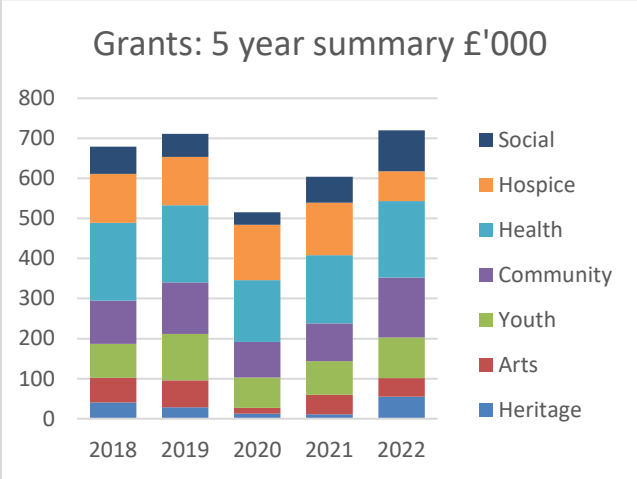
Trustees	Peter Millward (Chairman) Dawn Long Amanda McGeever Ron Middleton (Vice Chairman) Sharon Stotts Geoff Thomas	
Chief Executive	Mark Webb	mark@arleyestate.co.uk
Grants & Compliance Officer	Jenny Harris	jenny@turnertrust.co.uk
Principal Office	Arley House Lion Lane Upper Arley DY12 1SQ	Phone 01299 861368
Websites	Grants Arboretum Weddings, events and trading	www.turnertrust.co.uk www.arleyarboretum.co.uk www.arleyhouseandgardens.co.uk
Auditors	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury B69 2DG	
Investment Managers	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU	Investec WIN 30 Gresham Street London EC2V 7QN
Property Consultants	Halls Chartered Surveyors Gavel House 137 Franche Road Kidderminster DY11 5AP	Bronwin & Abbey Chartered Foresters and Surveyors Auction House King George's Way Pershore Worcs WR10 1 EY
Bankers	Barclays Bank PLC 2nd Floor 54 High Street Worcester, WR1 2QQ	CCLA 85 Queen Victoria Street London EC4V 4ET
Solicitors	Lodders Solicitors LLP 10 Elm Court, Arden St Stratford-upon-Avon CV37 6PA	Higgs and Sons 3 Waterfront Business Park Brierley Hill West Midlands DY5 1LX
IT consultants	Pinfields IT 60 Sugarbrooke Road Bromsgrove B60 3DN	

OVERVIEW OF THE YEAR

Global affairs were dominated in 2022 by Russia's invasion of Ukraine in February which triggered both a human refugee crisis and an energy crisis with wider economic implications in the Western world. This happened as the UK economy was recovering after two years of Covid restrictions, exacerbated by political instability, with three Prime Ministers within a few weeks and a disastrous mini-budget in September. This triggered panic in the debt markets when global equities were already under pressure and led to a tightening of monetary policy at a time of high inflation.

Consequently, our portfolio of market securities suffered the rare combination of negative performance in most asset classes with capital losses of £4,385k more than offsetting the prior year gains of £2,849k. Conversely, the quinquennial valuation of Arley Estate properties revealed a gain of £3,716k, primarily driven by the growth in woodland values.

Grant-aid to UK charities



Our grant-aid payments had fallen during the past two years reflecting reduced demand for services, postponed longer-term projects or suspended operations at our applicant charities. This changed in 2022 with significant increases in their activity levels.

However, charities' financial circumstances varied significantly depending upon the extent of government grants received, the ability to conserve funds during lockdowns and levels of reserves, all of which we took into consideration in assessing grant awards.

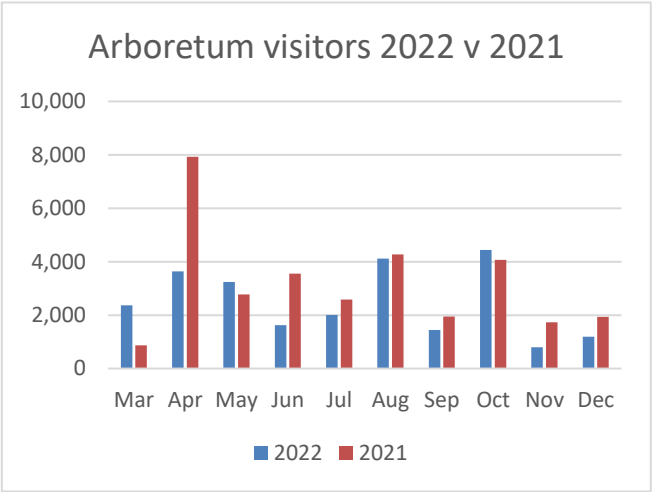
Our due diligence assessments of the need for grant support led to changes in the mix of grants to different sectors. Accordingly, we were able to meet increased appeals for help in the Social, Community and Youth charities, many of which were filling an essential need arising from reduced public sector provision.

Charitable activities at Arley Estate and Arboretum

Arboretum visitor numbers were 24,854, down from 31,769 in 2021, a year in which local attractions had been popular (including an exceptionally busy post-lockdown April) whereas foreign holidays and other attractions were favoured in 2022.

As well as the maze and childrens' play area there were additional trails and events for children during the year. The Autumn colours continued to provide spectacular pictures during October and Santa had a new woodland grotto in December.

With the booking system moving to on-line tickets since the pandemic, it has been easier to manage staffing levels and run the tea-room more efficiently which improved the visitor experience.



Trading activities at Arley House & Gardens Limited ("AHAG")

Many weddings had been postponed as a direct consequence of the lockdown restrictions and just 26 were held in 2021. This created huge pressure from couples to catch up in 2022 so 43 weddings were held which provided a big challenge for staff. The 13-bedroom Grange guest accommodation had its first full year of operation and was enjoyed by many wedding guests.

In 2021 the boom in demand for UK 'staycations' benefitted AHAG with a very successful start to its new self-catering holiday-rental business at the Boathouse and old Arley Gaol whereas demand in 2022 was more muted. Nevertheless, the Directors were delighted to be able to report £60,000 of profit to be distributed to the charity, down from the £120,000 in 2021 which had included £69,000 received in Government Covid-support grants.

Looking forward in 2023

We plan to co-operate with other grant making trusts in assessing grant awards for occasional major projects in our area.

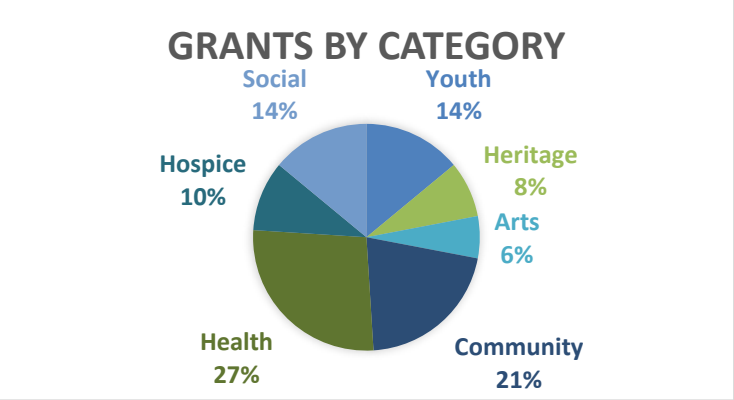
At Arley the Arboretum car park is being extended with additional drainage to cope with the impact of higher rainfall.

OUR PRIMARY AIM: providing grants to UK registered charities

We focus on charities, in the beneficial area of Birmingham, the Black Country, Worcestershire and Herefordshire, which support impaired health and the disabled, independent hospices, work in the community, social support, children and young people with some limited funds for both arts and heritage work. Most beneficiaries have been regularly supported for four years or more with unrestricted grants which can be used for core costs including salaries. Biennial due diligence is undertaken on these so-called 'Regulars' for a discussion with management about performance, outcomes and plans.

Achievements and performance in 2022

During 2022 we awarded 192 grants totalling £720k up from £604k (164 grants), an average grant of £3,750 (2021: £3,683). The split by category is shown below; included within 'Community' were two grants paid from the Arley Fund: £5k to Arley Sports & Social Club and £1k to St Peter's Church.



Our biennial due diligence accelerated during 2022 following the Covid-related disruption with 59 visits up from 43 last year, preferably on-site, but with video conferencing when it was more cost-effective.

The six largest grants in 2022 included £25k towards a new engine shed for the **Severn Valley Railway Charitable Trust**, £15k for an emergency response vehicle for **Severn Area Rescue Association** and core-cost contributions to four Regulars: **St Richard's Hospice** £20k, **Primrose Hospice** £15k, **The Stonehouse Gang** £12k and the **CBSO** £15k.

Our impact is usually not separately identifiable or measurable as it is inextricably linked to the overall charitable outcomes of our applicants. During 2022, however, we have received the following unsolicited feedback from recipient charities:

Listening Books: £5,000 grant 'has been allocated in support of 34 print-impaired people in the area who are unable to pay our subsidised fees'.

St. Michael's Hospice £3,000 '…towards the new training programme at St Michael's Hospice for District Nurses and Care Agency workers… will enable healthcare assistants to take on more nursing roles and allow nurses to take on more medical roles…'

Newlife the Charity for Disabled Children £3,000 'Your support of our work has helped us to provide specialist equipment to 10 disabled children…'

Sophie Hayes Foundation: £3,000 'to support our unique employability programme for women survivors of human trafficking and modern slavery… Thanks to this support, [we have] been able to support 30 women over the past year, helping them to re-build their lives.'

Welcome to Our Future: £2,000 '…funded a project providing 2 bird boxes and 2 feeding tables to 10 care homes and 5 bird boxes to 10 primary schools.

NICE – The Foundation for Conductive Education £7,000 'has funded … our NICE road to Wellness Project for adults with incurable physical disabilities such as Parkinson's…'

Prisoners' Education Trust £3,000 'was used to provide distance learning courses to six prisoners aged between 22 and 53 and included A level business course, nutrition for physical activity and residential sales.'

Target Ovarian Cancer £3,000 'Your gift has helped us to grow and support out GP network and resources, training more healthcare professionals to spot ovarian cancer earlier and to raise awareness of the symptoms of ovarian cancer…'

British Liver Trust £2,000 '…helped to fund the Trust's 'Love Your Liver' campaign. In March 2022 we were finally able to deliver the events we had planned to carry out in the Midlands, before Covid'

Willow Foundation £3,000 'to support seriously ill young adults aged 16-25… we delivered 451 Specia Days and 568 special treats, 1028 in total and we are planning to deliver over 1,000 again this year'.

OUR SECONDARY AIM: providing public access to Arley Estate including its Arboretum and gardens.



Arley Estate, located in Worcestershire's Severn Valley, is a significant tourist attraction which can be accessed via Arley Station on the Severn Valley Railway or by road. There are many walks around the Estate and The Severn Way passes the village and crosses the footbridge to join the North Worcestershire Path.

The 200-year-old Arboretum, an RHS partner garden, has some of the most magnificent exotic species in England and provides a wonderful setting in every season. Children are welcomed with many activities including an adventure play area, a living maze together with quests, scavenger hunts and seasonal events and encouragement to learn about the natural environment.

The Italian Garden, inspired by the renaissance gardens of the late 15th Century is an integral part of the Arboretum and features a spectacular fountain with 18 foot water jets, formal flower beds, box hedging, colonnades of silver lime trees and a dovecote. Although normally for public benefit, it is licenced for weddings and can be hired for private use.

The Arboretum tea-room has become a destination of choice for our homemade cakes, hot food, drinks and locally sourced ice cream for our visitors.

Achievements and performance 2022



Although Arboretum visitor numbers of 24,854 were down from 31,769 in 2021, the feedback was more positive as the combined impact of the on-line booking system and more efficient staffing of the tea-room avoided the lengthy queues for admission.

Some 880 children from The Black Pear Trust (an Academy of 5 primary local schools including Upper Arley C of E Primary School) attended the Arboretum to learn about plants and living things as part of the science and maths aspects of the 'STEM' curriculum for Key Stages 1 and 2; the early years nursery (age 3+) was welcomed to learn about the 'world around'.

Guided walks around the many trees are complemented with structured learning in a garden building which we have converted to an outdoor classroom to facilitate the understanding of various topics including renewable energy and climate change.

ARLEY HOUSE & GARDENS LIMITED ('AHAG')



AHAG finally had a full year of trading following 2 interrupted years to the events industry. 43 weddings were delivered in addition to other events such as car shows, corporate hire and private parties at Arley House.

Accommodation income from holiday lets reduced as UK staycations declined with the return of foreign travel but was countered by increased use of The Grange guest house in line with the increased wedding activity on the Estate.

Turnover reached £661,000 returning a profit back to the Charity of £60,000 which is a testament to the hard work of the team who won the regional Team of the Year at The Wedding Industry Awards (TWIA).

FINANCIAL REVIEW

Total income increased from £2,021k to £2,365k following a busy second half of the year catching up on postponed events from the previous 2 years. A decision to continue to support local charities at a time when they needed funds most resulted in an operating deficit.

However, this was overshadowed by huge movements in investments: net capital losses in market securities of £4,385k were offset by net gains in the Arley Estate property portfolio of £4,056k following a formal quinquennial professional valuation.

General Fund

The General fund holds our market securities and is focussed on our primary aim of giving grant-aid to UK charities:

General Fund	2022 £'000	2021 £'000	
Investment income *(net of fees)*	556	502	UK equities recovered quickly and paid higher yields
Charitable grants	(714)	(604)	Charitable grants increased in response to cost-of-living crisis
Charitable costs	(66)	(67)	
Operating (deficit)	**(224)**	**(169)**	
Investment (losses)/gains	(4,385)	2,849	Fall in Global equity markets
Transfers from/(to) Arley Fund	18	(47)	Completion of Arley development programme & shared costs
Movement in funds	**(4,591)**	**2,633**	

Arley Fund (designated)

The Arley fund holds the Arley Estate properties, for both investment and own-use, and supports our secondary aim of providing access for recreation and education at Arley Arboretum and gardens and includes the contribution from trading via AHAG:

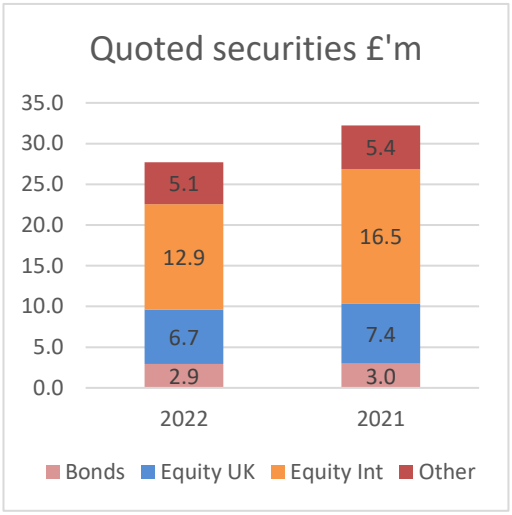
Arley Fund	2022 £'000	2021 £'000	
Estate property surplus	130	41	Increased market rents and occupancy
Trading contribution	142	103	Increase in turnover with growth of trading activities
Other income	28	102	Government hospitality grants and furlough income ceased
Charitable (deficit)	(219)	(212)	Net cost of running arboretum stable
Operating surplus	**81**	**34**	
Investment gains	4,056	1,791	Quinquennial valuation reported significant woodland gains
Tangible asset revaluation	(340)	215	Commercial property prices fell in poor economic conditions
Transfers (to)/from General Fund	(18)	47	Completion of Arley development programme
Movement in funds	**3,779**	**2,087**	

INVESTMENTS

Investments include both quoted securities and a tenanted portfolio of investment properties at Arley Estate.

QUOTED SECURITIES

The independent review of our investments in 2019 recommended the retention of both managers as their past performance had been strong but with a medium term move of the equity portion to one global benchmark. Investec use UK and ex-UK benchmarks whilst Sarasin adopt the MSCI global index. The aggregate neutral equity weighting for both managers was 70% with discretion according to market conditions.



Investment performance: The less attractive market sentiment was reflected in a 3% decrease in the overall equity content during 2022 to 71%. Despite portfolio weightings being more defensively positioned with higher levels of liquidity, our securities portfolio had a very challenging year with performance strongly negative and significantly below the long-term 'RPI + 3.5%' target in the year.

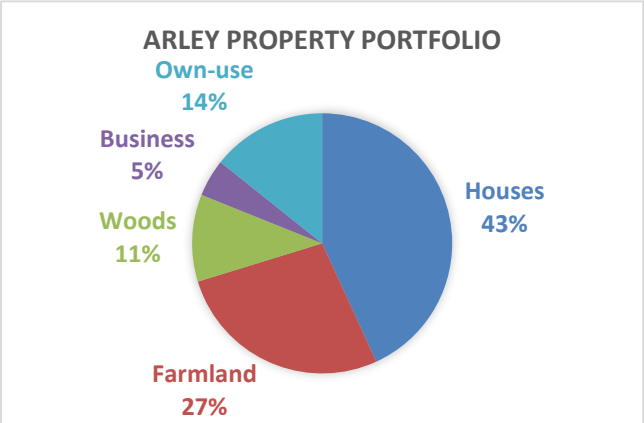
2022 was a year in which investors suffered the rare combination of losses in both equities and bonds caused by the tightening of monetary policy in the face of rising inflation so the net losses of £4,385k more than offset the prior year gains of £2,849k. By contrast 2021 had been dominated by a recovery in traditional sectors as economies re-opened after the peak of the pandemic.

However, income in 2022 increased to £705k (2021: £658k) reflecting the resumption and increase in dividends following the pandemic. The negative total return for Sarasin was -7.8%, rather better than the -13.8% for Investec; in 2021 total returns were and 11.9% and 11.1% respectively.

FREEHOLD PROPERTIES AT ARLEY

Arley Estate includes the following:

- **Investment properties:** a tenanted portfolio includes 52 residential houses, 3 farms, a pub, a post office and a 'bed & breakfast' business together with managed woodland.
- **Own-use properties** including Arley Arboretum (a charitable asset) and various commercial properties:
    - Arley House provides both our own office and our wedding and conference venue for use by AHAG;
    - The Grange, the Gaol and adjoining Boathouse provide accommodation to support these facilities.



Professional valuation: Halls have conducted a quinquennial valuation of the component parts of Arley Estate, subject to the current occupation and tenancies in place but without making any adjustment for the 'marriage value' of the entire estate. The woodlands which are not subjected to farm tenancies were included on the basis of a valuation by Bronwin & Abbey; £2,465k of the net £3,677k increase in Estate property values was attributable to woodland.

The overall impact on Arley Estate was a 15.4% increase in values of investment properties and a decrease for own-use properties of 6.9% in a difficult economic climate as follows:

Valuation as allocated in the financial statements	£'000	2022	2021
Tenanted properties and woodland within Investments		31,073	26,918
Own-use properties (including Arboretum) within Tangible Fixed Assets		5,175	5,556
Total		**36,248**	**32,474**

MANAGING STRATEGIC RISK

The risk profile of the Trust has evolved during the past 3 years and the key risks have been summarised as follows:

Category	Strategic Risk	How risk is managed
Recession	Rent increases fail to match cost inflation Over-reliance on weddings impacts trading	Development of in-house skills to better manage costs Diversification of trading opportunities
Energy performance	Failure to meet legal minimum energy performance for rental properties	Consultants engaged on viability of better insulation and heat pumps and associated government grants
Housing condition	Condition of rental properties fall below minimum standards	Halls prepared condition report at year end to enable prioritisation of improvement programme
Climate change	River bank erosion or flooded properties; Higher rainfall threat to visitor attractions	Flood defences for installation at the Boathouse; Seasonal management of expected footfall
Reputation	Adverse social media feedback going viral inadequate service offering for guests	Daily monitoring and follow up of complaints Recruited experienced Operations Manager
Cyber-fraud	Cyber-terrorism threatens internal systems Grant payment misdirected to wrong payee	Enhanced IT security software installed in 2022; Improved internet payment verification with Barclays

Market security risks are mitigated in the long term by:

- Using two investment houses with globally spread portfolios and differing investment strategies;
- Investing in good quality securities traded on major global exchanges;
- Avoiding high risks of capital losses from derivative-based hedge funds;
- Holding regular meetings with managers to review performance, strategic asset allocations and ranges;

We were advised in 2019 to equalise the portfolios between investment managers in due course; during 2022 we transferred £800k from Investec to Sarasin and plan to continue this policy in 2023 subject to market conditions.

Operational risks: in order to manage operational risks effectively we:

- Obtain independent professional support in managing major capital projects;
- Review financial, hazard and other operational risks, captured in a risk register, at the Audit Committee;
- Manage potential conflicts, principally associated with grant-giving, at every meeting.

Estate hazard risks are managed by the Chief Executive who, as Safety Officer, is responsible to the Audit Committee. A comprehensive system of risk assessments is in operation prior to any work being undertaken on the Estate. Employees are encouraged to identify emerging risks and appropriate training needs and are regularly reviewed to enhance their skills with particular emphasis on working at height, mechanical handling and chain saws with the mandatory use of safety equipment.



Additional challenges arise in the winter months when the river is prone to flooding and part of the village can be cut off. Temporary barriers are used to protect the Gaol and Boathouse from flood damage and allow access to these properties to continue unabated.

Visitors and safeguarding risks to which arboretum visitors are potentially exposed are carefully monitored, striking a reasonable balance between safety, conservation and access. Visitors to the Arboretum are required to take responsibility for their own safety; children and vulnerable adult visitors must be safeguarded and supervised by a responsible adult visitor.

Cyber security: user access controls, malware protection, patch management are in force; internet banking controls require multiple layers of access codes; all transactions also require segregation of duties between a loader and two approvers. Our internet security software was enhanced during the year following advice from our IT consultants and both management and trustees are cognisant of the need to be vigilant in assessing risks of cyber-attack.

GOVERNANCE

The Charity Governance Code: We continue to comply with the Charity Governance Code so far as reasonably possible. New Trustees are appointed having regard to diversity of skills, experience and gender. However, we do not advertise trustee vacancies because of the need for high levels of knowledge and experience of charities and we believe the current informal approach is more appropriate. There is no restriction on length of service or any specific term of office for the original Trustees in 2013; however, all new Trustees are appointed for renewable three-year terms of office and the chairman is appointed for between 5 and 8 years. Trustees are encouraged to undertake appropriate training and the key points from training courses are shared at Board meetings. During 2022 the Board also received bespoke training from Lodders, Solicitors.

The Trustees' code of conduct is based on a code issued by the Association of Chief Executives of Voluntary Organisations and Good Governance: A Code for the Voluntary and Community Sector from the National Council for Voluntary Organisations. Through their actions as a Board, trustees are responsible for the successful development of a strategy to further our objects, delivery of which, in respect of Arley Estate, is delegated to the Chief Executive. The code establishes the principles expected of Trustees and Management to fulfil these responsibilities by maintaining the highest standards of integrity and stewardship and ensuring the Trust is effective, open and accountable with good working relationships.

Declaration of interests: The Trust aims to uphold the Charity Commission's guidelines which state that *'trustees are required to act reasonably and prudently in all matters relating to the charity and need always to bear in mind that their prime concern is the interests of the charity. They cannot let their personal views or prejudices affect their conduct as trustee'*. A register of interests is maintained and the policy includes examples of potential conflicts of interest and conflicts of loyalty which could arise and how they should be managed.

Board meetings take place regularly to review the charity's activities and to consider grant appeals. To facilitate the decision-making process, we delegate governance as follows:

- The **Audit Committee** liaises with external auditors, promotes and safeguards high standards of financial reporting, internal control, risk management and legal compliance;
- The **Investment Committee** monitors the performance of the Investment Managers against agreed benchmarks and receives advice on Estate matters from our Property Consultants;
- The **Nominations Committee** ensures that Trustees of appropriate calibre and mix of skills are put forward for selection to the Board of Trustees;
- The **Grants Committee** previews all grant applications in detail and makes recommendations to the Board. We rotate membership at each meeting to reduce the risk of bias.
- The **Estates Committee** was formed in June 2021 to consider all property related matters in conjunction with the Chief Executive and property consultants, Halls.

Arley House & Gardens Limited has its own independent Board but Trustees retain oversight with one Trustee-Director and by means of formal reports and informal dialogue with its chairman.

KEY FINANCIAL POLICIES

Investment policy for quoted securities: There are neither restrictions on the Trust's power to invest nor prohibitions on social, environmental ethical grounds beyond those adopted by the managers' internal procedures. Our investment objective is to generate a balanced total return based on relative benchmarks for different asset classes with 70% in equities, 15% in bonds and 15% in alternatives (including property) to generate a total return over the long term of 3.5% above UK RPI, net of fees.

Investment policy for freehold properties: Investment returns are maximised within the constraints of long-term tenancy arrangements. It is intended to maintain the properties to minimum standards having regard to the wishes of sitting tenants.

Reserves Policy: Unrestricted funds total £65,011k (2021: £65,823k) which comprises the General Fund of £28,390k (2021: £32,981k) and the Arley Fund of £36,621k (2021: £32,842k). The Arley fund is a designated fund and can only be realised by disposing of tangible fixed assets, which are inextricably linked with the Estate's investment properties and this designated fund is therefore excluded from free reserves. All investments held in the General Fund, totalling £27,705k (2021: £32,243k) are also excluded from free reserves which comprise the unrestricted funds which are freely available to spend on any of the charity's purposes; they are unencumbered amounts represented by cash or other readily realisable assets less liabilities. At 31 December 2022, reserves amounted to £685k (2021: £738k). Our policy is to hold reserves generally in the target range of £250k to £750k and the reserves held therefore fall within this target range.

Remuneration policy: Our approach to remuneration ensures that we can attract and retain talented and motivated people who can achieve our mission and deliver our strategic goals. Our aim is to pay competitively in the not-for-profit sector within the context of affordability. In addition to linking pay to performance and providing salary progression for those who deliver exceptional performance, we review internal relativity through a pay moderation process. In determining the Chief Executive's remuneration, we also periodically review external survey data from the Association of Chief Executives of Voluntary Organisations (ACEVO).

PEOPLE

The Trustees wish to record their appreciation for the loyalty and commitment of the whole team at Arley during the year.

The Directors of Arley House & Gardens Limited are non-executive and unremunerated. We are grateful to them for their continued diligent stewardship of the company's activities, enabling Trustees to focus on the charitable activities of the Trust. We also wish to thank our 15 active volunteers who bring significant additional skills and experience and continue to support the work of the Arboretum with great enthusiasm.

PUBLIC BENEFIT

We have considered the Charities Act 2011 on public benefit, noting that the Act states that there is no presumption of benefit. We have also had due regard for Charity Commission Guidance on the subject, in the context of both our charitable activities at Arley Estate and our charitable grant giving.

FUNDRAISING ACTIVITIES

The Charity has no fundraising activities requiring disclosure under Section 162a Charities Act 2011.

PLANS FOR THE FUTURE

Arley fund: - Gift Aid will be included within the Digi-ticket system for Arboretum admissions
- The Arboretum car park is being extended to handle the higher footfall from visitors, wedding guests and coach trips for school children

General fund: - we plan to increase the level of grant-aid, funded partially by drawdowns from our investment portfolio.

TRUSTEES' RESPONSIBILITIES AND DISCLOSURE OF INFORMATION TO AUDITORS

The Charities Act 2011 requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Trust and of the surplus or deficit of the Trust for that period. In preparing those financial statements the Trustees are required to: -

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards and the Charities SORP, disclosing and explaining any departures in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Trust will continue in operation.

The Trustees are responsible for keeping accounting records which disclose, with reasonable accuracy, the financial position of the Trust at any time, and for ensuring that the financial statements comply with charity law. The Trustees are also responsible for safeguarding the Trust's assets, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.



Peter J Millward
Chairman
10 March 2023

Independent Auditor's Report to the Members of The Roger and Douglas Turner Charitable Trust

Opinion

We have audited the financial statements of The Roger and Douglas Turner Charitable Trust ('the charity') and its subsidiary ('the group') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity and group's affairs as at 31 December 2022 and of the charity and group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's or the group'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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

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.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charity and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees 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 charity's and group'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for charity and group's operations were Charity Commission regulations, General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Environmental protection legislation, Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of rental income and weddings and events income, and the override of controls by management. Our audit procedures to respond to these risks included designing audit procedures over rental income and weddings and events income, enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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

Crowe UK LLP

Crowe U.K. LLP
Statutory Auditor Black Country House, Rounds Green Road, Oldbury, B69 2DG 17 March 2023

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Unrestricted Funds	Note	2022 Arley Fund £'000	2022 General Fund £'000	2022 Total £'000	2021 Arley Fund £'000	2021 General Fund £'000	2021 Total £'000
Income from:							
Investments	3	711	705	1,416	539	658	1,197
Trading Activities	4	661	-	661	441	-	441
Charitable Activities	5	260	-	260	281	-	281
Other income	6	28	-	28	102	-	102
Total Income		**1,660**	**705**	**2,365**	**1,363**	**658**	**2,021**
Expenditure from:							
Raising Funds	7	581	149	730	498	156	654
Trading Activities	8	519	-	519	338	-	338
Charitable Activities	9	479	780	1,259	493	671	1,164
Total Expenditure		**1,579**	**929**	**2,508**	**1,329**	**827**	**2,156**
Operating Surplus/(Deficit)		81	(224)	(143)	34	(169)	(135)
Net investments gain/(loss)	14	4,056	(4,385)	(329)	1,791	2,849	4,640
Net Income/(Loss)		**4,137**	**(4,609)**	**(472)**	**1,825**	**2,680**	**4,505**
Revaluation of fixed assets	13	(340)	-	(340)	215	-	215
Transfers between funds	20	(18)	18	-	47	(47)	-
Net Movement in Funds		**3,779**	**(4,591)**	**(812)**	**2,087**	**2,633**	**4,720**
Total Funds at 1 January		**32,842**	**32,981**	**65,823**	**30,755**	**30,348**	**61,103**
Total Funds at 31 December		**36,621**	**28,390**	**65,011**	**32,842**	**32,981**	**65,823**

The charity had no recognised gains or losses other than the net movements in funds for the year.

The Arley Fund is a designated fund which includes the net assets and operations of Arley Estate, Arboretum and the trading subsidiary, Arley House & Gardens Limited.

The notes on pages 18 to 29 form part of these financial statements.

BALANCE SHEETS AS AT 31 DECEMBER 2022

	Note	GROUP 2022 £'000	GROUP 2021 £'000	CHARITY 2022 £'000	CHARITY 2021 £'000
Fixed assets					
Intangible assets	13	4	4	4	4
Tangible assets	13	5,400	5,796	5,400	5,796
Investments	14	58,778	59,161	58,778	59,161
Total		**64,182**	**64,961**	**64,182**	**64,961**
Current assets					
Stock	15	18	20	9	13
Debtors	16	258	196	253	249
Cash	17	832	1,071	752	833
		1,108	**1,287**	**1,014**	**1,095**
Creditors					
Amounts due within one year	18	(279)	(425)	(185)	(233)
Net Current Assets		**829**	**862**	**829**	**862**
Net Assets		**65,011**	**65,823**	**65,011**	**65,823**
Arley Fund	19	36,621	32,842	36,621	32,842
General Fund	19	28,390	32,981	28,390	32,981
Total Funds		**65,011**	**65,823**	**65,011**	**65,823**

The funds movement dealt with in the charity's financial statements was negative £812,000 (2021: positive £4,720,000).

The notes on pages 18 to 29 form part of these financial statements.

Approved by the Board on 10 March 2023 and signed on its behalf by:



Peter J Millward
Chairman

CONSOLIDATED AND CHARITY CASH FLOW STATEMENT

For the year ended 31 December 2022

	Note	GROUP 2022 £'000	GROUP 2021 £'000	CHARITY 2022 £'000	CHARITY 2021 £'000
Cash (used in) operating activities	21	**(953)**	**(672)**	**(855)**	**(960)**
Cash flows from investing activities					
Dividend and Interest income		705	658	705	658
Distribution received under deed of covenant		-	-	60	120
Purchase of tangible fixed assets		(45)	(108)	(45)	(108)
Proceeds from sale of tangible fixed assets		-	7	-	7
Purchase of investments		(10,548)	(6,157)	(10,548)	(6,157)
Capital expenditure on investment properties		(99)	(135)	(99)	(135)
Investment cash drawn down		-	200	-	200
Proceeds from sale of investments		10,701	6,310	10,701	6,310
Cash provided by investing activities		**714**	**775**	**774**	**895**
Increase/(decrease) in cash and cash equivalents in the year		(239)	103	(81)	(65)
Cash and cash equivalents at the beginning of the year		1,071	968	833	898
Total cash and cash equivalents at the end of the year		**832**	**1,071**	**752**	**833**

The notes on pages 18 to 29 form part of these financial statements.

NOTES TO THE ACCOUNTS

1 GENERAL INFORMATION

This Charitable Trust (hereinafter 'the Trust' or 'the Charity') is a Charitable Incorporated Organisation (CIO), registered with the Charities Commission in England and Wales, registration number 1154467. The charity is a public benefit entity; its principal office is at Arley House, Lion Lane, Upper Arley, Worcestershire, DY12 1SQ.

2 PRINCIPAL ACCOUNTING POLICIES

***Basis of preparation*:** The accounts of have been prepared on the accruals basis under the historical cost convention, with items recognised at cost or transaction value unless otherwise stated in the relevant notes below, as amended for the revaluation of investments. They have been prepared in accordance with the current Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Assessment of going concern: The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern and the Financial Statements are drawn up on the Going Concern basis. This assumes that the Trust will continue in operational existence for the foreseeable future following stress testing numerous forecasts and scenarios. With respect to the next reporting year, the most significant areas of uncertainty that affect the income of the Trust and the carrying value of its assets are the level of investment return and the performance of investment markets. The willingness of the public both to purchase admission tickets to the Arboretum and to make bookings are areas of financial uncertainty which the Trustees have mitigated with an internet-based booking system to manage footfall more effectively.

***Basis of consolidation**:* The Trust has one wholly owned subsidiary, Arley House & Gardens Limited, which is registered in England. Consolidated financial statements of the Group have been prepared on a line-by-line basis, with the results of the subsidiary included in the designated Arley Fund. As permitted, a separate income and expenditure account, dealing with the results of the Trust only, has not been presented.

***Fund Accounting*:** The trust's constitution permits funds to be expended without restriction. The Trustees have included the operations of the Arley Estate, including the trading company, in a separate designated fund.

***Income recognition**:* all income is recognised once the charity has entitlement, it is probable that the income will be received and the amount can be measured reliably.

Donations and legacies are recognised when the group has been notified the amount and the settlement date.

Investment Income is accounted for when receivable and the amount can be measured reliably by the Trust; dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment managers.

Rental Income from Arley Estate properties is recognised when it is receivable and it is probable that the Group will receive the amount due under the lease.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group. Revenue is measured as the fair value of the consideration received, excluding discounts, rebates, value-added tax and other sales taxes; the following criteria must also be met before revenue is recognised:

NOTES TO THE ACCOUNTS (CONTINUED)

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

Revenue from sales of goods is recognised when all of the following conditions are satisfied:

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction;
- the respective costs incurred or to be incurred can be measured reliably.

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract but all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion the contract can be measured reliably;
- the cost incurred and the cost to complete the contract can be measured reliably;

Expenditure is recognised as soon as there is a legal or constructive obligation committing the Group to that expenditure, it is probable that settlement will be required and the amount can be measured reliably. Expenditure is accounted for on the accruals basis. Expenses including support costs are allocated or apportioned to the applicable expenditure headings.

Grant awards are accounted for as expenditure as soon as a valid expectation has been communicated to the recipient charity. If an offer is conditional upon events outside the Trust's control and it is possible but not probable that an outflow of economic benefits will arise, such amounts are recognised as contingent liabilities until the grant conditions are fulfilled.

Irrecoverable VAT: the Group is partially exempt for VAT purposes and holds a group registration certificate. VAT is charged against the expenditure heading for which it was incurred.

Operating lease rentals are charged on a straight-line basis over the period of the lease.

Pension Costs**:** The Trust contributes to a defined contribution 'money purchase' scheme on behalf of certain employees. Costs are charged to the Statement of Financial Activities.

Holiday pay: The holiday year is also the financial year and employees are required to take their holiday entitlement during the year; accordingly, there is normally no holiday pay accrual for permanent staff. An accrual is provided for casual workers in line with government guidance.

Fixed assets: Freehold land and buildings are recognised at valuation on an open market existing use basis. All other assets costing more than £100 are stated at historical cost less depreciation, which is charged on a straight-line basis down to expected residual value over the following estimated useful economic lives of 5 years for motor vehicles and equipment and 3-10 years for fixtures and fittings and 3-5 years for intangible assets.

Financial investments in market securities are basic financial instruments, initially recognised at transaction value and subsequently measured at fair value as at the year-end using the closing quoted market price. The statement of financial activities includes all the net gains and losses arising on revaluation and disposals.

Financial investments in freehold land and buildings are valued quinquennially on an open market existing use basis subject to current occupation and tenancies in place at that time by independent Chartered Surveyors. In intervening years, the Trustees value them by reference to market reports and government indices having discussed the circumstances of Arley Estate with the independent chartered surveyors. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Realised gains and losses on investments are taken to the Statement of Financial Activities as they arise. They are calculated as the difference between sales proceeds and their opening carrying value or their purchase value acquired subsequent to the first day of the financial year. Realised gains and losses are calculated as the difference between the fair value at the year-end and the carrying value.

Government Grants are credited to the consolidated statement of financial activities as the related expenditure is incurred.

NOTES TO THE ACCOUNTS (CONTINUED)

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

***Financial instruments*:** Other than financial investments, the Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Stocks are stated at the lower of cost (based on the cost of purchase on a first in first-out basis) and net realisable value. At each reporting stocks are assessed for impairment; any losses are recognised immediately.

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

Cash with financial institutions is repayable without penalty on notice of not more than 24 hours.

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

3 INCOME FROM INVESTMENTS:

		2022 £'000	2021 £'000
Dividends	- UK and Overseas Equities	617	552
Interest	- UK Fixed Interest Securities	88	106
Sub-total General Fund		**705**	**658**
Income – rental		538	522
	- other	173	17
Sub-total Arley Fund		**711**	**539**
Total Investment Income		**1,416**	**1,197**

4 INCOME FROM TRADING

	2022 £'000	2021 £'000
Accommodation	125	113
Weddings and events	511	296
Other income	25	32
Total income	**661**	**441**

5 CHARITABLE INCOME

This income arises from admissions and charges for events and refreshments at Arley Arboretum.

6 OTHER INCOME

This income arises from Governments Grants and Furlough payments of £28,408 (2021: £102,000 (Arley Fund)).

NOTES TO THE ACCOUNTS (CONTINUED)

7 RAISING FUNDS EXPENDITURE

	2022			2021		
	Arley Fund £'000	General Fund £'000	Total 2022 £'000	Arley Fund £'000	General Fund £'000	Total 2021 £'000
Investment management charges	-	149	149	-	156	156
Repairs & property maintenance	88	-	88	99	-	99
Woodland maintenance	94	-	94	-	-	-
Depreciation & amortisation	101	-	101	101	-	101
Direct staff costs	92	-	92	54	-	54
Shared staff costs	48	-	48	112	-	112
Shared overheads	158	-	158	132	-	132
Total Raising Funds	**581**	**149**	**730**	**498**	**156**	**654**

8 TRADING EXPENDITURE

Direct expenses	334	-	334	142	-	142
Direct staff costs	77	-	77	58	-	58
Shared staff costs	53	-	53	49	-	49
Shared overheads	53	-	53	84	-	84
Governance	2	-	2	5	-	5
Total trading expenditure	**519**	**-**	**519**	**338**	**-**	**338**

9 CHARITABLE EXPENDITURE

Direct costs – Arboretum	82	-	82	63	-	63
Direct staff costs	223	49	272	164	48	212
Shared staff costs	57	-	57	166	-	166
Shared overheads	86	2	88	82	-	82
Professional charges	20	9	29	10	13	23
Governance	5	6	11	8	6	14
Charitable grants	6	714	720	-	604	604
Total charitable expenditure	**479**	**780**	**1,259**	**493**	**671**	**1,164**

Shared costs of staff and overheads are analysed in note 11.
Governance includes audit fees of £16,025 (2021: £15,725) and accountancy costs of £600 (2021: £l,200).

10 CHARITABLE GRANTS ANALYSIS

	2022			2021		
	Number	% value	£'000	Number	% value	£'000
Young people	35	14%	102	26	14%	84
Community work	43	21%	149	26	12%	70
Social support	29	14%	102	22	10%	65
Impaired health	58	27%	191	64	32%	194
Hospices	9	10%	75	9	22%	131
The Arts	11	6%	46	15	8%	49
Environment & heritage	7	8%	55	2	2%	11
Total	**192**	**100%**	**720**	**164**	**100%**	**604**

NOTES TO THE ACCOUNTS (CONTINUED)

10 CHARITABLE GRANTS ANALYSIS (Continued)

Charitable grants of £5,000 or more:

Name	£'000	Name	£'000
ASPIE Worcester	5	Listening Books	5
Acorns Children's Hospice Trust	5	Mary Stevens Hospice	10
Age UK Birmingham	5	Myriad Centre	5
Arley Sports & Social Club *(Arley Fund)*	5	National Churches Trust	10
B:Music	5	Nerve Tumours UK	5
B'ham Botanical and Horticultural Society	7	NICE	7
BUDS	5	Norton Hall Children and Family Centre	5
Birmingham Boys & Girls Union	5	Primrose Hospice	15
Birmingham City Mission	6	REACT	5
Birmingham PHAB Camps	5	Relate Birmingham	5
Birmingham Settlement	5	Sandwell Homeless and Resettlement	5
Black Country Living Museum	5	Severn Area Rescue Association	15
City of Birmingham Symphony Orchestra	15	Severn Valley Railway Charitable Trust	25
Cerebral Palsy Midlands	10	Sport 4 Life UK	6
Changing Faces	6	St Andrew's Parish Centre Trust	5
Compton Care	5	St Anne's Hostel	8
Cotteridge Church Day Centre	8	St Basil's	10
Darlaston Youth Centre	5	St Giles Hospice	5
Dorothy Parkes Centre	6	St Michael's Hospice	5
Ecclesiastical Parish of St John Baptist	5	St Richard's Hospice	20
ESO (2006) Ltd	5	Stonehouse Gang	12
Foodcycle	5	The Hospice Charity Partnership	5
Friends of Sick Children in Malawi	5	Thomas White Cottage Homes	5
Good Shepherd Services	5	Windmill Community Church	5
Headway Birmingham & Solihull	5	Wyre Forest Nightstop & Mediation	5
Kemp House Trust	5	*Brought forward column 1*	*153*
Sub-total carried forward	*153*	**Total at least £5,000 (51 grants)**	**361**

11 STAFF COSTS

	2022 £'000	2021 £'000
Wages and salaries	618	587
Social security costs	41	54
Pension costs	25	30
	684	**671**

The key management personnel of the charity comprise the trustees, the Chief Executive, and the Trust Administrator. The total employee benefits of the key management personnel of the charity were £131,476 (2021: £282,938). 1 employee had earnings which fell between £80,000 and £90,000 (2021: £70,000 and £80,000). In 2021, 1 employee had earnings which fell between £130,000 and £140,000. In 2022 The Trust made no payments (2021: £36,360) in lieu of notice and redundancy in respect of a former employee.

There were 15 active volunteers (2021: 15) who provided ad-hoc support to projects in the Arboretum. The economic contribution of general volunteers is not recognised in the accounts.

NOTES TO THE ACCOUNTS (CONTINUED)

11 STAFF COSTS (Continued)

The average number of employees calculated on an average head count basis was:

	2022	2021
Estate and property	3	2
Events	17	-
Arboretum	18	18
Management and administration	7	8
	45	**28**

12 SHARED COSTS (Arley Fund)

Cost sharing within Arley Estate is based on time spent:		2022 Staff costs £'000	2022 Other costs £'000	2022 Total £'000	2021 Staff costs £'000	2021 Other costs £'000	2021 Total £'000
Raising funds	Note 7	48	158	206	112	132	244
Trading	Note 8	53	53	106	49	89	138
Charitable	Note 9	57	88	145	166	82	248
		158	**299**	**457**	**327**	**303**	**630**

13 FIXED ASSETS: GROUP AND CHARITY

Intangible fixed assets: The net book amount at 31 December 2022 was £4,263 (2021: £4,263), its residual value.

Tangible fixed assets	**Freehold land and buildings**	**Plant and equipment**	**Fixtures and fittings**	**Total**
Cost or valuation	**£'000**	**£'000**	**£'000**	**£'000**
At 1 January 2022	5,645	353	342	6,340
Additions	13	13	19	45
Disposals	-	-	-	-
Revaluation	(340)	-	-	(340)
At 31 December 2022	5,318	366	361	6,045
Depreciation				
At 1 January 2022	89	240	215	544
Charge for the year	54	22	25	101
Elimination on disposals	-	-	-	-
At 31 December 2022	143	262	240	645
Net book amount				
At 31 December 2022	5,175	104	121	5,400
At 31 December 2021	5,556	113	127	5,796

Freehold land and buildings which had an historical cost of £5,023,000 (2021: £5,023,000)

NOTES TO THE ACCOUNTS (CONTINUED)

14 FIXED ASSET INVESTMENTS - GROUP AND CHARITY

	Freehold land and buildings £'000	Quoted securities £'000	2022 Total £'000	2021 Total £'000
At 1 January 2022	26,918	32,243	59,161	54,739
Additions at cost	99	10,548	10,647	6,292
Disposal proceeds	-	(10,701)	(10,701)	(6,310)
Net investment gains/(losses)	4,056	(4,385)	(329)	4,640
Cash drawdown	-	-	-	(200)
At 31 December 2022	31,073	27,705	58,778	59,161

Freehold land and buildings: an independent quinquennial valuation of freehold land and buildings was carried out by Halls, Chartered Surveyors, on 31 December 2022. The valuation of £36,248,000 was based on the freehold value of all component parts of the Arley Estate, on an open market existing use basis subject to current occupation and tenancies in place. The woodland, not subject to farming tenancies, was included within the above total as valued by Bronwin & Abbey, Chartered Foresters and Surveyors.

For accounting purposes, the assets have been disclosed as follows:

		2022 £'000	2021 £'000
Own use tangible fixed assets	Note 13	5,175	5,556
Investments	Above	31,073	26,918
At 31 December 2022		36,248	32,474

The historical cost of the Estate, represented by the probate value on the death of the late Mr R D Turner on 30 April 1999, was £8,841,000.

Quoted securities portfolio

	2022 £'000	2021 £'000
Fixed interest	2,837	2,961
UK listed investments	6,705	7.389
Overseas investments	12,933	16,529
Commercial property	547	594
Alternative investments	3,800	4,076
Cash	883	694
	27,705	32,243
Historical cost	25,552	22,459

Material investments:
The Investment Policy states that no investments should exceed 5.0% of the value of the portfolio. At 31 December 2022 there were no such investments (2021: none).

Fixed asset investments – Charity

In addition to the above investments the charity has a £100 investment in the entire share capital of Arley House & Gardens Ltd.

NOTES TO THE ACCOUNTS (CONTINUED)

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
15 STOCK Goods for resale	**18**	**20**	**9**	**13**
16 DEBTORS				
Trade debtors	80	71	76	51
Prepayments	152	28	150	84
Other debtors	26	97	25	75
Amounts due from group undertaking	-	-	2	39
	258	**196**	**253**	**249**
17 CASH				
Cash at Bank	537	779	457	541
CCLA deposit account	295	292	295	292
	832	**1,071**	**752**	**833**
18 CREDITORS DUE WITHIN ONE YEAR				
Trade creditors	40	67	29	52
Investment Manager charges	37	41	37	41
Rents received in advance	43	49	43	49
Other taxes and social security	49	27	33	12
Amounts due to group undertaking	-	-	-	-
Other creditors	10	17	4	16
Accruals and deferred income	100	224	39	63
	279	**425**	**185**	**233**

Included within accruals and deferred income are wedding deposits held for weddings in future years of:

Balance at 1 January 2022	149	162	-	-
New deposits during the year	483	215	-	-
Deposits released during the year	(580)	(228)	-	-
Balance at 31 December 2022	**52**	**149**	**-**	**-**

NOTES TO THE ACCOUNTS (CONTINUED)

19 ANALYSIS OF GROUP ASSETS AND LIABILITIES WITHIN FUNDS

	2022			2021		
	Arley Fund £'000	General Fund £'000	Total Funds £'000	Arley Fund £'000	General Fund £'000	Total Funds £'000
Intangible Assets	4	-	4	4	-	4
Tangible Assets	5,400	-	5,400	5,796	-	5,796
Investments	31,073	27,705	58,778	26,918	32,243	59,161
Fixed Assets	36,477	27,705	64,182	32,718	32,243	64,961
Stock	18	-	18	20	-	20
Debtors	142	79	221	123	59	182
Cash	189	643	832	351	720	1,071
Creditors	(205)	(37)	(242)	(370)	(41)	(411)
Net Current Assets	144	685	829	124	738	862
Total Funds	36,621	28,390	65,011	32,842	32,981	65,823

20 FUNDS ANALYSIS – GROUP

	1 January 2022 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Gains / (Losses) £'000	31 December 2022 £'000
Operational funds	**32,298**	1,660	(1,579)	(18)	4,056	**36,417**
Revaluation reserve	**544**	-	-	-	(340)	**204**
Arley Fund	**32,842**	1,660	(1,579)	(18)	3,716	**36,621**
General Fund	**32,981**	705	(929)	18	(4,385)	**28,390**
Total Funds	**65,823**	**2,365**	**(2,508)**	**-**	**(669)**	**65,011**

	1 January 2021 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Gains / (Losses) £'000	31 December 2021 £'000
Operational funds	30,426	1,363	(1,329)	47	1,791	**32,298**
Revaluation reserve	329	-	-	-	215	**544**
Total Arley Fund	30,755	1,363	(1,329)	47	2,006	**32,842**
General Fund	30,348	658	(827)	(47)	2,849	**32,981**
Total Funds	**61,103**	**2,021**	**(2,156)**	**-**	**4,855**	**65,823**

Transfers between funds is cash transferred to finance major projects at Arley Estate and shared costs.

NOTES TO THE ACCOUNTS (CONTINUED)

21 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET OPERATING CASH FLOW

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Net movement in funds	(812)	4,720	(872)	4,600
Add back depreciation and amortisation	101	101	101	101
Profit on disposal of tangible fixed assets	-	(5)	-	(5)
Movement on revaluation reserve	340	(215)	340	(215)
Deduct income shown in quoted investing activities	(705)	(658)	(705)	(658)
(Gain) / loss on revaluation of investments	329	(4,640)	329	(4,640)
Decrease / (increase) in stock	2	(3)	4	(1)
Decrease / (increase) in debtors	(62)	27	(4)	(61)
Increase / (decrease) in creditors	(146)	1	(48)	(81)
Net cash used in operating activities	**(953)**	**(672)**	**(855)**	**(960)**

22 RELATED PARTY TRANSACTIONS

(i) Transactions involving Trustees and connected parties
No Trustees are remunerated. One Trustee is also a director of the trading subsidiary.

The Chairman paid £344 (the full arms-length price) as a guest at a third-party social event in November, for catering at Arley House and accommodation at The Grange, on behalf of his wife and himself.

During both years the Trust awarded a small number of grants to charities which have a common or related trustee or director with a Trustee; in each case the trustee did not participate in the decision in accordance with the established policy on conflicts of interest.

(ii) Trustee expenses
The sum of £580 (2021: £404) was reimbursed to two (2021: one) Trustees in respect of travel expenses.

(iii) Transactions with trading subsidiary
Costs (principally staff costs) recharged to the trading subsidiary amounted to £372,730 (2021: £118,938). Rent and service charge income was received from the trading subsidiary amounting to £94,699 (2021: £102,951).

There are no other related party transactions to disclose.

NOTES TO THE ACCOUNTS (CONTINUED)

23 INCOME EARNED FROM TRADING ACTIVITIES

The wholly-owned trading subsidiary, Arley House & Gardens Limited was incorporated in the United Kingdom (company number 09448082) and details of the trading results for the subsidiary alone are given below:

	2022 £'000	2021 £'000
Turnover	661	441
Direct costs	(411)	(200)
Other income	10	69
Overheads	(128)	(138)
Profit included in Statement of Financial Activities on consolidation	132	172
Intra-group charge from the charity arising from internal leases, included in the company's own accounts	(72)	(52)
Profit for the financial year	60	120
Amount distributed to the charity	(60)	(120)
Retained in subsidiary	-	-
The assets and liabilities of the subsidiary were:		
Current assets	97	268
Current liabilities	(97)	(268)
Total net assets representing aggregate share capital and reserves	-	-

The Statement of Financial Activities of the Charity alone is not required to be published. It excludes the above trading turnover and costs but includes £155,000 investment income comprising £95,000 (2021: £52,000) intra-group service charges and £60,000 (2021: £120,000) gift aid income from the subsidiary.

24 FINANCIAL INSTRUMENTS

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Financial assets				
Financial assets measured at fair value through profit or loss	27,705	32,243	27,705	32,243

Financial assets measured at fair value through profit or loss comprise of fixed asset investments – quoted securities.

NOTES TO THE ACCOUNTS (CONTINUED)

25 COMMITMENTS RECEIVABLE UNDER OPERATING LEASES

At 31 December 2022 the Group and Charity had future minimum lease receipts under non-cancellable operating leases as follows:

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Not later than one year	139	86	188	126
Later than one year and not later than five years	124	77	324	227
Later than five years	6	-	30	100
	269	**163**	**542**	**453**

26 CAPITAL COMMITMENTS

At 31 December 2022 the Group and Charity had capital commitments of £nil (2021: £nil).

27 COMMITMENTS PAYABLE UNDER OPERATING LEASES

At 31 December 2022 the Group and Charity had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Not later than one year	8	8	8	8
Later than one year and not later than five years	8	16	8	16
Later than five years	-	-	-	-
	16	**24**	**16**	**24**

THE ROGER & DOUGLAS TURNER CHARITABLE TRUST

England & Wales - Charity number 1154467

Accounts



The Roger & Douglas Turner Charitable Trust

Annual Report 2021
CIO 1154467



HISTORICAL BACKGROUND

The Roger & Douglas Turner Charitable Trust ("the Trust"), a Charitable Incorporated Organisation, was incorporated on 5 November 2013 and merged with two unincorporated charitable trusts established separately by the late Mr Douglas William Turner ("DWT") and his son, the late Mr Roger Douglas Turner ("RDT") as follows:

- The RD Turner Charitable Trust ("the legacy charity" 263556) was settled on 21 December 1971 when it merged with the Trust on 31 December 2013. On 12 October 2021 this charity was linked to the Trust.
- The Douglas Turner Trust (charity 227892) was settled on 27 January 1964 and it received gifts from DWT during its life. It merged with the Trust on 31 December 2015, and on 12 October 2021 this charity was linked to the Trust.

RDT owned Arley Estate for 40 years until he died in 1999. Under the terms of his Will, the Estate passed to the legacy charity "as an accretion and addition to the fund of the said charity and subject to and with the benefit of the powers provisions and other matters contained in the said trust". He also "without seeking to impose any binding trust or obligation" expressed the hope that the Trustees "will use their best endeavours to ensure that:

1. The Arley Estate should continue so far as practicable in its current form;
2. They continue to employ where practicable as many as possible of the persons employed by me at my death in connection with the Arley Estate and allow them to continue occupying any accommodation on the same basis as that upon which they are occupying the same at my death;
3. They continue where practicable to allow as many as possible of the persons who at the date of my death have been previously employed by me in connection with the Arley Estate and who at that date are occupying accommodation either rent free or on favourable terms to continue occupying such accommodation on the same basis;
4. They continue to give such assistance as at present to St Peter's Church, Arley Memorial Hall and Arley Sports and Social Club"

In 1999 Trustees consulted leading Counsel on various issues including RDT's expressed wish that 'the Arley Estate should continue so far as practicable in its current form'. They were advised that this neither made it a permanent endowment nor restricted Trustees' powers of sale or disposition of land in relation to Arley Estate nor imposed a condition on the gift or a restriction on Arley Estate under Charity Law. Counsel advised Trustees to formulate a policy for the charitable use of funds and to identify which assets were to be held as investments.

Following a strategic review, the Trust merged with The Douglas Turner Trust in 2015; Trustees resolved both to increase the overall amount of donations to UK charities and to improve the return from Arley Estate, whilst retaining its unique charm for enjoyment and public benefit of residents and visitors, by providing that:

1. Arley Estate should be retained by the Trust for the foreseeable future;
2. Arley House should be run as a bespoke wedding and conference centre;
3. Arley Arboretum should be made available to a wide range of visitors to enhance public benefit;
4. Arley Gaol, The Boathouse and The Grange should be converted and used as appropriate accommodation;
5. Arley House & Gardens Limited, a wholly owned company, should manage the Estate's trading activities;
6. The Trust's charitable aims should over-ride the company's trading activities in the event of conflict.

POLICY: The Trustees reaffirmed in 2019 the policy developed in 1999, subject to minor changes:

1. To support by means of donations other UK registered charities, primarily within the City of Birmingham, the four Black Country boroughs (Walsall, Wolverhampton, Sandwell and Dudley) and Worcestershire.
2. To maintain, to the extent practicable, the amenities of Upper Arley village for the benefit of:
   (i) their present and future residents;
   (ii) farming and other enterprises and pursuits in the villages and the surrounding areas;
   (iii) St Peter's Church and Arley Memorial Hall;
   (iv) the community at large and visitors who come to the area primarily for the purpose of recreation;
   (v) visitors to the Arboretum to enjoy it as an education and leisure resource on an affordable basis.
3. To support such other general charitable purposes in Upper Arley as the Trustees shall in their absolute discretion decide.
4. To regard Arley Arboretum and the office accommodation of Arley House as 'own-use' assets and to regard the remaining Estate properties as the Trust's investments. These investments include those properties let to Arley House & Gardens Limited, which for accounting purposes are consolidated as tangible fixed assets to comply with SORP 2015.

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REFERENCE AND ADMINISTRATIVE INFORMATION

Charitable Incorporated Organisation (CIO) **Charity number 1154467**

Trustees	Peter Millward (Chairman) Dawn Long Amanda McGeever Ron Middleton (Vice Chairman) Sharon Stotts Geoff Thomas	
Chief Executive	Mark Webb	mark@arleyestate.co.uk
Grants & Compliance Officer	Jenny Harris	jenny@turnertrust.co.uk
Principal Office	Arley House Lion Lane Upper Arley DY12 1SQ	Phone 01299 861368
Websites	Grants Arboretum Weddings, events and trading	www.turnertrust.co.uk www.arleyarboretum.co.uk www.arleyhouseandgardens.co.uk
Auditors	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury B69 2DG	
Investment Managers	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU	Investec WIN 30 Gresham Street London EC2V 7QN
Property Consultants	Halls Gavel House 137 Franche Road Kidderminster DY11 5AP	Bronwin & Abbey Auction House King George's Way Pershore Worcs WR10 1 EY
Bankers	Handelsbanken 63 Market Street Stourbridge DY8 1AQ	CCLA 85 Queen Victoria Street London EC4V 4ET
Solicitors	Lodders Solicitors LLP 10 Elm Court, Arden St Stratford-upon-Avon CV37 6PA	Higgs and Sons 3 Waterfront Business Park Brierley Hill West Midlands DY5 1LX
IT consultants	Pinfields IT 60 Sugarbrooke Road Bromsgrove B60 3DN	

OVERVIEW OF THE YEAR

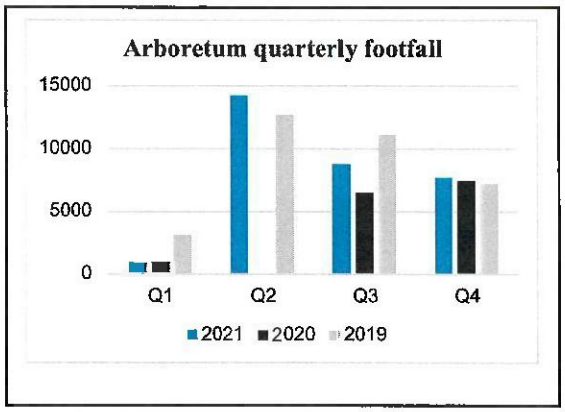
We entered 2021 during the second wave of Covid-19, followed by another national lockdown until 8 March, then a four-step roadmap as the vaccination programme became established, with all restrictions released by 21 June. The huge impact on the travel and hospitality sectors was well publicised, but there was also a significant impact on the operations of charities in our local area.

Grant-aid to UK charities

Applications for grants varied amongst the various sectors as activity levels were affected in different ways; the greatest increase in demand came for impaired health and social support charities. Overall our grant aid increased to £604,000, up from £515,000 in 2020 but below the pre-pandemic £711,000 awarded in 2019.

Charitable activities at Arley Arboretum

The impact at Arley was that the Arboretum was once again closed during the national lockdown and reopened on 29 March; the demand for admissions for outdoor activities in the second quarter (which included Easter) was even higher than in the record year of 2019. The enhanced on-line booking platform introduced in 2020 meant that we were able to provide a Covid-safe environment. In pursuit of our educational aims, a strategic partnership was formed during the year contact with The Black Pear Trust, which includes Upper Arley C of E School, to enable this Academy Trust to make use of the Arboretum for outdoor teaching and learning.



Arley Capital Developments

The five years to 2020 included three significant refurbishments of Estate buildings with the intention of leasing them to Arley House & Gardens Limited and generating trading income for the benefit of the charity, by converting:

- Arley House to a wedding and conference centre with office accommodation for the Trust on the upper floor,
- The Grange (a listed building) from uninhabitable flats to boutique bed and breakfast accommodation, and
- The Boathouse and Old Arley Gaol (previously derelict) to two self-catering holiday apartments.

These developments are now complete although, as noted below, trading was significantly disrupted in the first half.

Trading activities at Arley House & Gardens Limited ("AHAG")

The Government lockdowns continued to have a big impact on wedding plans with numbers of guests severely reduced until the summer with a consequent adverse impact on occupancy at The Grange; following the release of restrictions 26 weddings were held, including many postponed from earlier dates.The sporadic international travel restrictions during the pandemic spurred a boom in demand for UK 'staycations' and AHAG benefitted with a very successful start to its new self-catering holiday-rental business at the Boathouse and old Arley Gaol. The Directors were delighted to be able to report £120,000 of profit to be distributed to the charity which included £69,000 received in Government support grants as a hospitality venue and furlough income for staff unable to work.

Investment performance

After the market turmoil in 2020, our securities portfolio had a strong year with gains of £2,849,000, up from £1,631,000 principally in global equities. The increase in demand for rural properties drove an exceptional gain in Arley property investment values of £1,791,000 compared with £598,000 in 2020.

Outlook for 2022

The Russian invasion of Ukraine at the end of February has shocked the world and our thoughts are on the tragic loss of life in that country. As the refugee crisis increases, the need for social, health and economic support could be huge; we plan to review our grant-giving priorities as events unfold and as local charities determine their response and need for emergency aid.

OUR CHARITABLE AIMS

Our primary aim is to provide grants to UK registered charities in the beneficial area of Birmingham, the Black Country and Worcestershire.

We focus on charities which support impaired health and the disabled, independent hospices, work in the community, social support and children and young people. We normally have some limited funds for both arts and heritage work.

The majority of our beneficiaries have been regularly supported for four years or more with annual grants for unrestricted funding which can be used for salaries and other core costs. Due diligence is undertaken on these so-called 'Regulars' most of which are visited roughly every two years for a discussion with management about charitable outcomes and plans for the future.

Charities seeking grants need to be of sufficient size and long enough established, with adequate management, governance and financial controls and a clear financial need in the context of the charity's reserves and strategy. The expected impact of any grant needs to be clear and there needs to be evidence in respect of projects that they could not be funded from charities' own reserves; very large national and international charities are generally not supported even if a project is being undertaken in the beneficial area.

Although predominantly a response-funding Trust, there is a limited amount of targeted funding available to support charitable activities in the village of Upper Arley.

Our secondary aim is to maintain Arley Estate for public benefit by providing access for recreation and education at Arley Arboretum and gardens.

The Estate, located in Worcestershire's Severn Valley, is a significant tourist attraction in the County and can be accessed via Arley Station on the Severn Valley Railway as an alternative to access by road.



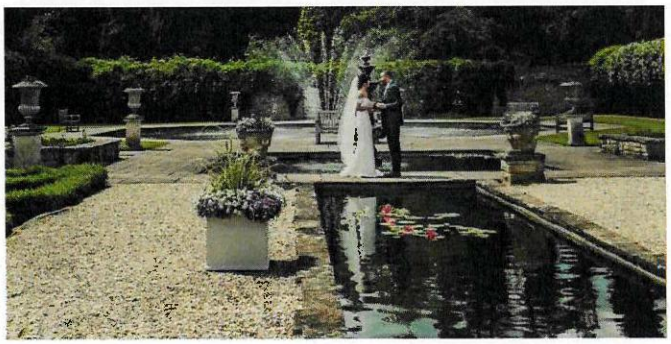
The Italian Garden

The 200-year-old Arboretum, which has some of the most magnificent exotic species in England, provides a wonderful setting in every season.

Children are welcomed with many activities including an adventure play area, a living maze together with quests, scavenger hunts and seasonal events and encouragement to learn about the natural environment. Admission to the Arboretum is required via our online booking system on our website.

There are many walks around the Estate and The Severn Way passes the village and crosses the footbridge to join the North Worcestershire Path.

Inspired by the renaissance gardens of the late 15th Century the Italian Garden, which is an integral part of the Arboretum, features a spectacular fountain with 18 foot water jets, formal flower beds, box hedging, colonnades of silver lime trees and a dovecote.



Although normally for public benefit, this garden is licenced for weddings and events can be hired for private use via the trading company.

Arboretum tea-room

The garden tea room has become a destination of choice for our homemade cakes, hot food, drinks and locally sourced ice cream for our visitors.

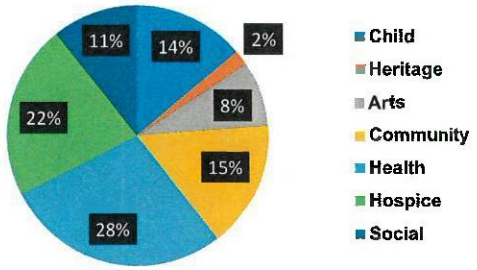
ACHIEVEMENTS AND PERFORMANCE IN 2021

How we performed - grant aid to other UK charities

During 2021 we awarded 164 grants amounting to £604,000 compared with 126 grants of £515,000 in 2020, with an average grant of £3,683 (2020: £4,087), including 27 (2020: 29) grants of £5,000 or more, mainly to 'Regular' grant-aided charities.

We were pleased that in the latter part of 2021 our visits programme to our Regular charities (those which have been supported for at least four years) to review their governance, operations and public benefit, was allowed to continue. Earlier visits had to be organised by video conference where possible.

Grants to UK charities by category



During the year we paid 11 grants of £10,000, seven to local hospices; the largest being to Acorn's Children's Hospice for £25,000. We also donated £15,000 to The Stonehouse Gang, £13,000 to The City Of Birmingham Symphony Orchestra and £10,000 each to Black Country Living Museum and Cerebral Palsy Midlands.

Our impact is usually not separately identifiable or measurable as it is inextricably linked to the overall charitable outcomes of our applicants. During the past 18 months however we targeted some charities where the impact was more tangible.

Extracts of charities' grant-aid feedback in 2021

"Your very generous grant meant… we were able to send 300 disadvantaged children living in refuge in Birmingham on a cinema fun day"

"The Trusts support has now spanned over a decade and helped hundreds of people access safe water, sanitation, and hygiene - what an incredible partnership"

"It's thanks to your brilliant support that so many disadvantaged children were able to enjoy a week of mud and magic… Visiting the farm was probably one of the best weeks of my life"

How we performed - Arley Estate

Following almost 18 months of some kind of Covid restrictions we were pleased in the latter part of 2021 to recommence scheduled maintenance works across the Estate properties as opposed to carrying out emergency repairs only. This will continue in 2022 as we look to maintain full occupancy rates following the continued demand for properties in the village.

Arley Arboretum

After a restricted year in 2020 with 15,499 visitors and a restricted start to 2021 we enjoyed having a total of 31,769 visitors. Admission was only allowed by pre-booked on-line tickets with the emphasis changed away from attracting a large public footfall towards providing an open space for peace, respite and educational benefit. The trails have been redesigned to follow an educational theme for both younger and older children.

Arboretum visitor feedback 2021

"…a beautiful and well kept Arboretum with a stunning italian garden…a little gem of a place…so peaceful even when it's quite busy…lovely view of the Severn Valley and the steam trains passing…"

Arley House & Gardens Limited ("AHAG")

AHAG had another challenging year and a tale of 2 halves. Faced with the challenges of government lockdowns in the first half and then extremely busy in the second half as postponed weddings were squeezed into a shortened trading period and the UK holiday market boomed with overseas travel restrictions still in place. Turnover reached £441,000 returning a profit back to the Charity of £120,000 which is the best result since the trading subsidiary was formed and a testament to the hard work of the team. This effort was also recognised externally as the team won Events Team of the Year (West Midlands) at The Wedding Industry Awards

FINANCIAL REVIEW

Total income increased from £1,553,000 to £2,021,000 following a busy second half of the year once government restrictions were eased. A decision to continue to support local charities at a time when they needed funds most resulted in a operating deficit which was more than offset by significant investment gains.

General Fund

The General fund holds our market securities and is focussed on our primary aim of giving grant-aid to UK charities:

General Fund	2021 £'000	2020 £'000	
Investment income	502	515	Continuing move to ex-UK equities with lower yields
Charitable grants	(604)	(515)	Charitable grants increased as appeals restarted
Charitable costs	(67)	(68)	
Other income	-	10	Grant income
Operating (deficit)	**(169)**	**(58)**	
Investment gains	2,849	1,631	Equities recovered particularly in international markets
Transfers to Arley Fund	(47)	(1,475)	Completion of Arley development programme
Movement in funds	**2,633**	**98**	

Arley Fund (designated)

The Arley fund holds the Arley Estate properties, for both investment and own-use, and supports our secondary aim of providing access for recreation and education at Arley Arboretum and gardens:

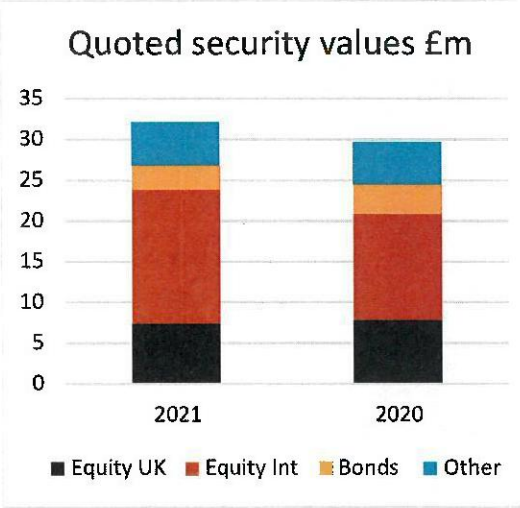
Arley Fund	2021 £'000	2020 £'000	
Estate property surplus	41	109	Increased repair costs with resumption of planned maintenance
Trading contribution	103	14	Increase in turnover post lockdowns
Other income	102	80	Government hospitality grants and furlough income
Charitable (deficit)	(212)	(202)	
Operating surplus	**34**	**1**	
Investment gains	1,791	598	Rural residential housing demand drove 10% increase in values
Tangible asset revaluation	215	10	Holiday Lets completed
Transfers from General Fund	47	1,475	Completion of Arley development programme
Movement in funds	**2,087**	**2,084**	

INVESTMENTS

Investments include both quoted securities and a tenanted portfolio of investment properties at Arley Estate.

QUOTED SECURITIES

As previously reported, an independent review of our investment strategy and manager performance took place in 2019 and the Board accepted the advice to retain both managers as their past performance had been strong. The consultants also recommended eventually moving the equity portion to one global benchmark, whilst accepting that we might prefer to adopt an intermediate position, retaining separate UK and ex-UK benchmarks for Investec but with Sarasin using an MSCI global index. This option was adopted by the Board in 2019 and, given the market uncertainties during the past two years, no further changes have since been made.



The neutral equity weighting for the houses is 70% with discretion given to the managers according to market conditions. The attractive market sentiment was reflected in a 4% increase in the overall equity content during 2021, entirely in ex-UK stocks. Conversely bond markets have been weak and our fixed-interest investments were reduced by 3% over the year. Furthermore our exposure to UK commercial property (included in other investments) was reduced to £594,000 reflecting the risk of cash being locked within funds during the period of 'working-from-home'.

Investment performance in 2021 was dominated by recovery in traditional sectors as economies re-opened after the peak of the pandemic. By contrast 2020 had provided unexpected opportunities particularly for US technology stocks during lock-downs. The overall impact on our portfolio was an increased gain of £2,849,000 compared with £1,631,000 in 2020. However income fell slightly to £658,000 (2020 £661,000) but significantly below the £859,000 in 2019 reflecting both the UK dividend cuts and the move away from UK (and towards International) equities during the past two years.

Post Balance Sheet Event: At 9 March 2022 our market securities portfolio had fallen in value by £3,761,000 (12.6%) to £28,482,000 following the invasion of Ukraine which commenced on 24th February. Our investment managers believe there will be a short term period of high volatility but the medium to long term strategy is unchanged.

FREEHOLD PROPERTIES AT ARLEY

Arley Estate includes the following:

- **Investment properties:** a tenanted portfolio is principally comprised of 52 residential houses, 3 farms, woodland, a pub and a post office.
- **Own-use properties** including Arley Arboretum (a charitable asset) and various commercial properties:
    - Arley House provides both our wedding and conference facility via a lease to AHAG and our Estate office;
    - The Grange, the Gaol and adjoining Boathouse provide accommodation to support these facilities.

Trustees' valuation: The Board valued the component property parts of Arley Estate, subject to the current occupation and tenancies in place but without making any adjustment for the 'marriage value' of the entire estate. Having had regard to Halls' advice and to ONS data which demonstrated increasing demand for rural properties in the Wyre Forest area, the value of residential tenanted properties was increased by 10% (2020 4.5%). The outlook for 'bare land' prices in the agricultural sector is also in demand and land values on the Estate were increased by 5% (2020: nil). The valuation is split as follows:

Trustee valuation as allocated in the financial statements	2021	2020
Tenanted properties within Investments	26,918,000	24,992,000
Own-use properties within tangible fixed assets	5,556,000	5,297,000
Total	**£32,474,000**	**£30,289,000**

MANAGING RISK

Key risks in 2021

With experience of the pandemic, we have reviewed the Trust's risk profile and identified the following key risks:

Category	Strategic Risk	How risk is managed
Covid-19	Risks to health of staff and/or visitors from poor infection-control protocols	Workplace-screen controls; NHS app point, food served at tea room hatch with outside seating only
Hospitality	Sector subject to government restrictions on opening, capacities and activities	Staff cut back to the minimum to enable flexibility and training in new recommended practices
Recession	Bad debts and pricing pressures impact charitable and trading income streams	Overheads tightly controlled; arboretum staffing matched to pre-booked demand
Climate change	River bank erosion or flooded properties; Higher rainfall threat to visitor attractions	Flood defences for installation at the Boathouse; Car parking enhanced with mesh surface
Reputation	Adverse social media feedback going viral inadequate Arboretum visitor offering	Booking via internet enables improved management of expectations and footfall
Cyber-fraud	Cyber-terrorism threatens internal systems New computers nullify anti-virus software	IT service contract provides enhanced support; Trustees have dedicated i-pads & e-mail accounts

Building resilience in global markets

Following external advice in 2019, the geographical weighting of equities was revised to make the portfolio more resilient to market corrections and improve longer-term total returns. We continue to review investment risks by:

- Using two investment houses with globally spread portfolios and differing investment strategies;
- Investing in good quality securities traded on major global exchanges;
- Avoiding high risks of capital losses from derivative-based hedge funds;
- Holding regular meetings with managers to review performance, strategic asset allocations and ranges;
- Engaging independent consultants to perform periodic reviews of our strategy and manager performance;

Specific continuing risks in our quoted investment portfolio include:

Category	Investment risk	How risk is managed
Capital	Recessionary market correction coupled with some permanent loss of capital	Securities researched by competent internal teams Selective use of funds in international markets
Counterparty	Cash: custodian failure Nominee client account exposure	Custodian arrangements reviewed periodically Due diligence re Beaufort Securities experience
Market	Liquity risks - property or alternatives Equity and other market risks	Low-liquidity funds and retail generally avoided Multi-asset portfolio, globally spread

Energy performance at Arley

The Trustees are conscious of the poor energy performance of the tenanted housing stock in Arley and wish to tackle this significant environmental challenge in a realistic timescale within the legal constraints applicable in a conservation area.

Many of the properties are in terraced blocks of solid-wall brick construction, housing long-term tenants who are entitled to peaceful enjoyment of this beautiful area. Nevertheless the most urgent need is to improve the insulation of these properties which can most easily be done as void periods arise. The village is not connected to the national gas grid so will not be able to take advantage of the possible conversion to mains-hydrogen gas heating in the medium term.

Advice is being obtained from professional energy consultants as to the most realistic and cost-effective way of resolving this challenge.

MANAGING RISK (continued)

Operational risks

In order to manage operational risks effectively we:

- Obtain independent professional support in managing major capital projects;
- Review financial, hazard and other operational risks at the Audit Committee;
- Manage potential conflicts, principally associated with grant-giving, at every meeting.

Project risks on large construction projects incorporate professional expertise to assist in the prudent management of those risks and these projects are led by established professional firms of contract designers and architects with a pre-agreed specification based on a planned turn-key outcome.

Hazard risks within Arley Estate including health & safety issues are managed by the Chief Executive who, as Safety Officer, is responsible via the Audit Committee to Trustees. There is a quarterly process in place for reviewing the major operational risks to which the Trust is exposed, and we have established systems and procedures to manage them.

Health and safety at work: a comprehensive system of risk assessments is in operation prior to any work being undertaken on the Estate. Employees are encouraged to identify emerging risks and appropriate training needs are regularly reviewed with staff members required to enhance their specific skills or knowledge. Trustees and the Chief Executive keep abreast of Health & Safety law to ensure that the Trust's culture and behaviours receive the appropriate leadership. Periodic external audits of health and safety are undertaken, with appropriate action taken on recommendations.

Visitors and safeguarding: Particular attention is given to hazard risks affecting our stakeholders. Our procedures consider the risks to which visitors are potentially exposed, striking a reasonable compromise between safety, conservation and access. Visitors to the Arboretum are required to take personal responsibility for their own health and safety; children and vulnerable adult visitors must be safeguarded and supervised by a responsible adult visitor at all times.

	Hazard risk	Mitigations and controls
Public visitors	Food safety, Child safeguarding Emergencies	Daily monitoring against standards Responsibility rests with adult visitors Access for emergency vehicles enhanced
Tenants	Exposure: gas, electricity, asbestos, legionella	Inspections, minimum work standards carried out, with tenants encouraged to report any concerns to the Estate Office
Employees	Health & Safety at work, including: • Working at height • Mechanical handling • Use of chain saws	Safety-first culture, review of skills and ban on use of machinery or working in hazardous conditions unless appropriate training and competence levels achieved

These and other delegated risks are included in a risk register which is regularly reviewed by the Audit Committee to monitor actions to be taken by management.

Legal compliance: The risks associated with the Arley Estate are managed in accordance with applicable laws and obligations to tenants, visitors and employees.

Cyber security: firewalls, user access controls, malware protection and patch management have all been reviewed during the year and enhancements made as appropriate. Internet banking is used for payments to employees, suppliers and grant-aided charities; the system requires multiple layers of access codes; all transactions also require segregation of duties between a loader and two approvers.

Managing potential conflicts of interest or loyalty: a register of interests is reviewed at Trustee meetings and if any conflict could arise the conflicted Trustee is excluded from any decision. Following legal advice, one trustee was appointed to the Board of AHAG during the year but this interest is routinely noted and this trustee is excluded from voting as necessary. Accordingly the Board of AHAG is regarded as independent from the Trust.

GOVERNANCE

The Charity Governance Code

Our governance is kept under review to comply with the Governance Code so far as reasonably possible. New Trustees are appointed having regard to diversity of skills, experience, gender and age. However, we do not advertise trustee vacancies because of the need for high level of knowledge and experience of charities in the context of a relatively small Board and we believe the current informal approach is appropriate.

There is no restriction on length of service or any specific term of office for the original Trustees at the date of incorporation. However, all new Trustees are appointed for renewable three-year terms of office and the Chairman is appointed for between 5 and 8 years. Trustees are encouraged to undertake appropriate training.

The Board approved a Governance Manual during the year which included the following:

Constitution and related matters clarify the distinction between the roles of governance and management:

Governance	Management
Determining strategy and policy	Implementing strategic decisions
Appointing and overseeing Chief Executive	Appointing managers and staff
Determining governance framework	Supporting governance decisions
Setting the risk framework, overseeing exposure	Managing risk
Approving plans and budgets	Delivering plans and budgets
Monitoring performance	Measuring performance
Providing insight wisdom and judgement	Consulting the Board and Chairman

Trustees' code of conduct: This is based on the code issued by the Association of Chief Executives of Voluntary Organisations and Good Governance: A Code for the Voluntary and Community Sector from the National Council for Voluntary Organisations. Through their collective actions as a Board, trustees are responsible for the successful development of a strategy to further our objects, delivery of which, in respect of Arley Estate, is delegated to the Chief Executive. The code establishes the principles expected of Trustees and Management to fulfil these responsibilities by maintaining the highest standards of integrity and stewardship by ensuring that the Trust is effective, open and accountable with good working relationships.

Declaration of interests: The Trust aims to uphold the Charity Commission's guidelines which state that *'trustees are required to act reasonably and prudently in all matters relating to the charity and need always to bear in mind that their prime concern is the interests of the charity. They cannot let their personal views or prejudices affect their conduct as trustee'*. A register of interests is maintained and the policy includes examples of potential conflicts which could arise and how they should be managed.

Board meetings and scheme of delegation

Board meetings take place quarterly to review the charity's activities and to consider grant appeals. To facilitate the decision-making process, we delegate governance as follows:

- The **Audit Committee** liaises with external auditors, promotes and safeguards high standards of financial reporting, internal control, risk management and legal compliance;
- The **Investment Committee** monitors the performance of the Investment Managers against agreed benchmarks and receives advice on Estate matters from our Property Consultants;
- The **Nominations Committee** ensures that Trustees of appropriate calibre and mix of skills are put forward for selection to the Board of Trustees;
- The **Grants Committee** previews all grant applications in detail and makes recommendations to the Board. We rotate membership at each meeting to reduce the risk of bias.
- The **Estates Committee** was formed in June 2021 to consider all property related matters in conjunction with the Chief Executive and property consultants, Halls.

Arley House & Gardens Limited has its own independent Board but Trustees retain oversight with one Trustee-Director and by means of formal reports and informal dialogue with its Chairman.

KEY FINANCIAL POLICIES

Investment policy for quoted securities

There are no restrictions on the Trust's power to invest and we do not currently prohibit any investments on social, environmental or ethical grounds beyond those adopted by the managers' internal procedures. Our investment objective is to generate a balanced total return from income and capital growth based on relative benchmarks for different asset classes with 70% in equities, 15% in bonds and 15% in alternatives (including property) to generate a total return over the long term of 3.5% above UK RPI, net of fees.

Investment policy for freehold property

Arley Estate properties continue to be held to maximise total investment returns. Many of the Estate properties are subject to long-term tenancy arrangements. It is intended to maintain and improve the properties and so far as possible refurbish them having regard to the constraints and wishes of sitting tenants. Management has developed minimum standards for tenancies, with the help of appropriate professional advice.

Reserves Policy

Although the whole of the accumulated fund is legally expendable and unrestricted, our policy is to maintain the capital base (primarily the quoted investments in the general fund) in real terms to support future grant awards. The designated Arley fund can only be realised by disposing of tangible fixed assets, principally Arley House and Arboretum, which are inextricably linked with the investment property portfolio of Arley Estate. All investments are therefore excluded from reserves which comprise that part of the Trust's unrestricted funds that is freely available to spend on any of the charity's purposes; they are unencumbered amounts represented by cash or other readily realisable assets less liabilities.

Our policy is to hold reserves generally in the target range of £250,000 to £750,000. At 31 December 2021, reserves amounted to £738,000 (2020: £601,000).

Remuneration policy

Our approach to remuneration ensures that we can attract and retain talented and motivated people who can achieve our mission and deliver our strategic goals. Our aim is to pay competitively in the not-for-profit sector within the context of affordability. In addition to linking pay to performance, and providing salary progression for those who deliver exceptional performance, we review internal relativity through a pay moderation process. In determining the Chief Executive's remuneration, we also periodically review external survey data from the Association of Chief Executives of Voluntary Organisations (ACEVO).

PEOPLE

Mr David Causer ceased to be Chief Executive of Arley Estate from 31 August 2021 and the Trustees thank him for his immense contribution to the Trust since joining the organisation in June 2014.

Mr Mark Webb, who was the Finance Director was appointed Chief Executive of the Trust during the year and the Trustees wish him every success in his new role.

The easing of Government restrictions arising from the global pandemic in the summer led to a huge increase in demand for weddings and other activities during the year and the Trustees wish to place on record their appreciation for the loyalty, hard work and commitment of the whole team at Arley during the year.

The Directors of Arley House & Gardens Limited are non-executive and unremunerated. We are grateful to them for their continued diligent stewardship of the company's activities, enabling Trustees to focus on the charitable activities of the Trust. We also wish to thank our 15 active volunteers who bring significant additional skills and experience and continue to support the work of the Arboretum with great enthusiasm.

PUBLIC BENEFIT

We have considered the Charities Act 2011 on public benefit, noting that the Act states that there is no presumption of benefit. We have also had due regard for Charity Commission Guidance on the subject, in the context of both our charitable activities at Arley Estate and our charitable grant giving.

FUNDRAISING ACTIVITIES

The Charity has no fundraising activities requiring disclosure under Section 162a Charities Act 2011.

PLANS FOR THE FUTURE

What we planned a year ago, progress in 2021 and updated plans for 2022

Arley fund: The primary focus for 2021 was to closely monitor the ever-changing situation and rules relating to the Covid-19 pandemic, with a view to managing the Estate and its respective tenanted properties, providing a safe experience for visitors and ensuring the Trading company maximised opportunities in a difficult hospitality sector. The extension to the Arboretum has been delayed during the disruption caused by the pandemic but will be reconsidered in the foreseeable future.

General fund: we plan to increase the level of grant-aid, funded partially by drawdowns from our investment portfolio.

LINKED CHARITIES

As of 12 October 2021, the Charity Commission directed that The R D Turner Charitable Trust and The Douglas Turner Trust ('the linked charities') have been treated as forming part of the charity called The Roger & Douglas Turner Charitable Trust ('the reporting charity') for the purposes of Part 4 (registration) and Part 8 (accounting) of the Charities Act 2011. This direction took effect for the whole of the year ended 31 December 2021.

The effect of linking charities for accountancy and registration purposes means that the charities are registered under a single registration number and the trustees are required to prepare a single set of accounts for the reporting charity and the linked charities, within which the individual funds of the linked charity or charities are reported as restricted funds. Neither of the linked charities, having merged with the reporting charity in earlier years, has any assets or liabilities to be aggregated within the balance sheet or statement of financial activities of the reporting charity.

TRUSTEES' RESPONSIBILITIES AND DISCLOSURE OF INFORMATION TO AUDITORS

The Charities Act 2011 requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Trust and of the surplus or deficit of the Trust for that period. In preparing those financial statements the Trustees are required to:-

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards and the Charities SORP, disclosing and explaining any departures in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Trust will continue in operation.

The Trustees are responsible for keeping accounting records which disclose, with reasonable accuracy, the financial position of the Trust at any time, and for ensuring that the financial statements comply with charity law. The Trustees are also responsible for safeguarding the Trust's assets, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.



Peter J Millward

Chairman
11 March 2022

Independent Auditor's Report to the Members of The Roger and Douglas Turner Charitable Trust

Opinion

We have audited the financial statements of The Roger and Douglas Turner Charitable Trust ('the charity') and its subsidiary ('the group') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity and group's affairs as at 31 December 2021 and of the charity and group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's or the group'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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

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.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charity and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees 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 charity's and group'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for charity and group's operations were Charity Commission regulations, General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Environmental protection legislation, Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor Black Country House, Rounds Green Road, Oldbury, B69 2DG 11 March 2022

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Unrestricted Funds	Note	2021 Arley Fund £'000	2021 General Fund £'000	2021 Total £'000	2020 Arley Fund £'000	2020 General Fund £'000	2020 Total £'000
Income from:							
Investments	3	539	658	1,197	568	661	1,229
Trading Activities	4	441	-	441	101	-	101
Charitable Activities	5	281	-	281	133	-	133
Other income	6	102	-	102	80	10	90
Total Income		**1,363**	**658**	**2,021**	**882**	**671**	**1,553**
Expenditure from:							
Raising Funds	7	498	156	654	459	146	605
Trading Activities	8	338	-	338	87	-	87
Charitable Activities	9	493	671	1,164	335	583	918
Total Expenditure		**1,329**	**827**	**2,156**	**881**	**729**	**1,610**
Operating Surplus/(Deficit)		34	(169)	(135)	1	(58)	(57)
Net investments gain	14	1,791	2,849	4,640	598	1,631	2,229
Net Income		**1,825**	**2,680**	**4,505**	**599**	**1,573**	**2,172**
Revaluation of fixed assets	13	215	-	215	10	-	10
Transfers between funds	20	47	(47)	-	1,475	(1,475)	-
Net Movement in Funds		**2,087**	**2,633**	**4,720**	**2,084**	**98**	**2,182**
Total Funds at 1 January		**30,755**	**30,348**	**61,103**	**28,671**	**30,250**	**58,921**
Total Funds at 31 December		**32,842**	**32,981**	**65,823**	**30,755**	**30,348**	**61,103**

The charity had no recognised gains or losses other than the net movements in funds for the year.

The Arley Fund is a designated fund which includes the net assets and operations of Arley Estate, Arboretum and the trading subsidiary, Arley House & Gardens Limited.

The notes on pages 20 to 31 form part of these financial statements.

BALANCE SHEETS AS AT 31 DECEMBER 2021

	Note	GROUP 2021 £'000	GROUP 2020 £'000	CHARITY 2021 £'000	CHARITY 2020 £'000
Fixed assets					
Intangible assets	13	4	9	4	9
Tangible assets	13	5,796	5,571	5,796	5,571
Investments	14	59,161	54,739	59,161	54,739
Total		**64,961**	**60,319**	**64,961**	**60,319**
Current assets					
Stock	15	20	17	13	12
Debtors	16	196	223	249	188
Cash	17	1,071	968	833	898
		1,287	**1,208**	**1,095**	**1,098**
Creditors					
Amounts due within one year	18	(425)	(424)	(233)	(314)
Net Current Assets		**862**	**784**	**862**	**784**
Net Assets		**65,823**	**61,103**	**65,823**	**61,103**
Arley Fund	19	32,842	30,755	32,842	30,755
General Fund	19	32,981	30,348	32,981	30,348
Total Funds		**65,823**	**61,103**	**65,823**	**61,103**

The movement in funds dealt with in the financial statements of the charity was £4,720,000 (2020: £2,182,000).

The notes on pages 20 to 31 form part of these financial statements.

Approved by the Board on 11 March 2022 and signed on its behalf by:

Peter J Millward
Chairman

CONSOLIDATED AND CHARITY CASH FLOW STATEMENT
For the year ended 31 December 2021

	Note	GROUP 2021 £'000	GROUP 2020 £'000	CHARITY 2021 £'000	CHARITY 2020 £'000
Cash (used in) operating activities	21	**(672)**	**(620)**	**(960)**	**(667)**
Cash flows from investing activities					
Dividend and Interest income		658	661	658	661
Distribution received under deed of covenant		-	-	120	2
Purchase of tangible fixed assets		(108)	(1,726)	(108)	(1,726)
Proceeds from sale of tangible fixed assets		7	5	7	5
Purchase of investments		(6,157)	(10,827)	(6,157)	(10,827)
Capital expenditure on investment properties		(135)	(50)	(135)	(50)
Investment cash drawn down		200	1,100	200	1,100
Proceeds from sale of investments		6,310	10,968	6,310	10,968
Cash provided by investing activities		**775**	**131**	**895**	**133**
Increase/(decrease) in cash and cash equivalents in the year		103	(489)	(65)	(534)
Cash and cash equivalents at the beginning of the year		968	1,457	898	1,432
Total cash and cash equivalents at the end of the year		**1,071**	**968**	**833**	**898**

The notes on pages 19 to 31 form part of these financial statements.

NOTES TO THE ACCOUNTS

1 GENERAL INFORMATION

This Charitable Trust (hereinafter 'the Trust' or 'the Charity') is a Charitable Incorporated Organisation (CIO), registered with the Charities Commission in England and Wales, registration number 1154467. The charity is a public benefit entity; its principal office is at Arley House, Lion Lane, Upper Arley, Worcestershire, DY12 1SQ.

2 PRINCIPAL ACCOUNTING POLICIES

***Basis of preparation*:** The accounts of have been prepared on an accruals basis under the historical cost convention, with items recognised at cost or transaction value unless otherwise stated in the relevant notes below, as amended for the revaluation of investments. They have been prepared in accordance with the current Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Assessment of going concern: The Trustees consider, despite COVID-19, that there are no material uncertainties about the Trust's ability to continue as a going concern and the Financial Statements are drawn up on the Going Concern basis. This assumes that the Trust will continue in operational existence for the foreseeable future following stress testing numerous forecasts and scenarios. With respect to the next reporting year, the most significant areas of uncertainty that affect the income of the Trust and the carrying value of its assets are the level of investment return and the performance of investment markets. The willingness of the public both to purchase admission tickets to the Arboretum and to make bookings are areas of financial uncertainty which the Trustees have mitigated with an internet-based booking system to manage footfall more effectively. There is a further area of uncertainty in the trading subsidiary in respect of income from weddings and events during the UK government restrictions in respect of COVID-19 which Trustees have mitigated by reducing overhead costs and taking full advantage of government grants for hospitality venues and furlough schemes for staff.

Basis of consolidation: The Trust has one wholly owned subsidiary, Arley House & Gardens Limited, which is registered in England. Consolidated financial statements of the Group have been prepared on a line-by-line basis, with the results of the subsidiary included in the designated Arley Fund. As permitted, a separate income and expenditure account, dealing with the results of the Trust only, has not been presented.

***Fund Accounting*:** The trust's constitution permits funds to be expended without restriction. The Trustees have included the operations of the Arley Estate, including the trading company, in a separate designated fund.

Income recognition: all income is recognised once the charity has entitlement, it is probable that the income will be received and the amount can be measured reliably.

Donations and legacies are recognised when the group has been notified the amount and the settlement date.

Investment Income is accounted for when receivable and the amount can be measured reliably by the Trust; dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment managers.

Rental Income from Arley Estate properties is recognised when it is receivable and it is probable that the Group will receive the amount due under the lease.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group. Revenue is measured as the fair value of the consideration received, excluding discounts, rebates, value-added tax and other sales taxes; the following criteria must also be met before revenue is recognised:

NOTES TO THE ACCOUNTS (CONTINUED)

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

Revenue from sales of goods is recognised when all of the following conditions are satisfied:

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction;
- the respective costs incurred or to be incurred can be measured reliably.

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract but all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion the contract can be measured reliably;
- the cost incurred and the cost to complete the contract can be measured reliably;

Expenditure is recognised as soon as there is a legal or constructive obligation committing the Group to that expenditure, it is probable that settlement will be required and the amount can be measured reliably. Expenditure is accounted for on an accruals basis. Expenses including support costs are allocated or apportioned to the applicable expenditure headings.

Grant awards are accounted for as expenditure as soon as a valid expectation has been communicated to the recipient charity, unless the offer is conditional upon events outside the Trust's control and it is possible but not probable that an outflow of economic benefits will arise, in which case such amounts are recognised as contingent liabilities until the grant conditions are fulfilled.

Irrecoverable VAT: the Group is partially exempt for VAT purposes and holds a group registration certificate. VAT is charged against the expenditure heading for which it was incurred.

Operating lease rentals are charged on a straight-line basis over the period of the lease.

Pension Costs: The Trust contributes to a defined contribution 'money purchase' scheme on behalf of certain employees. Costs are charged to the Statement of Financial Activities.

Holiday pay: The holiday year is also the financial year and employees are required to take their holiday entitlement during the year; accordingly, there is normally no holiday pay accrual.

Fixed assets: Freehold land and buildings are recognised at valuation on an open market existing use basis. All other assets costing more than £100 are stated at historical cost less depreciation, which is charged on a straight-line basis down to expected residual value over the following estimated useful economic lives of 5 years for motor vehicles and equipment and 3-10 years for fixtures and fittings and 3-5 years for intangible assets.

Financial investments in market securities are basic financial instruments, initially recognised at transaction value and subsequently measured at fair value as at the year-end using the closing quoted market price. The statement of financial activities includes all the net gains and losses arising on revaluation and disposals.

Financial investments in freehold land and buildings are valued quinquennially on an open market existing use basis subject to current occupation and tenancies in place at that time by independent Chartered Surveyors. In intervening years the Trustees value them by reference to market reports and government indices having discussed the circumstances of Arley Estate with the independent chartered surveyors. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Realised gains and losses on investments are taken to the Statement of Financial Activities as they arise. They are calculated as the difference between sales proceeds and their opening carrying value or their purchase value acquired subsequent to the first day of the financial year. Realised gains and losses are calculated as the difference between the fair value at the year-end and the carrying value.

Government Grants are credited to the consolidated statement of financial activities as the related expenditure is incurred.

NOTES TO THE ACCOUNTS (CONTINUED)

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

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

Stocks are stated at the lower of cost (based on the cost of purchase on a first in first-out basis) and net realisable value. At each reporting stocks are assessed for impairment; any losses are recognised immediately.

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

Cash with financial institutions is repayable without penalty on notice of not more than 24 hours.

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

3 INCOME FROM INVESTMENTS:

	2021 £'000	2020 £'000
Dividends - UK and Overseas Equities	552	469
Interest - UK Fixed Interest Securities	106	192
Sub-total General Fund	**658**	**661**
Income – rental	522	542
- other	17	26
Sub-total Arley Fund	**539**	**568**
Total Investment Income	**1,197**	**1,229**

4 INCOME FROM TRADING

	2021 £'000	2020 £'000
Accommodation	113	-
Forestry	-	9
Weddings and events	296	60
Other income	32	32
Total income	**441**	**101**

5 CHARITABLE INCOME

This income arises from admissions and charges for events and refreshments at Arley Arboretum.

6 OTHER INCOME

This income arises from Governments Grants and Furlough payments £102,000 (2020: £80,000 (Arley Fund)) and a return of a restricted grant £nil (2020: £10,000 (General Fund))

NOTES TO THE ACCOUNTS (CONTINUED)

7 RAISING FUNDS EXPENDITURE

	2021 Arley Fund £'000	2021 General Fund £'000	Total 2021 £'000	2020 Arley Fund £'000	2020 General Fund £'000	Total 2020 £'000
Investment management charges	-	156	156	-	146	146
Repairs & property maintenance	99	-	99	66	-	66
Depreciation & amortisation	101	-	101	86	-	86
Direct staff costs	54	-	54	53	-	53
Shared staff costs	112	-	112	140	-	140
Shared overheads	132	-	132	114	-	114
Total Raising Funds	**498**	**156**	**654**	**458**	**146**	**605**

8 TRADING EXPENDITURE

Direct expenses	142	-	142	29	-	29
Direct staff costs	58	-	58	38	-	38
Shared staff costs	49	-	49	1	-	1
Shared overheads	84	-	84	19	-	19
Governance	5	-	5	-	-	-
Total trading expenditure	**338**	**-**	**338**	**87**	**-**	**87**

9 CHARITABLE EXPENDITURE

Direct costs – Arboretum	63	-	63	37	-	37
Direct staff costs	164	48	212	121	37	158
Shared staff costs	166	-	166	80	-	80
Shared overheads	82	-	82	97	-	97
Professional charges	10	13	23	-	16	16
Governance	8	6	14	-	15	15
Charitable grants	-	604	604	-	515	515
Total charitable expenditure	**493**	**671**	**1,164**	**335**	**583**	**918**

Shared costs of staff and overheads are analysed in note 11.
Governance includes audit fees of £15,725 (2020: £15,350) and accountancy costs of £1,200 (2020: £nil).

10 CHARITABLE GRANTS ANALYSIS

	2021 Number	2021 % value	2021 £'000	2020 Number	2020 % value	2020 £'000
Young people	26	14%	84	21	15%	76
Community work	26	12%	70	28	17%	89
Social support	22	10%	65	10	6%	31
Impaired health	64	32%	194	49	30%	154
Hospices	9	22%	131	9	27%	138
The Arts	15	8%	49	6	3%	14
Environment & heritage	2	2%	11	3	2%	13
Total	**164**	**100%**	**604**	**126**	**100%**	**515**

NOTES TO THE ACCOUNTS (CONTINUED)

10 CHARITABLE GRANTS ANALYSIS (Continued)

Charitable grants of £5,000 or more:

Grant-aided charity name	Category		2021 £'000
R.E.A.C.T	Young people		5
Stonehouse Gang	Young people	*	15
Kids	Young people		5
Cotteridge Church Day Centre	Community work	*	8
Dorothy Parkes	Community work	*	6
Birmingham Settlement	Community work		5
Sport 4 Life UK	Community work	*	6
Listening Books	Impaired health		5
ASPIE	Impaired health	*	5
Cerebral Palsy Midlands	Impaired health	*	10
Better Understanding of Dementia	Impaired health		5
Myriad Centre	Impaired health	*	6
NICE	Impaired health	*	7
Acorns Children's Hospice Trust	Hospices	*	25
Birmingham St Mary's Hospice	Hospices	*	23
Compton Care	Hospices	*	20
Kemp House Trust	Hospices	*	5
Mary Stevens Hospice	Hospices	*	10
Primrose Hospice	Hospices	*	15
St Giles Hospice	Hospices	*	10
St Richards Hospice	Hospices	*	20
City of Birmingham Symphony Orchestra	Arts		13
ESO (2006) Limited	Arts		5
Birmingham City Mission	Social support	*	6
Sandwell Homeless and Resettlement	Social support		5
St. Anne's Hostel	Social support		6
Black Country Living Museum	Environment & heritage		10
Total £5,000 or more (27 grants)	Regular grant-aided charities	*	**261**

11 STAFF COSTS

	2021 £'000	2020 £'000
Wages and salaries	587	472
Social security costs	54	46
Pension costs	30	24
	671	**542**

The key management personnel of the charity comprise the trustees, the Chief Executive, Finance Director and the Trust Administrator. The total employee benefits of the key management personnel of the charity were £282,938 (2020: £207,328). There was 1 (2020: 1) employee whose earnings fell between £130,000 and £140,000 (2020: £120,000 and £130,000) and 1 employee whose earnings fell between £70,000 and £80,000. In 2021 The Trust paid £36,360 in lieu of notice and redundancy in respect of a former employee.

There were 15 active volunteers (2020: 18) who provided ad-hoc support to projects in the Arboretum. The economic contribution of general volunteers is not recognised in the accounts.

NOTES TO THE ACCOUNTS (CONTINUED)

11 STAFF COSTS (Continued)

The average number of employees calculated on an average head count basis was:

	2021	2020
Estate and property	2	2
Arboretum	18	11
Management and administration	8	7
	28	**20**

12 SHARED COSTS (Arley Fund)

Cost sharing within Arley Estate is based on time spent:		2021 Staff costs £'000	2021 Other costs £'000	2021 Total £'000	2020 Staff costs £'000	2020 Other costs £'000	2020 Total £'000
Raising funds	Note 7	112	132	244	140	114	254
Trading	Note 8	49	89	138	1	19	20
Charitable	Note 9	166	82	248	80	97	177
		327	**303**	**630**	**221**	**230**	**451**

13 FIXED ASSETS: GROUP AND CHARITY

Intangible fixed assets: During the year there were £nil additions to website development costs (2020: £1,000); Depreciation of £4,262 was charged. The net book amount at 31 December 2021 was £4,263 (2020: £8,525).

Tangible fixed assets	**Freehold land and buildings**	**Plant and equipment**	**Fixtures and fittings**	**Total**
Cost or valuation	**£'000**	**£'000**	**£'000**	**£'000**
At 1 January 2021	5,349	356	326	6,031
Additions	81	10	17	108
Disposals	-	(13)	(1)	(14)
Revaluation	215	-	-	215
At 31 December 2021	5,645	353	342	6,340
Depreciation				
At 1 January 2021	52	227	181	460
Charge for the year	37	26	34	97
Elimination on disposals	-	(13)	-	(13)
At 31 December 2021	89	240	215	544
Net book amount				
At 31 December 2021	5,556	113	127	5,796
At 31 December 2020	5,297	129	145	5,571

Freehold land and buildings which had an historical cost of £5,023,000 (2020: £5,023,000)

NOTES TO THE ACCOUNTS (CONTINUED)

14 FIXED ASSET INVESTMENTS - GROUP AND CHARITY

	Freehold land and buildings £'000	Quoted securities £'000	2021 Total £'000	2020 Total £'000
At 1 January 2021	24,992	29,747	54,739	53,701
Additions at cost	135	6,157	6,292	10,877
Disposal proceeds	-	(6,310)	(6,310)	(10,968)
Net investment gains	1,791	2,849	4,640	2,229
Cash drawdown	-	(200)	(200)	(1,100)
At 31 December 2021	26,918	32,243	59,161	54,739

Freehold land and buildings: an independent quinquennial valuation of freehold land and buildings was carried out by Halls, Chartered Surveyors, on 31 December 2017. The valuation of £25,929,000 was based on the freehold value of all component parts of the Arley Estate, on an open market existing use basis subject to current occupation and tenancies in place. At 31 December 2021, having taken informal advice from Halls, the trustees valued the Estate on a similar basis at £32,474,000. For accounting purposes, the assets have been disclosed as follows:

		2021 £'000	2020 £'000
Own use tangible fixed assets	Note 13	5,556	5,297
Investments	Above	26,918	24,992
At 31 December 2021		32,474	30,289

The historical cost of the Estate, represented by the probate value on the death of the late Mr R D Turner on 30 April 1999, was £8,841,000.

Quoted securities portfolio

	2021 £'000	2020 £'000
Fixed interest	2,961	3,588
UK listed investments	7,389	7.778
Overseas investments	16,529	13,164
Commercial property	594	1,883
Alternative investments	4,076	2,748
Cash	694	586
	32,243	29,747
Historical cost	22,459	22,459

Material investments:
The Investment Policy states that no investments should exceed 5.0% of the value of the portfolio. At 31 December 2021 there were no such investments (2020: none).

Fixed asset investments – Charity

In addition to the above investments the charity has a £100 investment in the entire share capital of Arley House & Gardens Ltd.

NOTES TO THE ACCOUNTS (CONTINUED)

		Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
15	**STOCK Goods** for resale	**20**	**17**	**13**	**12**
16	**DEBTORS**				
	Trade debtors	71	81	51	31
	Prepayments	28	76	84	71
	Other debtors	97	66	75	86
	Amounts due from group undertaking	-	-	39	-
		196	**223**	**249**	**188**
17	**CASH**				
	Cash at Handelsbanken	779	676	541	606
	CCLA COIF Charities Income account	292	292	292	292
		1,071	**968**	**833**	**898**
18	**CREDITORS DUE WITHIN ONE YEAR**				
	Trade creditors	67	69	52	63
	Investment Manager charges	41	37	41	37
	Rents received in advance	49	44	49	44
	Other taxes and social security	27	14	12	10
	Amounts due to group undertaking	-	-	-	72
	Other creditors	17	20	16	15
	Accruals and deferred income	224	240	63	73
		425	**424**	**233**	**314**

Included within accruals and deferred income are wedding deposits held for weddings in future years of:

Balance at 1 January 2021	162	43	-	-
New deposits during the year	215	154	-	-
Deposits released during the year	(228)	(35)	-	-
Balance at 31 December 2021	**149**	**162**	**-**	**-**

NOTES TO THE ACCOUNTS (CONTINUED)

19 ANALYSIS OF GROUP ASSETS AND LIABILITIES WITHIN FUNDS

	2021 Arley Fund £'000	2021 General Fund £'000	2021 Total Funds £'000	2020 Arley Fund £'000	2020 General Fund £'000	2020 Total Funds £'000
Intangible Assets	4	-	4	9	-	9
Tangible Assets	5,796	-	5,796	5,571	-	5,571
Investments	26,918	32,243	59,161	24,992	29,747	54,739
Fixed Assets	32,718	32,243	64,961	30,572	29,747	60,319
Stock	20	-	20	17	-	17
Debtors	123	59	182	170	53	223
Cash	351	720	1,071	378	590	968
Creditors	(370)	(41)	(411)	(382)	(42)	(424)
Net Current Assets	124	738	862	183	601	784
Total Funds	32,842	32,981	65,823	30,755	30,348	61,103

20 FUNDS ANALYSIS – GROUP

	1 January 2021 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Gains / (Losses) £'000	31 December 2021 £'000
Operational funds	**30,426**	1,363	(1,329)	47	1,791	**32,298**
Revaluation reserve	**329**	-	-	-	215	**544**
Arley Fund	**30,755**	1,363	(1,329)	47	2,006	**32,842**
General Fund	**30,348**	658	(827)	(47)	2,849	**32,981**
Total Funds	**61,103**	**2,021**	**(2,156)**	**-**	**4,855**	**65,823**

	1 January 2020 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Gains / (Losses) £'000	31 December 2020 £'000
Operational funds	28,352	882	(881)	1,475	598	**30,426**
Revaluation reserve	319	-	-	-	10	**329**
Total Arley Fund	28,671	882	(881)	1,475	608	**30,755**
General Fund	30,250	671	(729)	(1,475)	1,631	**30,348**
Total Funds	**58,921**	**1,553**	**(1,610)**	**-**	**2,239**	**61,103**

Transfers between funds is cash transferred to finance major projects at Arley Estate.

NOTES TO THE ACCOUNTS (CONTINUED)

21 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET OPERATING CASH FLOW

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Net movement in funds	4,720	2,182	4,600	2,180
Add back depreciation and amortisation	101	86	101	86
Profit on disposal of tangible fixed assets	(5)	(3)	(5)	(3)
Movement on revaluation reserve	(215)	(10)	(215)	(10)
Deduct income shown in quoted investing activities	(658)	(661)	(658)	(661)
(Gain) / loss on revaluation of investments	(4,640)	(2,229)	(4,640)	(2,229)
Decrease / (increase) in stock	(3)	(1)	(1)	(5)
Decrease / (increase) in debtors	27	(37)	(61)	22
Increase / (decrease) in creditors	1	53	(81)	(47)
Net cash used in operating activities	**(672)**	**(620)**	**(960)**	**(667)**

22 RELATED PARTY TRANSACTIONS

(i) Transactions involving Trustees and connected parties
During both years the Trust awarded a small number of grants to charities that have a common or related trustee or director with one or more Trustees. One Trustee is a Director of the trading subsidiary. In accordance with the Trust's policy on conflicts of interest, the conflicted Trustees did not take part in the discussion. No Trustees are remunerated.

(ii) Trustee expenses
The sum of £404 (2020: £397) was reimbursed to one (2020: two) Trustees in respect of travel and other expenses and £nil (2020: £nil) was incurred on behalf of Trustees.

(iii) Transactions with trading subsidiary
Costs (principally staff costs) recharged to the trading subsidiary amounted to £118,938 (2020: £37,952). Rent and service charge income was received from the trading subsidiary amounting to £102,951 (2020: £41,290).

There are no other related party transactions to disclose.

NOTES TO THE ACCOUNTS (CONTINUED)

23 INCOME EARNED FROM TRADING ACTIVITIES

The wholly-owned trading subsidiary, Arley House & Gardens Limited was incorporated in the United Kingdom (company number 09448082) and details of the trading results for the subsidiary alone are given below:

	2021 £'000	2020 £'000
Turnover	441	101
Direct costs	(200)	(67)
Other income	69	29
Overheads	(138)	(20)
Profit included in Statement of Financial Activities on consolidation	172	43
Intra-group charge from the charity arising from internal leases, included in the company's own accounts	(52)	(41)
Profit for the financial year	120	2
Amount distributed to the charity	(120)	(2)
Retained in subsidiary	-	-
The assets and liabilities of the subsidiary were:		
Current assets	268	142
Current liabilities	(268)	(142)
Total net assets representing aggregate share capital and reserves	-	-

The Statement of Financial Activities of the Charity alone is not required to be published. It excludes the above trading turnover and costs but includes £172,000 investment income comprising £52,000 (2020: £41,000) intra-group service charges and £120,000 (2020: £2,000) gift aid income from the subsidiary.

24 FINANCIAL INSTRUMENTS

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Financial assets				
Financial assets measured at fair value through profit or loss	32,243	29,747	32,243	29,747

Financial assets measured at fair value through profit or loss comprise of fixed asset investments – quoted securities.

NOTES TO THE ACCOUNTS (CONTINUED)

25 COMMITMENTS RECEIVABLE UNDER OPERATING LEASES

At 31 December 2021 the Group and Charity had future minimum lease receipts under non-cancellable operating leases as follows:

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Not later than one year	86	233	126	288
Later than one year and not later than five years	77	60	227	250
Later than five years	-	-	100	150
	163	**293**	**453**	**688**

26 CAPITAL COMMITMENTS

At 31 December 2021 the Group and Charity had capital commitments of £nil (2020: £nil).

27 COMMITMENTS PAYABLE UNDER OPERATING LEASES

At 31 December 2021 the Group and Charity had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Not later than one year	8	2	8	2
Later than one year and not later than five years	16	-	16	-
Later than five years	-	-	-	-
	24	**2**	**24**	**2**

28 POST BALANCE SHEET EVENTS

In late February 2022 the ongoing political unrest in Eastern Europe escalated to incorporate military action which had an immediate impact on global stock markets. On 9 March 2022 our market securities portfolio had fallen in value by £3,761,000 (12.6%) to £28,482,000. Our investment managers believe there will be a short term period of high volatility but the medium to long term strategy is unchanged.