

# THE PALACE TRUST

England & Wales · Charity number 1160830

## Details

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|                |   |
|----------------|---|
| Status         | Registered  |
| Legal form     | Charitable company                                      |
| Company number | <a href="#">09404519</a>                                |
| Registered     | 2015-03-11  |
| Register       | <a href="#">View on the Charity Commission register</a> |

## Contact

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|         |   |
|---------|---|
| Address | The Bishops Palace<br>Wells<br>Somerset<br>BA5 2PD                          |
| Phone   | 01749988111   |
| Email   | <a href="mailto:info@bishopsplace.org.uk">info@bishopsplace.org.uk</a>      |
| Website | <a href="http://www.bishopsplace.org.uk">http://www.bishopsplace.org.uk</a> |

## Activities

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**Objects:** THE NEW COMPANY HAS BEEN SET UP WITH THE FOLLOWING OBJECTS: TO PRESERVE FOR THE BENEFIT OF THE PUBLIC THE FABRIC OF THE BISHOP'S PALACE (AS A PLACE OF HISTORIC AND ARCHITECTURAL INTEREST) IN ORDER TO FACILITATE ACCESS TO THE BISHOP'S PALACE BY THE PUBLIC FOR THEIR EDUCATION AND INTEREST AND TO PROMOTE SUCH CHARITABLE PURPOSES AS WILL ADVANCE THE RELIGIOUS AND OTHER CHARITABLE WORK OF THE CHURCH OF ENGLAND IN SUCH MANNER AS THE TRUSTEES SHALL FROM TIME TO TIME DECIDE AND ARE APPROVED BY THE CHURCH COMMISSIONERS. IN THE ARTICLES, CHARITABLE MEANS CHARITABLE IN ACCORDANCE WITH THE LAW OF ENGLAND AND WALES PROVIDED THAT IT WILL NOT INCLUDE ANY PURPOSE WHICH IS NOT CHARITABLE IN ACCORDANCE WITH SECTION 7 OF THE CHARITIES AND TRUSTEE INVESTMENT (SCOTLAND) ACT 2005 AND / OR SECTION 2 OF THE CHARITIES ACT (NORTHERN IRELAND) 2008. FOR THE AVOIDANCE OF DOUBT, THE SYSTEM OF LAW GOVERNING THE CONSTITUTION OF THE CHARITY IS THE LAW OF ENGLAND AND WALES.

**Activities:** The Palace Trust aims to preserve and make accessible The Bishop's Palace and its fourteen acres of gardens to the public, as a place of historic, architectural and landscape interest.

## Classification

- **How:** Provides Buildings/facilities/open Space, Provides Advocacy/advice/information
- **What:** Education/training, Religious Activities, Arts/culture/heritage/science, Environment/conservation/heritage
- **Who:** The General Public/mankind

## Geography

- Somerset

## Finances

| Period end | Income     | Expenditure | Assets     | Employees |
|------------|------------|-------------|------------|-----------|
| 2025-12-31 | £2,169,209 | £2,093,457  | £1,422,345 | 61        |
| 2024-12-31 | £1,955,522 | £1,839,240  | £1,348,811 | 51        |
| 2023-12-31 | £1,609,335 | £1,693,194  | £1,229,739 | 43        |
| 2022-12-31 | £1,458,301 | £1,570,223  | £1,295,045 | 51        |
| 2021-12-31 | £1,876,655 | £1,449,802  | £1,413,545 | 42        |
| 2020-12-31 | £1,618,823 | £1,210,324  | £979,733   | 39        |

## Trustees

| Name                             | Role  | Appointed  |
|----------------------------------|-------|------------|
| <b>Roger Hawes</b>               | Chair | 2021-12-01 |
| Caroline Brawley                 |       | 2024-09-01 |
| Claire Revell                    |       | 2024-09-01 |
| Gregory Beedle                   |       | 2024-06-01 |
| Katharine Macdonald              |       | 2024-05-02 |
| Michael Minta                    |       | 2021-02-18 |
| Natasha Hopkins                  |       | 2024-09-01 |
| Paul Richard Dickinson           |       | 2021-10-01 |
| Right Rev Trevor Willmott        |       | 2021-09-01 |
| Rt Revd Noel Michael Roy Beasley |       | 2022-09-15 |
| Sally Strachey                   |       | 2025-11-20 |



**THE PALACE TRUST**

England & Wales - Charity number 1160830

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# Accounts

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»»» THE PALACE TRUST «««

(A Charitable Company  
Limited by Guarantee)

# ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

COMPANY NUMBER:  
09404519

CHARITY REGISTERED IN  
ENGLAND AND WALES  
NUMBER: 1160830



The Bishop's Palace  
WELLS · SOMERSET

# »»» THE PALACE TRUST «««

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# Annual Report 2025

## Foreword



We live in a very uncertain world which is why it is a privilege to help conserve a small but important slice of living history. For over 800 years the Bishop's Palace and grounds in Wells have been the home of the Bishop of Bath and Wells and a place of spiritual reflection, beauty and tranquility. The Palace Trust (a charity) has enabled the general public to share this experience for many decades and hopes to extend that welcome far into the future.

After a couple of loss-making years post covid, we are pleased to report the second successive year of surplus with £73,534 for the year ended 31 December 2025. That achievement is particularly pleasing in the context of a very challenging environment for tourism in the south-west and, indeed, the whole country. It is sobering when iconic venues like the Eden Project are forced to make redundancies, so we are delighted that whilst the surplus has contributed to greater financial stability, we have also increased our community engagement activities. We intend that upward curve to continue for a long time to come.

We continue to conserve and improve the Palace and grounds in accordance with the Trust's values and during the year spent £194,000 on conserving the fabric of the building and grounds. The Wynne Wilson study now transports you back in time to the 1930s, the new multimedia device enriches the experience of wandering around the Palace and even offers a dialogue with previous Bishops in the long gallery! Our RHS partner gardens, as ever, are a delight and this year saw 20,000 yellow tulips adorn the battlement banks which should repeat for years to come. They too can be enjoyed with a new Bloomberg Connects App which covers the outer gardens and is narrated by our head gardener, James Cross, and other colleagues.

Our award-winning cafe, situated in the free area, can be enjoyed up to 500,000 people a year who cross the drawbridge who can also enjoy part of the Palace grounds free of charge.

Our charity has many exciting plans for further development and looks forward to sharing them and offering inspiration to many, many people who can experience joy, healing, hope and wellbeing.

Finally, some important thanks, to our wonderful staff and volunteers who make it all possible and especially to the Friends of the Palace and all our other lovely visitors.



Roger Hawes  
Chair



Merryn Kidd  
Chief Executive

# »»» THE PALACE TRUST «««

## Reference and Administrative Details

|  |  |
|--|--|
| <b>Trustee Directors</b>                       | Rt Revd Noel Michael Beasley<br>Greg Beedle<br>Caroline Brawley<br>Paul Dickinson<br>Roger Hawes<br>Natasha Hopkins<br>Katharine MacDonald<br>Michael Minta<br>Sally Strachey<br>Rt Revd Trevor Willmott |
| <b>Company Secretary</b>                       | Hollie Peppard (resigned 16 July 2025)<br>Merryn Kidd (from 16 July 2025)  |
| <b>Chief Executive</b>                         | Merryn Kidd  |
| <b>Charity Number</b>                          | 1160830  |
| <b>Company Number</b>                          | 09404519   |
| <b>Principal Address and Registered Office</b> | The Bishop's Palace<br>Wells<br>Somerset<br>BA5 2PD  |
| <b>Auditors</b>                                | Albert Goodman LLP<br>Goodwood House<br>Blackbrook Park Avenue<br>Taunton<br>Somerset<br>TA1 2PX   |
| <b>Bankers</b>                                 | NatWest<br>7 High Street<br>Wells<br>Somerset<br>TA1 1JQ   |

# »»» THE PALACE TRUST «««

## Trustee Directors Report

The Trustees, who are also directors for the purposes of the Companies Act, present their report and the financial statements of the charity for the year ended 31 December 2025, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The full name of the Charity is The Palace Trust. It was incorporated on 26 January 2015 as a company limited by guarantee. Its company registration number is 09404519. Its charity registration number is 1160830. The Charity is variously referred to throughout this report as either "the Charity", "the Company" or "the Trust".

### References and Administrative Details

Administrative information is given in a separate section at the front of these accounts.

### Directors and Trustees

The directors of the Company are the Charity's Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year and since the year-end are as follows:

|                              |  |
|------------------------------|--|
| Rt Revd Noel Michael Beasley |  |
| Greg Beedle                  |  |
| Caroline Brawley             |  |
| Paul Dickinson               |  |
| Sam Forsey                   | (resigned 1 <sup>st</sup> March 2025)      |
| Roger Hawes                  | (Chair)                                    |
| Natasha Hopkins              |  |
| Katharine MacDonald          |  |
| Michael Minta                |  |
| Claire Revell                | (resigned 26 <sup>th</sup> February 2026)  |
| Sally Strachey               | (appointed 20 <sup>th</sup> November 2025) |
| Rt Revd Trevor Willmott      |  |

None of the Trustees have any beneficial interest in the Company. All of the Trustees are members of the Company and guarantee to contribute £1 in the event of a winding up.



# »»» THE PALACE TRUST ««« ANNUAL REPORT 2025

## »»» STRUCTURE, GOVERNANCE AND MANAGEMENT

The Palace Trust's Articles contain two charitable aims: a) to preserve for the benefit of the public the fabric of The Bishop's Palace (as a place of historic and architectural interest) in order to facilitate access to The Bishop's Palace by the public for their education and interest, and b) to promote such charitable purposes as will advance the religious and other charitable work of the Church of England in such manner as the Trustees shall from time to time decide and are approved by the Church Commissioners.

Today, The Palace Trust continues to work towards these charitable aims, by opening The Bishop's Palace and its fourteen acres of gardens up to the public and running it as a heritage site, visitor attraction and community asset, and via its community engagement programmes.





The Bishop's Palace  
WELLS · SOMERSET

## ORGANISATIONAL STRUCTURE

The Board of Trustees is responsible for strategy and supervision of the executive to whom they delegate responsibility for operations. The Chief Executive Officer is responsible for delivering the strategy with the senior management team comprising the following department heads: Catering, Visitor Experience, Community Engagement and Volunteers, Horticulture, Property Management, Marketing & Communications, and Finance & HR. Department heads are responsible for the day to day running of the operations and report directly to the CEO.

An average of 62 staff were employed by the Trust and its subsidiary during the 12-month period ended 31 December 2025 with 64 in post at 31 December 2025 (14 full time and 50 part time). We had an average of 187 volunteers during the year.

## KEY MANAGEMENT PERSONNEL REMUNERATION

The trustees consider the Board of Trustees and the Chief Executive Officer as comprising the Key Management Personnel (KMP) in charge of directing and controlling the Trust and running and operating the Trust on a day-to-day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. The pay of Chief Executive Officer is reviewed annually and normally increased in accordance with average earnings. The remuneration is also benchmarked with heritage organisations of a similar size to ensure that the remuneration set is fair and not out of line with that generally paid for comparable roles. Details of trustee expenses and related party transactions are disclosed in note 8 to the accounts, and details of other KMP remuneration are disclosed in note 9 to the accounts.





187 VOLUNTEERS

AN AVERAGE OF 62 STAFF

10 TRUSTEES

**“ WHAT A WONDERFUL PLACE. IT IS IN AN IDYLIC LOCATION WITH BEAUTIFUL GARDENS AND SO MUCH HISTORY. COMBINED WITH A TOUR OF CATHEDRAL, THIS IS A TRULY MAGICAL DAY OUT. THE FOOD IN THE CAFE IS EXCELLENT AND REASONABLY PRICED. ”**



### »» SELECTION AND TRAINING OF TRUSTEES

Trustees are appointed according to the skills and experience required to deliver a successful strategic Board which meets both as a board and in smaller sub-committees. The Church Commissioners have the right to appoint one Trustee and the Bishop of Bath and Wells also has the right to be a Trustee. A skills audit was conducted prior to the 2024 recruitment round in order to identify gaps in the skills and experience in the board of Trustees.

Interviews for new Trustees are carried out by a Trustee panel before a decision on whether to appoint is made. New Trustees are provided with an induction pack of relevant information which is supplemented by a detailed induction programme involving the Chair and key members of staff. Trustees are encouraged to participate in ongoing training and an annual away day.

### »» RELATIONSHIP WITH OTHER ENTITIES

The management of catering, events (both corporate and private) and filming is undertaken by Palace Enterprises (Wells) Ltd ('PEL'), which is a wholly owned subsidiary of The Palace Trust. Income generated by this subsidiary may be donated to the charity by way of an annual Gift Aid donation if available from distributable profits.



## OBJECTIVES, STRATEGY AND ACTIVITIES OF THE TRUST

### »»» STRATEGIC AIMS

The charitable purposes of The Palace Trust are to preserve for the benefit of the public the fabric of The Bishop's Palace and to promote such charitable purposes as will advance the religious and other charitable work of the Church of England.

Today, The Palace Trust seeks to conserve and share the Palace and its story as a place of enjoyment and reflection for the benefit of all. The charity fulfils its purpose by taking forward detailed actions that meet five strategic objectives, newly identified for the 2026-2036 Strategic Plan.

#### Our Strategic Priorities

##### 1. Visitor Experience & Inclusivity

Ensure an unforgettable, outstanding welcome and experience, where visitors feel included and personally connected to our offering.

##### 2. Community & Charitable Work

Enrich lives through our charitable work both on-site and off-site, ensuring everyone in our community has the chance to discover something meaningful and beneficial.

##### 3. Development & Conservation

Elevate the conservation of our historic fabric while boldly developing the site into a visionary space that maximises our charitable impact.

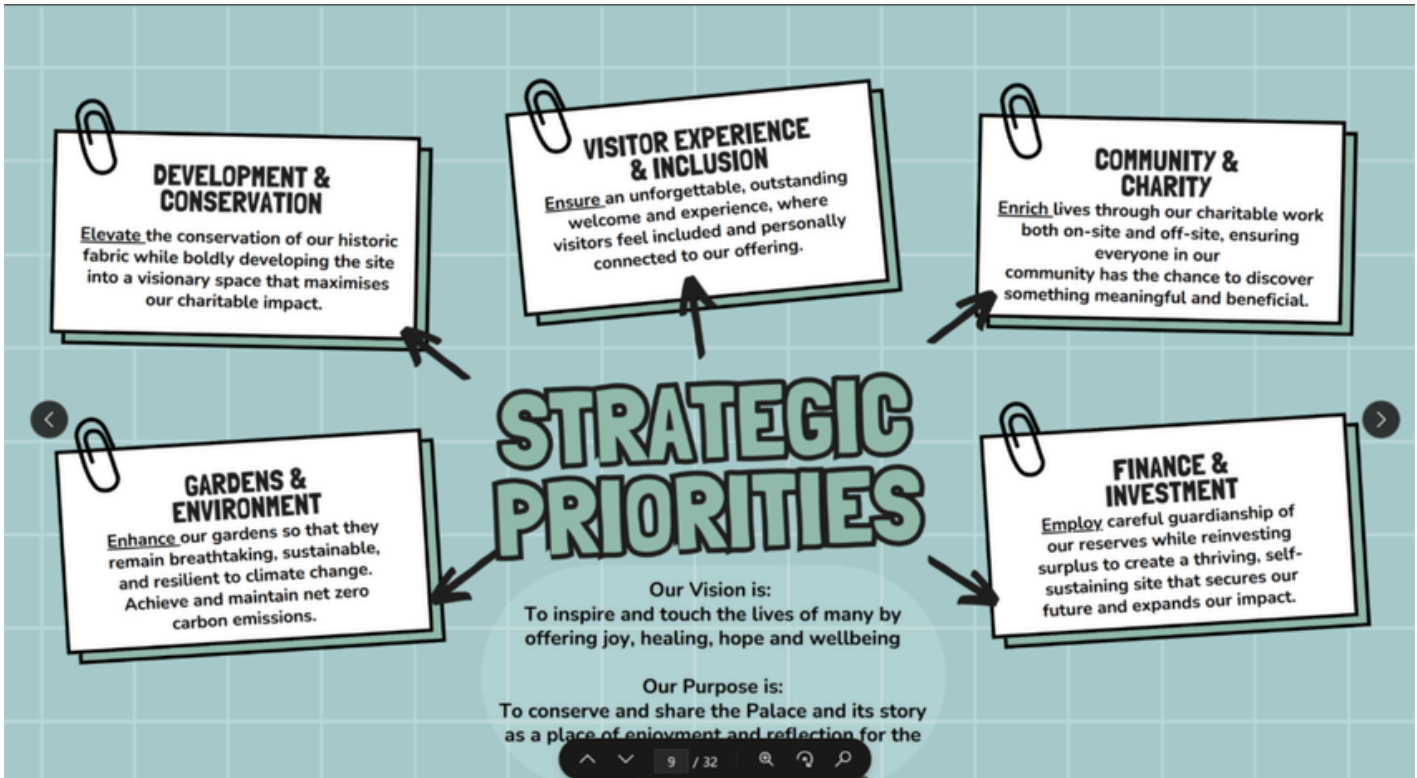
##### 4. Gardens & Environment

Enhance our gardens so that they remain breathtaking, sustainable, and resilient to climate change. Achieve and maintain net zero carbon emissions.

## Our Strategic Priorities (cont)

### 5. Finance & Investment

Employ careful guardianship of our reserves while reinvesting surplus to create a thriving, self-sustaining site that secures our future and expands our impact.



## ➤➤➤ PUBLIC BENEFIT

In setting The Palace Trust’s preceding aims and following activities, the Trustees have given careful consideration to the Charity Commission’s guidance on public benefit and continue to preserve and make accessible The Bishop’s Palace and its fourteen acres of gardens to the public, as a place of historic, architectural and landscape interest.

The Palace Trust achieves its purpose by opening the site to the public throughout the year, aiming to engage a diverse audience through a programme of public events, activities, exhibitions, its commercial activities and its community engagement programme. The Bishop’s Palace is central to the experience and enjoyment of Wells and will remain so as The Palace Trust continues to grow and expand its public offer, in particular with the introduction of community engagement measures designed to reach out to those most in need for little or no cost to them. The Palace Trust undertakes an annual plan of conservation and repair works ensuring The Bishop’s Palace remains in the public domain for future generations.

## »»» ACTIVITIES

2025 was the final year of our 2020-2025 Strategic Plan and many of the planned activities were brought to completion.

In January 2025 we launched our new multi-media devices, created in partnership with Imagineear. The devices hold around 1.5hrs of content and bring the interior of the medieval palace to life in a range of creative ways, including the wonderful “Talking Portraits” where the Bishops in the portraits come to life and speak directly to the visitor. The tour has a family or adult version and proved to be extremely popular throughout its first year. A new Volunteer role was created to distribute the devices and act as a friendly welcome inside the Palace’s entrance hall. At the same time, a Welcome Video, projected into the archway of the Entrance Hall, was launched. Lasting just under 5 minutes, it sets the scene for the visit to the site and serves as a beautiful introduction to the interpretation.

Also in January, a new piece of art by glass artist Edgar Phillips was installed; an etched glass tabletop with interpretation about the original Bishop Ken’s table, which sits on the original 17th century legs of the table and has proved to be fantastic for engaging visitors with the piece.

Work began in early March on the creation of a new Strategic Plan for the next 5-10 years. Workshops and exploratory sessions were held, starting with a SMT/Trustee Away Day, led by a strategic expert, and continuing with staff and volunteer sessions. Initial ideas were presented to the Board in May and approved in August.

In August a new digital tour of the gardens was launched in partnership with Bloomberg Connects, giving visitors the opportunity to use their own devices to explore the gardens, guided by our team of gardeners and volunteers, along with more detailed content on planting and history.

A range of new “Flagship Events” were introduced at the Palace in 2025, including a new Country and Garden Fair, with dog show, bake off, petting zoo, plant stalls and more, History Live! a weekend of historical reenactments, and Party at the Palace, a pop festival resulting in 1500 attendees enjoying music on the Croquet Lawn. These new events were complemented by our most successful ever Christmas Artisan Market in November, and Christmas Illuminations which ran from 30th November through until 4th January.

Much work took place on development projects, and we completed our improvements to the Community Garden Room, with a new wrap around pergola to protect groups from the sun and rain, a bifold door entrance and raised floor for an indoor/outdoor seamless environment, new kitchen and storage, and an outdoor sink with hot and cold water. Plans were approved for a new Visitor Reception and Shop, involving creating a new doorway through the Stable Yard Room into the gardens, and work was completed on schedule in December. Work also took place to create a new Splash Play Zone in the Dragon’s Lair, with ‘raining tree’, squirting rocks, and a paddling pool for our younger visitors. The works were completed in November, and the facility will launch in Spring 2026.



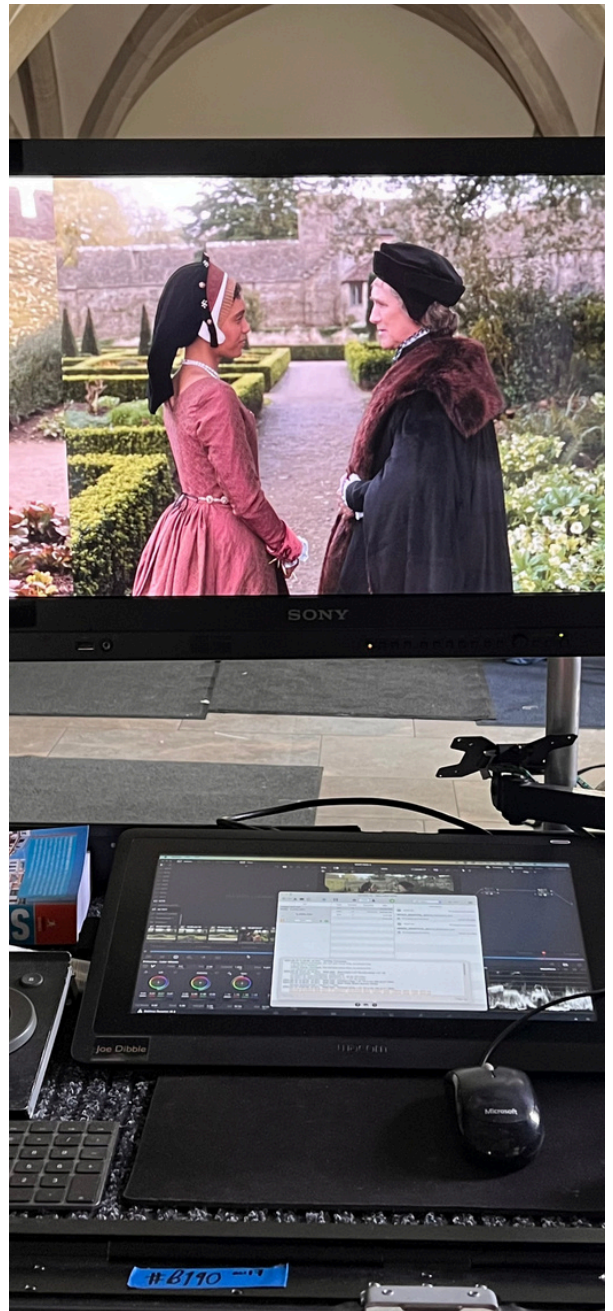
# PERFORMANCE

2025 saw the organisation returning a surplus for a second consecutive year, and this £73,534 was close to budget, despite some challenging external factors.

We welcomed 495,151 over the Drawbridge and, of those, 152,276 paid to enter the site, which represented an 8.6% increase on 2024. Given the continued cost of living crisis, a variety of challenging weather, and other visitor attractions in the area struggling, the Trust was delighted with this result.

Key contributors leading to this success including:

- The introduction of new ticketing levels, with a drop in price to £14 for a day ticket, an increase on our annual admission to £25, and a new Friends of the Palace premium membership at £65 which was very popular;
- A range of new flagship events, including:
  - The Country and Garden Fair
  - Party at the Palace – with 1500 visitors enjoying a pop and folk festival on the Croquet Lawn
  - The Christmas Artisan Market, which was more successful than ever with record numbers of visitors,
  - A very busy Christmas at the Palace, including large numbers of visitors buying our ‘evening only’ Christmas Illuminations ticket, along with an extended offering of dates between Christmas and New Year, and the good weather during that period.
- Excellent results in our Food and Beverage department;
- The Trust was exceptionally grateful to the Church Commissioners for their support in 2025.



## COMMUNITY ENGAGEMENT

In 2025 we gave 162 free annual passes and 108 day tickets to those who would benefit most from access to our place of peace, beauty and tranquillity (this included people using the local food bank) . In addition to this we gave 62 annual passes to children and their families on pupil premium at two local schools. Total value of these tickets and passes was £5624. We donated raffle prizes to 49 local groups. We also gave out 77 free community membership passes to local groups that would benefit from accessing The Bishop's Palace and Gardens who might not otherwise have been able to visit. In addition to this we gave some free /reduced cost venue hire so that some local groups could celebrate here or hold regular meetings eg bereavement group, carers group, local school sixth form prom.

We hosted visits from 11 different state schools (with some repeat visits, such as The Blue School) and one home-educator group, excluding private schools attending paid visits. This amounted to 665 children. Additionally, a further 16 schools engaged with our Christmas Eco Arts Exhibition, reaching 1,403 children across the county. Of these, 9 schools also visited us on-site, bringing the total number of free school visits to 20. We ran a free 10 week yoga course for neurodiverse people. We worked in partnership with Museum To You to deliver outreach sessions to over 100 people living in local nursing homes so they could enjoy learning about gardens and wildlife at The Bishop's Palace.

Over the course of the year we offered 14 work experience placements to local young people and 1 x 6 week placement in the gardens to an adult attending Job Centre Plus. We worked in partnership with three local groups to deliver sessions in our community garden for young people and adults needing extra support including piloting a new course with the Child and Adolescent mental health team. We welcomed 14 young people from Wells Youth Centre for a free wellbeing workshop and a photography workshop. The photography workshop was funded by Arts Society Mendip and they also provided another workshop for older adults. The focus of the photography workshops was to encourage participation in our Playing Cards photography competition. Over the summer we had 187 entries with the 55 winning images creating a bespoke pack of playing cards. Nearly everyone attended a launch here with breakfast and each received 2 free packs of cards.

**“ THE BISHOP'S PALACE AND GARDENS ARE BEAUTIFUL AND VERY WELL MAINTAINED. WE OPTED FOR THE AUDIO TOUR (FREE AFTER ADMISSION) WHICH WAS EXTREMELY INFORMATIVE AND GAVE US A REALLY GOOD INSIGHT INTO THE HISTORY OF THE PLACE. THE STAFF WERE FRIENDLY AND HELPFUL.**

”





## VOLUNTEERING OPPORTUNITIES

This year 182 volunteers contributed just under 20,000 volunteering hours to our organisation. There are 14 different volunteer roles requiring a time commitment of between 2 hours per fortnight to a day per week, which means there is a range of opportunities to suit everyone. We organised two new family volunteering days which went well. We continue to offer a comprehensive training programme, out of pocket expenses, a volunteer website, and regular social events, to make the volunteering experience at The Bishop's Palace as rewarding as possible. This year we achieved the nationally recognised quality standard for working with volunteers 'Investing in Volunteering Award'. The Palace Trust is extremely grateful for the loyalty and contribution of its volunteers who not only make the effective running of the site viable through their gift of time, knowledge and skills but who benefit from their engagement with our work, to deliver our charitable objects.

## FUTURE PLANS



2026 marks the first year of our new Strategic Plan. A summary version of the 2026 Business Plan is available on our website. The Trustees have agreed a programme of work that reflects our charitable purpose, with a focus on strengthening the visitor experience, widening access, conserving the site, and building long term resilience.



## Visitor Experience and Inclusion

2026 marks the first year of our new Strategic Plan. A summary version of the 2026 Business Plan is available on our website. The Trustees have agreed a programme of work that reflects our charitable purpose, with a focus on strengthening the visitor experience, widening access, conserving the site, and building long term resilience.

We will focus on enhancing the visitor experience and improving inclusion across the site. A new Visitor Reception in the Stable Yard will be embedded and monitored to support better visitor flow and accessibility. The full visitor journey, from the Market Place through to the Palace, will be reviewed to reduce barriers, particularly for those with additional access needs. Digital improvements will support this work, including the introduction of an AI powered website assistant and improved use of visitor data to enable more personalised communication and deeper audience insight.

Our events programme will continue to play a central role, with key events such as the Country and Garden Fair, Party at the Palace, Christmas Illuminations and the Christmas Artisan Market. We will also expand our cultural offer through exhibitions featuring regional artists and a research-led estates exhibition. New initiatives will include trial summer evening openings and the introduction of seasonal rowing boats on the moat, alongside carefully managed water-based activities.



## ➤➤➤ Development and Conservation

The conservation and care of the Palace will continue through a programme of planned works across the buildings and estate. This includes ongoing maintenance of the historic fabric, the phased conservation of the Bishops' portraits, and improvements to infrastructure such as the automation of the historic sluice gate system to reduce flood risk. Subject to planning and fundraising, we will also progress a wider Water and Science project to enhance interpretation, learning and visitor facilities within the gardens, supported by investment in digital and electrical infrastructure.

## ➤➤➤ Gardens and Environment

Within the gardens, we will maintain high horticultural standards while responding to environmental challenges. This will include renewing key garden areas, strengthening tree health and resilience, and continuing sustainable and organic gardening practices. We will increase rainwater harvesting and explore the use of moat water for irrigation. Environmental responsibility will be embedded within our reporting, with carbon monitoring introduced from 2026 and clear targets set for emissions reduction. We will also explore the installation of solar panels, subject to the necessary approvals.

## ➤➤➤ Community and Charitable

Our charitable and community work will remain at the heart of our activity. We will pilot a travel bursary scheme to reduce barriers to access and continue to support local schools through free visits and outreach sessions. Work experience opportunities will be expanded, with a focus on young people facing barriers to opportunity. We will grow our Heritage Connectors initiative and continue to support a large and active volunteer community. Free access will be maintained for targeted local community groups and individuals most in need, alongside our new free Open Day, ensuring the Palace remains welcoming and accessible to all. We will also work towards achieving Disability Confident Level 3 status.

**“ WE SPENT A DAY HERE, BOUGHT A TICKET FOR BOTH PALACE, GARDENS AND CATHEDRAL... WAS DEFINITELY WORTH IT. WHAT A BEAUTIFUL PLACE!  
(TRIPADVISOR) ”**

## ➤➤➤ Finance and Resilience

Financial sustainability will remain a priority. We will continue to grow income across admissions, retail, catering, events and venue hire, supported by improvements to systems and visitor offer. Fundraising capacity will be strengthened, alongside efforts to secure external funding for capital projects and reduce reliance on reserves. We will also review the use and future management of the Bishop’s Barn and consider the development of an Endowment Fund to support long term resilience.

2026 will be a year of consolidation and careful growth, embedding recent investments while strengthening financial resilience, broadening access, and preparing the Palace for long-term sustainability.



# 2025 AT A GLANCE



The Bishop's Palace  
WELLS · SOMERSET

**495,151**

Crossed the drawbridge



**152,276**

Visitors paid to enjoy the Palace & Gardens

**699**

'Friends of the Palace' made



**over 100 days**

Of public events and activities

**125** free annual passes and **108** day tickets to those who will benefit the most



**56**

Annual passes to children and their families on pupil premium

**807**

Pupil free visits from local schools



Welcomed new Building & Facilities Assistant, Gardener, Visitor Experience Supervisor, Trainee Gardener, Events Manager, Financial Controller, Office and Accounts Assistants, and Fundraising Assistant.

**4**

Groups per week in Community Garden

**6**

Cygnets born



**62,683** cups of coffee  
and **50,653** pieces of cake sold in the café

# FINANCIAL REVIEW AND RESERVES POLICY

(Under Audit Review)



The Palace Trust’s financial position is an estimated surplus of £73,534 which included an agreed overspend in premises maintenance. At year end, the Trust had unrestricted net assets (excluding the trading subsidiary), of £1,276,805, of which £650,750 is designated and £461,887 is Tangible fixed assets. It is the charity’s policy not to commit The Palace Trust to any new major programme of work until sufficient funds are accumulated in reserves to satisfy existing obligations.

## »»» RISK POLICY

The Trustees undertook a comprehensive review of risks during the past year and maintain a register of those risks which would affect the reputation and financial status of The Palace Trust. This register is maintained by the Trustees and includes a ranking of risk that takes account of likelihood and severity of impact. Risks that could have a material impact on The Palace Trust are singled out for particular attention.

- A prolonged period of inclement weather. Wet weather (or extreme heat) can lead to a drop in footfall and thus visitor income. This is mitigated by steps taken to increase footfall in the shoulder months thereby reducing the reliance on summer months, and in the long term to develop the site as an all-weather attraction.
- Long term conservation and use of the site. The Bishop’s Palace and gardens is owned by the Church Commissioners and the long-term conservation and use of the site is governed by a Management Agreement between The Palace Trust and Church Commissioners. We are in active communication with them regarding longer term arrangements for the Trust to continue to manage the site for the benefit of the community.

## »»» RESERVES (Under Audit Review)

Each year the Trustees review the level of free reserves. The Board considers the exposure to major risks in terms of their likely impact on its income sources and planned expenditure in the medium term.

Free reserves are defined as those available for the use by the Charity that are deemed to be readily realisable, less funds that are restricted or else designated for particular purposes.

This therefore excludes £461,887 tangible fixed assets that will continue to be used in the day-to-day running, and restricted funds of £nil.

The policy is to have a Trust Reserve for unrestricted funds at the year-end of sufficient size to cover the period from January to March when The Palace Trust runs at a deficit. The Trust Reserve therefore equates to 3 months of forecast expenditure. As at 31st December 2025 this was £450,000.

Other free reserves of £453,609 include £200,750 which has been allocated to the following project as designated funds:

- Environmental: introducing renewable energy sources
- Interpretation: enhancing the Palace Visitor Experience

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standard have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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



## STATEMENT AS TO DISCLOSURE TO OUR AUDITORS

In so far as the Trustees are aware:

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

### AUDITORS

The auditors, Albert Goodman LLP, are deemed to be re-appointed under Section 487(2) of the Companies Act 2006.

### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

By order of the Trustees.

*R Hawes*

.....  
R Hawes  
Trustee  
The Palace Trust

Date: *13.5.26* .....



➤➤➤ Finally, we asked ChatGPT to summarise key themes from the feedback we've had from our visitors:



## **The Palace Trust**

Independent Auditors' Report to the Trustees and Members  
For the Year Ended 31 December 2025

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### **Opinion**

We have audited the financial statements of The Palace Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2025, which comprise the consolidated Statement of Financial Activities, the consolidated and parent charitable company Balance Sheets, the consolidated and parent charitable company Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

### **Basis for opinion**

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

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustee's 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 entity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

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

## **The Palace Trust**

Independent Auditors' Report to the Trustees and Members  
For the Year Ended 31 December 2025

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### **Opinion on other matter prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on pages 19-20, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## The Palace Trust

Independent Auditors' Report to the Trustees and Members  
For the Year Ended 31 December 2025

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charity Act 2011, employment, data protection and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation, claims and breaches of relevant legislation; and
- reviewing correspondence with the Charity Commission and other relevant regulators including the group's legal advisors and insurers.

## The Palace Trust

Independent Auditors' Report to the Trustees and Members  
For the Year Ended 31 December 2025

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There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

### Use of our report

This report is made solely to the group and parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group and parent charitable company's members and trustees 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 group and parent charitable company and the group and parent charitable company's members as a body and the parent charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
Michelle Ferris BSC (Hons) FCA DChA (Senior Statutory Auditor)  
For and on behalf of Albert Goodman LLP, Statutory Auditor

Goodwood House  
Blackbrook Park Avenue  
Taunton  
Somerset  
TA1 2PX

Date: 13/05/2026

**The Palace Trust**

Consolidated Statement of Financial Activities (including an Income &amp; Expenditure account)

For the Year Ended 31 December 2025

|   | Notes | Unres-<br>tricted<br>£ | Res-<br>tricted<br>£ | 2025<br>Total<br>£ | Unres-<br>tricted<br>£ | Res-<br>tricted<br>£ | 2024<br>Total<br>£ |
|---|-------|------------------------|----------------------|--------------------|------------------------|----------------------|--------------------|
| <b>Income from:</b>                       |       |                        |                      |                    |                        |                      |                    |
| Donations and legacies                    | 2     | 178,536                | -                    | 178,536            | 180,221                | 1,549                | 181,770            |
| Charitable activities                     | 3     | 765,075                | -                    | 765,075            | 736,726                | -                    | 736,726            |
| Other trading activities                  | 4     | 1,186,132              | -                    | 1,186,132          | 997,052                | -                    | 997,052            |
| Investment                                | 5     | 39,466                 | -                    | 39,466             | 41,523                 | -                    | 41,523             |
| <b>Total income</b>                       |       | <b>2,169,209</b>       | <b>-</b>             | <b>2,169,209</b>   | <b>1,955,522</b>       | <b>1,549</b>         | <b>1,957,071</b>   |
| <b>Expenditure on:</b>                    |       |                        |                      |                    |                        |                      |                    |
| Raising funds                             | 6     | 974,504                | -                    | 974,504            | 816,923                | -                    | 816,923            |
| Charitable activities                     | 7     | 1,118,953              | -                    | 1,118,953          | 1,022,317              | -                    | 1,022,317          |
| <b>Total expenditure</b>                  |       | <b>2,093,457</b>       | <b>-</b>             | <b>2,093,457</b>   | <b>1,839,240</b>       | <b>-</b>             | <b>1,839,240</b>   |
| <b>Net (expenditure) / income</b>         |       | <b>75,752</b>          | <b>-</b>             | <b>75,752</b>      | <b>116,282</b>         | <b>1,549</b>         | <b>117,831</b>     |
| Transfer between funds                    | 15    | -                      | -                    | -                  | 1,549                  | (1,549)              | -                  |
| <b>Other recognised gains</b>             |       |                        |                      |                    |                        |                      |                    |
| Unrealised (loss) / gain on investment    |       | (2,218)                | -                    | (2,218)            | 1,241                  | -                    | 1,241              |
| <b>Net movement in funds for the year</b> |       | <b>73,534</b>          | <b>-</b>             | <b>73,534</b>      | <b>119,072</b>         | <b>-</b>             | <b>119,072</b>     |
| <b>Reconciliation of funds</b>            |       |                        |                      |                    |                        |                      |                    |
| Total funds brought forward               |       | 1,348,811              | -                    | 1,348,811          | 1,229,739              | -                    | 1,229,739          |
| <b>Total funds carried forward</b>        |       | <b>1,422,345</b>       | <b>-</b>             | <b>1,422,345</b>   | <b>1,348,811</b>       | <b>-</b>             | <b>1,348,811</b>   |

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

All income and expenditure derive from continuing activities.

**The Palace Trust – Company Registration Number: 09404519**  
Balance Sheet and Consolidated Balance Sheet  
As at 31 December 2025

|  |       | 2025<br>£               | 2025<br>£               | 2024<br>£               | 2024<br>£               |
|--|-------|-------------------------|-------------------------|-------------------------|-------------------------|
|  | Notes | Group                   | Charity                 | Group                   | Charity                 |
| <b>Fixed assets</b>                            |       |                         |                         |                         |                         |
| Tangible fixed assets                          | 10    | 518,736                 | 461,887                 | 263,639                 | 207,307                 |
| Investments                                    | 11    | 53,276                  | 53,277                  | 55,494                  | 55,495                  |
|  |       | <u>572,012</u>          | <u>515,164</u>          | <u>319,133</u>          | <u>262,802</u>          |
| <b>Current assets</b>                          |       |                         |                         |                         |                         |
| Stock  | 12    | 42,446                  | -                       | 25,636                  | -                       |
| Debtors  | 13    | 116,221                 | 74,874                  | 128,420                 | 122,473                 |
| Cash at bank and in hand                       |       | 920,926                 | 866,064                 | 1,113,706               | 996,612                 |
|  |       | <u>1,079,593</u>        | <u>940,938</u>          | <u>1,267,762</u>        | <u>1,119,085</u>        |
| <b>Liabilities:</b>                            |       |                         |                         |                         |                         |
| Creditors: amounts falling due within one year | 14    | (229,260)               | (179,297)               | (238,084)               | (121,037)               |
| <b>Net current assets</b>                      |       | <u>850,333</u>          | <u>761,641</u>          | <u>1,029,678</u>        | <u>998,048</u>          |
| <b>Total net assets</b>                        |       | <u><u>1,422,345</u></u> | <u><u>1,276,805</u></u> | <u><u>1,348,811</u></u> | <u><u>1,260,850</u></u> |
| <b>The funds of the charity:</b>               |       |                         |                         |                         |                         |
| Unrestricted funds:                            |       |                         |                         |                         |                         |
| General funds                                  |       | 252,859                 | 164,168                 | 436,070                 | 404,441                 |
| Designated funds                               |       | 1,169,486               | 1,112,637               | 912,741                 | 856,409                 |
| Total unrestricted funds                       | 15    | <u>1,422,345</u>        | <u>1,276,805</u>        | <u>1,348,811</u>        | <u>1,260,850</u>        |
| Restricted funds                               | 15    | <u>-</u>                | <u>-</u>                | <u>-</u>                | <u>-</u>                |
| <b>Total charity funds</b>                     |       | <u><u>1,422,345</u></u> | <u><u>1,276,805</u></u> | <u><u>1,348,811</u></u> | <u><u>1,260,850</u></u> |

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes on pages 30 – 50 form part of these accounts.

Approved by the Board for issue on 13.5.26..... and signed on their behalf by:

  
.....  
R Hawes  
Trustee

**The Palace Trust**Statement of Cash Flows and Consolidated Statement of Cash Flows  
For the Year Ended 31 December 2025

|  |       | 2025      | 2025      | 2024      | 2024     |
|--|-------|-----------|-----------|-----------|----------|
|  |       | £         | £         | £         | £        |
|  | Notes | Group     | Charity   | Group     | Charity  |
| <b>Cash flows from operating activities</b>                        |       |           |           |           |          |
| Net expenditure for the year                                       |       | 73,534    | 15,955    | 119,072   | 34,345   |
| Adjustments to cash flows from non-cash items:                     |       |           |           |           |          |
| Depreciation and amortisation                                      | 10    | 79,602    | 58,125    | 74,859    | 50,620   |
| Investment income  | 5     | (39,466)  | (36,684)  | (41,523)  | (36,522) |
| Unrealised net (gain) / loss on investments                        | 11    | 2,218     | 2,218     | (1,241)   | (1,241)  |
| (Profit) / loss on disposal of fixed assets                        |       | -         | -         | 4,234     | -        |
|  |       | 115,888   | 39,614    | 155,401   | 47,202   |
| Working capital adjustments  |       |           |           |           |          |
| Decrease / (increase) in stocks                                    | 12    | (16,810)  | -         | 3,439     | -        |
| (Increase) / decrease in debtors                                   | 13    | 12,199    | 47,599    | (47,623)  | 97,270   |
| Increase / (decrease) in creditors                                 | 14    | (8,824)   | 58,260    | 92,413    | 37,543   |
|  |       | 102,453   | 145,473   | 203,630   | 182,015  |
| <b>Cash flows from investing activities</b>                        |       |           |           |           |          |
| Purchase of tangible fixed assets                                  | 10    | (334,699) | (312,705) | (58,624)  | (33,715) |
| Proceeds on disposal of fixed assets                               |       | -         | -         | -         | -        |
| Investment income  | 5     | 39,466    | 36,684    | 41,523    | 36,522   |
|  |       | (295,233) | (276,021) | (17,101)  | 2,807    |
| Net increase in cash and cash equivalents                          |       |           |           |           |          |
|  |       | (192,780) | (130,548) | 186,529   | 184,822  |
| Cash and cash equivalents at the beginning of the reporting period |       |           |           |           |          |
|  |       | 1,113,706 | 996,612   | 927,177   | 811,790  |
| Cash and cash equivalents at the end of the reporting period       |       |           |           |           |          |
|  |       | 920,926   | 866,064   | 1,113,706 | 996,612  |
| Cash & Cash equivalents reconciliation:                            |       |           |           |           |          |
| Cash at bank   |       | 920,926   | 866,064   | 1,113,706 | 996,612  |
| Total cash & cash equivalents at the end of the reporting period   |       |           |           |           |          |
|  |       | 920,926   | 866,064   | 1,113,706 | 996,612  |

## **1 Accounting Policies**

The principal accounting policies adopted in the preparation of the financial statements are:

### **1.1 Basis of accounting**

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

The Palace Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) and all amounts are presented in £ sterling.

These financial statements consolidate the results of the Charity and its wholly owned subsidiary, Palace Enterprises (Wells) Limited, on a line by line basis. The "Group" heading within the balance sheet refers to the consolidated accounts of The Palace Trust and Palace Enterprises (Wells) Limited.

In the parent company financial statements the investment in the trading subsidiary is accounted for at cost less impairment.

A separate Statement of Financial Activities or income and expenditure account, for the Charity itself has not been presented because the Charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

### **1.2 Legal status of the Trust**

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The company is incorporated in England and Wales and the company registered office is detailed on page 4, reference and administration details.

### **1.3 Going Concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting when preparing the financial statements.

**1.4 Income**

Income from grants and donations is recognised in the year in which they are receivable when there is evidence of entitlement, receipt is probable and the amount can be reliably measured. Where income has not been received for gift aid claims relating to donations received in the year, income is accrued.

Income from government grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Where no conditions are attached to the grant income they are recognised within donations and legacies and where conditions relating to performance of services are attached, grant income is recognised in income from charitable activities within the Statement of Financial Activities.

Income from charitable activities includes membership and admissions income. Membership income is accounted for in full in the year that the membership commences. Admission income is recognised on a cash basis, in the year the income is physically received.

Income from other trading activities, including restaurant income, event income and rental income, is included in the period in which the group is entitled to receipt, it is probable that economic benefits will flow to the entity and the amount can be reliably measured.

The charity receives income from its subsidiary under gift aid and this is recognised upon physical receipt.

The charity notes the requirement of the SORP that large charities must report their results on an activities basis. The charity considers that they produce one activity – the operation of a heritage site– and therefore reports on that basis.

**1.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

**1.6 Expenditure**

Resources expended are recognised on the accruals basis to match the period in which the expenditure was incurred.

Raising funds is expenditure incurred in generating the trading subsidiary funds and from other trading activities carried out by the trust.

Charitable activity expenditure comprises costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and costs of an indirect nature necessary to support them. Grants payable are at the discretion of the Trustees. Governance costs are those costs associated with the governance arrangements of the charity and relate to general running of the charity as opposed to those costs associated with charitable activities.

**1.7 Operating leases**

The trust classifies the lease of properties as operating leases as title remains with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

**1.8 Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of Trust.

Restricted funds are from donations and grants in which the donor or funder has specified are to be solely used for particular areas of the Trust's work or for specific projects being undertaken by the Trust.

**1.9 Tangible fixed assets and depreciation-**

Tangible fixed assets are stated at cost less depreciation. Fixed assets under £1,000 are not capitalised. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life as follows:

|                                 |                            |
|---------------------------------|----------------------------|
| Computer equipment              | 3 - 5 years straight line  |
| Furniture, fittings & equipment | 2 - 10 years straight line |
| Outdoor equipment               | 2 - 15 years straight line |
| Catering equipment              | 5 - 10 years straight line |
| Assets Under Construction       | No depreciation            |

**1.10 Debtors**

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Trust will not be able to collect all amounts due to according to the original terms of the receivables.

Other debtors comprise prepayments and accrued income. Prepayments arise from the payments for services prior to benefit from those services, and accrued income is amounts due for services provided, recognised at the point of provision of the services.

**1.11 Stock**

Stock consists of shop stock for resale and publication stocks. Stock is valued at the lower of cost and net realisable value, after making allowances for obsolete and slow moving stock.

**1.12 Cash at bank and in hand**

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

**1.13 Creditors**

Creditors 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 measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

**1.14 Defined contribution pension**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to defined contribution plans are recognised as staff pension expense through the profit and loss when they are due.

**1.15 Taxation**

As a registered charity, the company is not liable to corporation tax or capital gains tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax (VAT) is partially recoverable by the company. Any irrecoverable VAT is added to the relevant cost and charged as an expense in the Statement of Financial Activities.

**1.16 Financial Instruments**

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and liabilities of the charity and their measurements are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank and deposit accounts– is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**The Palace Trust**Notes to the Financial Statements  
For the Year Ended 31 December 2025**2 Donations and legacies**

|                      | <b>Unres-<br/>tricted<br/>funds<br/>£</b> | <b>Res-<br/>tricted<br/>funds<br/>£</b> | <b>2025<br/>Total<br/>£</b> | <b>Unres-<br/>tricted<br/>funds<br/>£</b> | <b>Res-<br/>tricted<br/>funds<br/>£</b> | <b>2024<br/>Total<br/>£</b> |
|----------------------|---|---|-----------------------------|---|---|-----------------------------|
| Donations            | 25,116                                    | -                                       | 25,116                      | 13,001                                    | 1,549                                   | 14,550                      |
| Gift aid             | 49,384                                    | -                                       | 49,384                      | 62,220                                    | -                                       | 62,220                      |
| <b>Grants</b>        |   |   |                             |   |   |                             |
| Church Commissioners | 102,000                                   | -                                       | 102,000                     | 105,000                                   | -                                       | 105,000                     |
| Other small grants   | 2,036                                     | -                                       | 2,036                       | -   | -                                       | -                           |
|                      | <b>178,536</b>                            | <b>-</b>                                | <b>178,536</b>              | <b>180,221</b>                            | <b>1,549</b>                            | <b>181,770</b>              |

**3 Income from charitable activities**

|                   | <b>Unres-<br/>tricted<br/>funds<br/>£</b> | <b>Res-<br/>tricted<br/>funds<br/>£</b> | <b>2025<br/>Total<br/>£</b> | <b>Unres-<br/>tricted<br/>funds<br/>£</b> | <b>Res-<br/>tricted<br/>funds<br/>£</b> | <b>2024<br/>Total<br/>£</b> |
|-------------------|---|---|-----------------------------|---|---|-----------------------------|
| Entrance fees     | 696,225                                   | -                                       | 696,225                     | 660,192                                   | -                                       | 660,192                     |
| Membership income | 68,850                                    | -                                       | 68,850                      | 76,534                                    | -                                       | 76,534                      |
|                   | <b>765,075</b>                            | <b>-</b>                                | <b>765,075</b>              | <b>736,726</b>                            | <b>-</b>                                | <b>736,726</b>              |

**4 Other trading activities**

|                    | <b>Unres-<br/>tricted<br/>funds<br/>£</b> | <b>Res-<br/>tricted<br/>funds<br/>£</b> | <b>2025<br/>Total<br/>£</b> | <b>Unres-<br/>tricted<br/>funds<br/>£</b> | <b>Res-<br/>tricted<br/>funds<br/>£</b> | <b>2024<br/>Total<br/>£</b> |
|--------------------|---|---|-----------------------------|---|---|-----------------------------|
| Restaurant income  | 719,546                                   | -                                       | 719,546                     | 719,546                                   | -                                       | 719,546                     |
| Event income       | 62,591                                    | -                                       | 62,591                      | 86,126                                    | -                                       | 86,126                      |
| Event site hire    | 43,120                                    | -                                       | 43,120                      | 43,120                                    | -                                       | 43,120                      |
| Shop income        | 255,954                                   | -                                       | 255,954                     | 30,475                                    | -                                       | 30,475                      |
| Event catering     | 12,722                                    | -                                       | 12,722                      | 12,722                                    | -                                       | 12,722                      |
| Solar panel income | -   | -                                       | -                           | -   | -                                       | -                           |
| Film income        | 82,667                                    | -                                       | 82,667                      | 82,667                                    | -                                       | 82,667                      |
| Rental income      | 9,532                                     | -                                       | 9,532                       | 22,396                                    | -                                       | 22,396                      |
|                    | <b>1,186,132</b>                          | <b>-</b>                                | <b>1,186,132</b>            | <b>997,052</b>                            | <b>-</b>                                | <b>997,052</b>              |

**5 Investment income**

|               | <b>Unres-<br/>tricted<br/>funds<br/>£</b> | <b>Res-<br/>tricted<br/>funds<br/>£</b> | <b>2025<br/>Total<br/>£</b> | <b>Unres-<br/>tricted<br/>funds<br/>£</b> | <b>Res-<br/>tricted<br/>funds<br/>£</b> | <b>2024<br/>Total<br/>£</b> |
|---------------|---|---|-----------------------------|---|---|-----------------------------|
| Bank interest | 39,466                                    | -                                       | 39,466                      | 41,523                                    | -                                       | 41,523                      |

**6 Expenditure on raising funds**

|                          | <b>Unres-<br/>tricted<br/>£</b> | <b>Res-<br/>tricted<br/>£</b> | <b>2025<br/>Total<br/>£</b> | <b>Unres-<br/>tricted<br/>£</b> | <b>Res-<br/>tricted<br/>£</b> | <b>2024<br/>Total<br/>£</b> |
|--------------------------|---------------------------------|-------------------------------|-----------------------------|---------------------------------|-------------------------------|-----------------------------|
| Costs of goods sold      | 298,672                         | -                             | 298,672                     | 250,590                         | -                             | 250,590                     |
| Wages, salaries & agency | 443,083                         | -                             | 443,083                     | 394,386                         | -                             | 394,386                     |
| Other direct costs       | 185,949                         | -                             | 185,949                     | 118,926                         | -                             | 118,926                     |
| Event costs              | 35,508                          | -                             | 35,508                      | 47,006                          | -                             | 47,006                      |
| Commission sales expense | 11,292                          | -                             | 11,292                      | 6,015                           | -                             | 6,015                       |
|                          | <b>974,504</b>                  | <b>-</b>                      | <b>974,504</b>              | <b>816,923</b>                  | <b>-</b>                      | <b>816,923</b>              |

**7 Charitable activities expenditure**

|                                     | Unres-<br>tricted<br>£ | Res-<br>tricted<br>£ | 2025<br>Total<br>£ | Unres-<br>tricted<br>£ | Res-<br>tricted<br>£ | 2024<br>Total<br>£ |
|-------------------------------------|------------------------|----------------------|--------------------|------------------------|----------------------|--------------------|
| <b>Direct charitable activities</b> |                        |                      |                    |                        |                      |                    |
| Maintenance costs                   | 68,357                 | -                    | 68,357             | 102,370                | -                    | 102,370            |
| Garden maintenance                  | 27,238                 | -                    | 27,238             | 31,668                 | -                    | 31,668             |
| Public access & education           | 9,501                  | -                    | 9,501              | 7,656                  | -                    | 7,656              |
| <b>Support costs</b>                |                        |                      |                    |                        |                      |                    |
| Wages & salaries                    | 635,188                | -                    | 635,188            | 556,130                | -                    | 556,130            |
| Staff training & recruitment        | 39,267                 | -                    | 39,267             | 24,318                 | -                    | 24,318             |
| Travel & entertainment              | 8,057                  | -                    | 8,057              | 8,457                  | -                    | 8,457              |
| Rent, rates, light & heat           | 76,129                 | -                    | 76,129             | 63,978                 | -                    | 63,978             |
| Cleaning costs                      | 41,375                 | -                    | 41,375             | 50,229                 | -                    | 50,229             |
| Advertising                         | 45,227                 | -                    | 45,227             | 36,777                 | -                    | 36,777             |
| Office costs                        | 88,225                 | -                    | 88,225             | 69,464                 | -                    | 69,464             |
| Subscriptions                       | 2,811                  | -                    | 2,811              | 2,598                  | -                    | 2,598              |
| Legal fees                          | -                      | -                    | -                  | -                      | -                    | -                  |
| Professional fees                   | 6,847                  | -                    | 6,847              | 3,280                  | -                    | 3,280              |
| Accountancy                         | -                      | -                    | -                  | -                      | -                    | -                  |
| Bank charges                        | 1,292                  | -                    | 1,292              | 3,165                  | -                    | 3,165              |
| Depreciation                        | 58,125                 | -                    | 58,125             | 50,620                 | -                    | 50,620             |
| Loss on disposal of fixed asset     | 2,167                  | -                    | 2,167              | 3,288                  | -                    | 3,288              |
| <b>Governance</b>                   |                        |                      |                    |                        |                      |                    |
| Auditors fees - audit               | 7,400                  | -                    | 7,400              | 6,719                  | -                    | 6,719              |
| Auditors fees- accountancy          | 1,747                  | -                    | 1,747              | 1,600                  | -                    | 1,600              |
|                                     | <u>1,118,953</u>       | <u>-</u>             | <u>1,118,953</u>   | <u>1,022,317</u>       | <u>-</u>             | <u>1,022,317</u>   |

**7 Expenditure (continued)**

|                              | <b>2025</b> | <b>Charity</b> | <b>2025</b> | <b>Subsidiary</b> | <b>Total</b> | <b>Total</b> |
|------------------------------|-------------|----------------|-------------|-------------------|--------------|--------------|
|                              | £           | 2024           | £           | 2024              | £            | 2024         |
|                              |             | £              |             | £                 |              | £            |
| Depreciation of owned assets | 58,125      | 50,620         | 21,477      | 24,239            | 79,602       | 74,859       |
| Auditors' remuneration for:  |             |                |             |                   |              |              |
| Current auditors             |             |                |             |                   |              |              |
| - Audit services             | 7,400       | 6,700          | 5,500       | 5,100             | 12,900       | 11,800       |
| - Other services             | 1,747       | 1,600          | 1,211       | 1,040             | 2,958        | 2,640        |

**8 Trustee directors**

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2024: £nil).

No trustees were reimbursed for travel expenses during the year (2024: one trustee - £434).

No charity trustee received payment for professional or other services supplied to the charity (2024: £nil).

**9 Employees**

|                       | <b>2025</b>      | <b>2025</b>    | <b>2024</b>    | <b>2024</b>    |
|-----------------------|------------------|----------------|----------------|----------------|
|                       | <b>Group</b>     | <b>Charity</b> | <b>Group</b>   | <b>Charity</b> |
|                       | <b>£</b>         | <b>£</b>       | <b>£</b>       | <b>£</b>       |
| Wages and salaries    | 947,021          | 550,029        | 856,433        | 487,120        |
| Social security costs | 78,975           | 47,654         | 48,017         | 33,163         |
| Employer pension      | 52,275           | 37,505         | 41,498         | 31,279         |
| Termination payments  | -                | -              | 4,568          | 4,568          |
|                       | <u>1,078,271</u> | <u>635,188</u> | <u>950,516</u> | <u>556,130</u> |

**Number of employees**

The average monthly number of employees during the year, calculated on the basis of average headcount, was as follows:

|                             | <b>2025</b>  | <b>2025</b>    | <b>2024</b>  | <b>2024</b>    |
|-----------------------------|--------------|----------------|--------------|----------------|
|                             | <b>Group</b> | <b>Charity</b> | <b>Group</b> | <b>Charity</b> |
|                             | <b>No.</b>   | <b>No.</b>     | <b>No.</b>   | <b>No.</b>     |
| Average employee head count | <u>61</u>    | <u>30</u>      | <u>47</u>    | <u>23</u>      |

During the year, no employees were paid in respect of PILON or redundancy (2024: One employee was paid £1,522 in respect of PILON and £3,046 in respect of redundancy).

The number of employees whose annual emoluments were £60,000 (excluding employer pension and employer national insurance costs) or more were:

|                   | <b>2025</b>   | <b>2024</b>   |
|-------------------|---------------|---------------|
|                   | <b>number</b> | <b>number</b> |
| £70,000 - £80,000 | <u>1</u>      | <u>1</u>      |

This employee is not a member of the defined contribution pension scheme.

## 9 Employees (continued)

The key management personnel for the year, comprises the Chief Executive (2024: the Chief Executive). The total employee benefits (includes gross pay, employer pension and employer national insurance) of the key management personnel of the Trust were £91,275 (2024: £87,489).

### Pension costs

The company operates a defined contribution pension scheme. The charge to the Statement of Financial Activities for the year is shown above.

Contributions totalling £nil (2024 - £nil) were payable to the schemes at the end of the year and are included in creditors.

## 10 Tangible fixed assets

| Group                   | Computer<br>equipment<br>£ | Furniture,<br>fittings &<br>equipment<br>£ | Outdoor<br>equipment<br>£ | Catering<br>equipment<br>£ | Assets<br>under<br>construction<br>£ | Total<br>£ |
|-------------------------|----------------------------|--|---------------------------|----------------------------|--------------------------------------|------------|
| <b>Cost</b>             |                            |  |                           |                            |                                      |            |
| At 1 January 2025       | 49,321                     | 147,627                                    | 203,184                   | 167,143                    | -                                    | 567,275    |
| Additions               | 46,415                     | 64,374                                     | 102,522                   | 21,994                     | 99,394                               | 334,699    |
| Disposals               | -                          | -  | -                         | -                          | -                                    | -          |
| At 31 December 2025     | 95,736                     | 212,001                                    | 305,706                   | 189,137                    | 99,394                               | 901,974    |
| <b>Depreciation</b>     |                            |  |                           |                            |                                      |            |
| At 1 January 2025       | 38,445                     | 60,492                                     | 94,549                    | 110,150                    | -                                    | 303,636    |
| Charge for the year     | 14,153                     | 28,354                                     | 15,513                    | 21,582                     | -                                    | 79,602     |
| Eliminated on disposals | -                          | -  | -                         | -                          | -                                    | -          |
| At 31 December 2025     | 52,598                     | 88,846                                     | 110,062                   | 131,732                    | -                                    | 383,238    |
| <b>Net book value</b>   |                            |  |                           |                            |                                      |            |
| At 31 December 2025     | 43,138                     | 123,155                                    | 195,644                   | 57,405                     | 99,394                               | 518,736    |
| At 31 December 2024     | 10,876                     | 87,135                                     | 108,635                   | 56,993                     | -                                    | 263,639    |

## 10 Tangible fixed assets (continued)

| Charity                 | Computer<br>equipment<br>£ | Furniture,<br>fittings &<br>equipment<br>£ | Outdoor<br>equipment<br>£ | Catering<br>equipment<br>£ | Assets<br>under<br>construction<br>£ | Total<br>£ |
|-------------------------|----------------------------|--|---------------------------|----------------------------|--------------------------------------|------------|
| <b>Cost</b>             |                            |  |                           |                            |                                      |            |
| At 1 January 2025       | 49,321                     | 147,627                                    | 203,184                   | 23,991                     | -                                    | 424,123    |
| Additions               | 46,415                     | 64,374                                     | 102,522                   | -                          | 99,394                               | 312,705    |
| Disposals               | -                          | -  | -                         | -                          | -                                    | -          |
| At 31 December 2025     | 95,736                     | 212,001                                    | 305,706                   | 23,991                     | 99,394                               | 736,828    |
| <b>Depreciation</b>     |                            |  |                           |                            |                                      |            |
| At 1 January 2025       | 38,445                     | 60,492                                     | 94,549                    | 23,330                     | -                                    | 216,816    |
| Charge for the year     | 14,153                     | 28,354                                     | 15,513                    | 105                        | -                                    | 58,125     |
| Eliminated on disposals | -                          | -  | -                         | -                          | -                                    | -          |
| At 31 December 2025     | 52,598                     | 88,846                                     | 110,062                   | 23,435                     | -                                    | 274,941    |
| <b>Net book value</b>   |                            |  |                           |                            |                                      |            |
| At 31 December 2025     | 43,138                     | 123,155                                    | 195,644                   | 556                        | 99,394                               | 461,887    |
| At 31 December 2024     | 10,876                     | 87,135                                     | 108,635                   | 661                        | -                                    | 207,307    |

## 11 Investments

| Group                          | 2025<br>£ | 2024<br>£ |
|--------------------------------|-----------|-----------|
| <b>Unlisted investments</b>    |           |           |
| Opening balance                | 55,494    | 54,253    |
| Unrealised (loss) / gain       | (2,218)   | 1,241     |
| Closing balance                | 53,276    | 55,494    |
| Historical cost of investments | 33,593    | 33,593    |

The unlisted investments comprise 2,400 shares in the Central Board of Finance of the Church of England Investment Fund.

**11 Investments (continued)**

| <b>Charity</b>                 | <b>2025</b>   | <b>2024</b>   |
|--------------------------------|---------------|---------------|
|                                | £             | £             |
| <b>Unlisted investments</b>    |               |               |
| Opening balance                | 55,494        | 54,253        |
| Unrealised (loss) / gain       | (2,218)       | 1,241         |
|                                | <u>53,276</u> | <u>55,494</u> |
| Closing balance                | <u>53,276</u> | <u>55,494</u> |
| Historical cost of investments | <u>33,593</u> | <u>33,593</u> |

**Charity investments at market value comprise:**

|  | <b>Total</b>  | <b>Total</b>  |
|--|---------------|---------------|
|  | <b>2025</b>   | <b>2024</b>   |
|  | £             | £             |
| Shares in unlisted investments                     | 53,276        | 55,494        |
| Shareholding in Palace Enterprises (Wells) Limited |               |               |
| Ordinary shares of £1 each                         | 1             | 1             |
|  | <u>53,277</u> | <u>55,495</u> |

Palace Enterprises (Wells) Limited (company no 03013064) was incorporated 23 January 1995 and is a wholly owned trading subsidiary of The Palace Trust. The parent charity holds 100% of the issued share capital and 100% of the voting rights of the subsidiary trading company.

The principal activities of the company is to provide a fully catered venue for wedding receptions and other events, together with a catering service in the Bishop's Table Restaurant. The registered office is the same as that of the Trust, detailed on page 1. The subsidiary gift aids some of its taxable profits to The Palace Trust, paying corporation tax on any profits retained, and files audited accounts with the Registrar of Companies.

**11 Investments (continued)**

A summary of the trading results is shown below:

|   | <b>2025</b> | <b>2024</b> |
|---|-------------|-------------|
|   | <b>£</b>    | <b>£</b>    |
| Turnover  | 1,170,533   | 951,786     |
| Cost of sales                                     | (744,713)   | (646,859)   |
|   | <hr/>       | <hr/>       |
| Gross profit                                      | 425,820     | 304,927     |
| Administrative expenses                           | (355,356)   | (220,201)   |
|   | <hr/>       | <hr/>       |
| Operating profit                                  | 70,464      | 84,726      |
| Investment income                                 | -           | -           |
|   | <hr/>       | <hr/>       |
| Profit before tax & profit for the financial year | 70,464      | 84,726      |
| Retained earnings brought forward in subsidiary   | 87,961      | 3,235       |
| Gift aid to The Palace Trust                      | (12,883)    | -           |
|   | <hr/>       | <hr/>       |
| Retained earnings carried forward in subsidiary   | 145,542     | 87,961      |
|   | <hr/> <hr/> | <hr/> <hr/> |
| The assets and liabilities were:                  |             |             |
| Fixed assets                                      | 56,849      | 56,332      |
| Current assets                                    | 203,334     | 185,632     |
| Current liabilities                               | (114,640)   | (154,002)   |
|   | <hr/>       | <hr/>       |
| Total net assets                                  | 145,543     | 87,962      |
|   | <hr/> <hr/> | <hr/> <hr/> |
| Called up share capital                           | 1           | 1           |
| Profit and loss reserve                           | 145,542     | 87,961      |
|   | <hr/>       | <hr/>       |
|   | <hr/> <hr/> | <hr/> <hr/> |
|   | 145,543     | 87,962      |
|   | <hr/> <hr/> | <hr/> <hr/> |

**12 Stocks**

|                  | <b>2025</b>   | <b>2025</b>    | <b>2024</b>   | <b>2024</b>    |
|------------------|---------------|----------------|---------------|----------------|
|                  | <b>Group</b>  | <b>Charity</b> | <b>Group</b>  | <b>Charity</b> |
|                  | <b>£</b>      | <b>£</b>       | <b>£</b>      | <b>£</b>       |
| Goods for resale | 42,446        | -              | 25,636        | -              |
|                  | <u>42,446</u> | <u>-</u>       | <u>25,636</u> | <u>-</u>       |

**13 Debtors**

|                                    | <b>2025</b>    | <b>2025</b>    | <b>2024</b>    | <b>2024</b>    |
|------------------------------------|----------------|----------------|----------------|----------------|
|                                    | <b>Group</b>   | <b>Charity</b> | <b>Group</b>   | <b>Charity</b> |
|                                    | <b>£</b>       | <b>£</b>       | <b>£</b>       | <b>£</b>       |
| Trade debtors                      | 60,301         | 20,077         | 59,789         | 22,991         |
| Prepayments and accrued income     | 55,920         | 54,797         | 68,631         | 62,527         |
| Amounts owed by group undertakings | -              | -              | -              | 36,955         |
|                                    | <u>116,221</u> | <u>74,874</u>  | <u>128,420</u> | <u>122,473</u> |

**14 Creditors: Amounts falling due within one year**

|                                    | <b>2025</b>    | <b>2025</b>    | <b>2024</b>    | <b>2024</b>    |
|------------------------------------|----------------|----------------|----------------|----------------|
|                                    | <b>Group</b>   | <b>Charity</b> | <b>Group</b>   | <b>Charity</b> |
|                                    | <b>£</b>       | <b>£</b>       | <b>£</b>       | <b>£</b>       |
| Trade creditors                    | 81,789         | 45,699         | 50,961         | 20,103         |
| Other creditors                    | 17,017         | 15,874         | 32,489         | 31,759         |
| Accruals and deferred income       | 94,256         | 27,960         | 104,624        | 54,375         |
| Taxation and social security       | 36,198         | 25,285         | 50,010         | 14,800         |
| Amounts owed to group undertakings | -              | 64,479         | -              | -              |
|                                    | <u>229,260</u> | <u>179,297</u> | <u>238,084</u> | <u>121,037</u> |

**Deferred Income**

|                                   | <b>2025</b>   | <b>2025</b>    | <b>2024</b>   | <b>2024</b>    |
|-----------------------------------|---------------|----------------|---------------|----------------|
|                                   | <b>Group</b>  | <b>Charity</b> | <b>Group</b>  | <b>Charity</b> |
|                                   | <b>£</b>      | <b>£</b>       | <b>£</b>      | <b>£</b>       |
| Deferred income at 1 January 2025 | 45,367        | 13,125         | 33,695        | 8,759          |
| Released from previous years      | (45,367)      | (13,125)       | (33,695)      | (8,759)        |
| Resources deferred in the year    | 56,463        | 6,446          | 45,367        | 13,125         |
|                                   | <u>56,463</u> | <u>6,446</u>   | <u>45,367</u> | <u>13,125</u>  |

At the balance sheet date the trust was holding funds received in advance for events to be held in 2026.

**15 Summary of movement in funds- Group**

|                                   | Opening<br>balance<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>& gains<br>£ | Closing<br>balance<br>£ |
|-----------------------------------|-------------------------|------------------|--------------------|---------------------------|-------------------------|
| <b>Unrestricted funds - Group</b> |                         |                  |                    |                           |                         |
| General                           | 436,070                 | 2,169,209        | (2,013,855)        | (338,565)                 | 252,859                 |
| <b>Designated funds - Group</b>   |                         |                  |                    |                           |                         |
| Palace interpretation             | 199,102                 | -                | -                  | 1,648                     | 200,750                 |
| Trust Reserve                     | 450,000                 | -                | -                  | -                         | 450,000                 |
| Fixed assets                      | 263,639                 | -                | (79,602)           | 334,699                   | 518,736                 |
| <b>Total designated funds</b>     | <b>912,741</b>          | <b>-</b>         | <b>(79,602)</b>    | <b>336,347</b>            | <b>1,169,486</b>        |
| <b>Restricted funds</b>           |                         |                  |                    |                           |                         |
| Mobility Scooter                  | -                       | -                | -                  | -                         | -                       |
| <b>Total funds</b>                | <b>1,348,811</b>        | <b>2,169,209</b> | <b>(2,093,457)</b> | <b>(2,218)</b>            | <b>1,422,345</b>        |

**Summary of movement in funds- Charity**

|                                     | Opening<br>balance<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>& gains<br>£ | Closing<br>balance<br>£ |
|-------------------------------------|-------------------------|------------------|--------------------|---------------------------|-------------------------|
| <b>Unrestricted funds - Charity</b> |                         |                  |                    |                           |                         |
| General                             | 404,441                 | 1,183,924        | (1,107,626)        | (316,571)                 | 164,168                 |
| <b>Designated funds - Charity</b>   |                         |                  |                    |                           |                         |
| Palace interpretation               | 199,102                 | -                | -                  | 1,648                     | 200,750                 |
| Trust Reserve                       | 450,000                 | -                | -                  | -                         | 450,000                 |
| Fixed assets                        | 207,307                 | -                | (58,125)           | 312,705                   | 461,887                 |
| <b>Total designated funds</b>       | <b>856,409</b>          | <b>-</b>         | <b>(58,125)</b>    | <b>314,353</b>            | <b>1,112,637</b>        |
| <b>Restricted funds</b>             |                         |                  |                    |                           |                         |
| Mobility Scooter                    | -                       | -                | -                  | -                         | -                       |
| <b>Total funds</b>                  | <b>1,260,850</b>        | <b>1,183,924</b> | <b>(1,165,751)</b> | <b>(2,218)</b>            | <b>1,276,805</b>        |

**Summary of movement in funds – Group (2024)**

|                                   | Opening<br>balance<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>& gains<br>£ | Closing<br>balance<br>£ |
|-----------------------------------|-------------------------|------------------|--------------------|---------------------------|-------------------------|
| <b>Unrestricted funds - Group</b> |                         |                  |                    |                           |                         |
| General                           | 266,036                 | 1,955,522        | (1,764,381)        | (21,107)                  | 436,070                 |
| <b>Designated funds - Group</b>   |                         |                  |                    |                           |                         |
| Palace interpretation             | 229,595                 | -                | -                  | (30,493)                  | 199,102                 |
| Trust Reserve                     | 450,000                 | -                | -                  | -                         | 450,000                 |
| Fixed assets                      | 284,108                 | -                | (74,859)           | 54,390                    | 263,639                 |
| <b>Total designated funds</b>     | <b>963,703</b>          | <b>-</b>         | <b>(74,859)</b>    | <b>23,897</b>             | <b>912,741</b>          |
| <b>Restricted funds</b>           |                         |                  |                    |                           |                         |
| Mobility Scooter                  | -                       | 1,549            | -                  | (1,549)                   | -                       |
| <b>Total funds</b>                | <b>1,229,739</b>        | <b>1,955,522</b> | <b>(1,839,240)</b> | <b>2,790</b>              | <b>1,348,811</b>        |

**Summary of movement in funds – Charity (2024)**

|                                     | Opening<br>balance<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>& gains<br>£ | Closing<br>balance<br>£ |
|-------------------------------------|-------------------------|------------------|--------------------|---------------------------|-------------------------|
| <b>Unrestricted funds - Charity</b> |                         |                  |                    |                           |                         |
| General                             | 322,698                 | 1,103,852        | (1,021,677)        | (432)                     | 404,441                 |
| <b>Designated funds - Charity</b>   |                         |                  |                    |                           |                         |
| Palace interpretation               | 229,595                 | -                | -                  | (30,493)                  | 199,102                 |
| Trust Reserve                       | 450,000                 | -                | -                  | -                         | 450,000                 |
| Fixed assets                        | 224,212                 | -                | (50,620)           | 33,715                    | 207,307                 |
| <b>Total designated funds</b>       | <b>903,807</b>          | <b>-</b>         | <b>(50,620)</b>    | <b>3,222</b>              | <b>856,409</b>          |
| <b>Restricted funds</b>             |                         |                  |                    |                           |                         |
| Mobility Scooter                    | -                       | 1,549            | -                  | (1,549)                   | -                       |
| <b>Total funds</b>                  | <b>1,226,505</b>        | <b>1,105,401</b> | <b>(1,072,297)</b> | <b>1,241</b>              | <b>1,260,850</b>        |

**Summary of movement in funds (continued)**

**Designated funds**

- The Palace interpretation fund relates to a large development project currently in the planning phase and fresh interpretation in the Palace building.
- Trust Reserve relates to an amount of unrestricted funds sufficient to cover 3 months of expenditure, to cover the period from January to March when The Palace Trust runs at a seasonal deficit.
- The fixed assets funds represent the net book value of the assets held.

**16 Analysis of assets between funds – Group**

|                               | <b>Tangible<br/>fixed<br/>assets<br/>£</b> | <b>Cash at<br/>bank and<br/>in hand<br/>£</b> | <b>Other net<br/>current<br/>assets/<br/>(liabilities)<br/>£</b> | <b>Creditors<br/>more than<br/>one year<br/>£</b> | <b>Total<br/>£</b> |
|-------------------------------|--|---|--|---|--------------------|
| Unrestricted funds            | 53,276                                     | 270,176                                       | (70,593)   | -   | 252,859            |
| Designated funds              | 518,736                                    | 650,750                                       | -  | -   | 1,169,486          |
| Restricted funds              | -  | -   | -  | -   | -                  |
| <b>As at 31 December 2025</b> | <b>572,012</b>                             | <b>920,926</b>                                | <b>(70,593)</b>  | <b>-</b>  | <b>1,422,345</b>   |

**Analysis of assets between funds – Charity**

|                               | <b>Tangible<br/>fixed<br/>assets<br/>£</b> | <b>Cash at<br/>bank and<br/>in hand<br/>£</b> | <b>Other net<br/>current<br/>assets/<br/>(liabilities)<br/>£</b> | <b>Creditors<br/>more than<br/>one year<br/>£</b> | <b>Total<br/>£</b> |
|-------------------------------|--|---|--|---|--------------------|
| Unrestricted funds            | 53,277                                     | 215,314                                       | (104,423)  | -   | 164,168            |
| Designated funds              | 461,887                                    | 650,750                                       | -  | -   | 1,112,637          |
| Restricted funds              | -  | -   | -  | -   | -                  |
| <b>As at 31 December 2025</b> | <b>515,164</b>                             | <b>866,064</b>                                | <b>(104,423)</b>   | <b>-</b>  | <b>1,276,805</b>   |

**Analysis of assets between funds – Group – (2024)**

|                               | <b>Tangible<br/>fixed<br/>assets<br/>£</b> | <b>Cash at<br/>bank and<br/>in hand<br/>£</b> | <b>Other net<br/>current<br/>assets/<br/>(liabilities)<br/>£</b> | <b>Creditors<br/>more than<br/>one year<br/>£</b> | <b>Total<br/>£</b> |
|-------------------------------|--|---|--|---|--------------------|
| Unrestricted funds            | 55,494                                     | 464,604                                       | (84,028)   | -   | 436,070            |
| Designated funds              | 263,639                                    | 649,102                                       | -  | -   | 912,741            |
| Restricted funds              | -  | -   | -  | -   | -                  |
| <b>As at 31 December 2024</b> | <b>319,133</b>                             | <b>1,113,706</b>                              | <b>(84,028)</b>  | <b>-</b>  | <b>1,348,811</b>   |

**Analysis of assets between funds – Charity – (2024)**

|                               | <b>Tangible<br/>fixed<br/>assets<br/>£</b> | <b>Cash at<br/>bank and<br/>in hand<br/>£</b> | <b>Other net<br/>current<br/>assets/<br/>(liabilities)<br/>£</b> | <b>Creditors<br/>more than<br/>one year<br/>£</b> | <b>Total<br/>£</b> |
|-------------------------------|--|---|--|---|--------------------|
| Unrestricted funds            | 55,495                                     | 347,510                                       | 1,436  | -   | 404,441            |
| Designated funds              | 207,307                                    | 649,102                                       | -  | -   | 856,409            |
| Restricted funds              | -  | -   | -  | -   | -                  |
| <b>As at 31 December 2024</b> | <b>262,802</b>                             | <b>996,612</b>                                | <b>1,436</b>   | <b>-</b>  | <b>1,260,850</b>   |

## 17 Income and expenditure account of the Trust

The company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own Income and Expenditure Account or separate Statement of Financial Activities.

Prior to gift aid amounts received from the subsidiary, The Palace Trust has net income for the year of £3,072 (2024 – net income of £34,346) based on income of £1,183,924 (2024 - £1,104,213). Gift aid distributions from trading subsidiary of £12,883 (2024: £nil) were received in the year.

## 18 Obligations under leases

Operating leases-

The total future minimum rentals payable under non-cancellable operating leases funded by unrestricted funds are as follows:

|                           | 2025          | 2024         |
|---------------------------|---------------|--------------|
|                           | £             | £            |
| <b>Other</b>              |               |              |
| Expiry date:              |               |              |
| Within one year           | 16,872        | 1,926        |
| Within two and five years | 8,118         | 6,240        |
|                           | <u>24,990</u> | <u>8,166</u> |

In addition to the above, the Trust has a non-exclusive licence (by way of a management agreement) to occupy the Palace and the gardens with the Church Commissioners to the end of 2035.

## 19 Related party transactions

The charity has taken advantage of the exemption in FRS 102 “Related Party Disclosures” from disclosing transactions with other members of the group.

The chief executive, M Kidd, was charged £5,500 in rent for the use of The Gardeners Flat during 2024 and did not occupy the premises in during 2025. The rent was collected and, in turn, paid onto the Church Commissioners. A balance of £nil (2024: £nil) was outstanding to The Palace Trust at the year end. This is considered to be a market rent.

**20 Financial instruments**

|   | <b>2025<br/>Group<br/>£</b> | <b>2025<br/>Charity<br/>£</b> | <b>2024<br/>Group<br/>£</b> | <b>2024<br/>Charity<br/>£</b> |
|---|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| Financial assets that are fair value through income & expenditure account | 53,276                      | 53,277                        | 55,494                      | 55,495                        |
| Financial assets that are debt instruments measured at amortised cost     | 1,017,505                   | 820,303                       | 1,221,374                   | 1,099,269                     |
|   | <u>1,070,781</u>            | <u>873,580</u>                | <u>1,276,868</u>            | <u>1,154,764</u>              |
| Financial liabilities measured at amortised cost                          | 132,340                     | 63,771                        | 142,707                     | 64,987                        |
|   | <u>132,340</u>              | <u>63,771</u>                 | <u>142,707</u>              | <u>64,987</u>                 |

**Items of income, expenditure, gain and loss (group and charity)**

|   | <b>Income<br/>£</b> | <b>Expense<br/>£</b> | <b>Net gains<br/>£</b> | <b>Net losses<br/>£</b> |
|---|---------------------|----------------------|------------------------|-------------------------|
| <b>2025</b>   |                     |                      |                        |                         |
| Financial assets that are fair value through income & expenditure account | -                   | -                    | -                      | (2,218)                 |
| Financial assets measured at amortised cost                               | -                   | -                    | -                      | -                       |
| Financial liabilities measured at amortised cost                          | -                   | -                    | -                      | -                       |
|   | <u>-</u>            | <u>-</u>             | <u>-</u>               | <u>(2,218)</u>          |
| <b>2024</b>   |                     |                      |                        |                         |
| Financial assets that are fair value through income & expenditure account | -                   | -                    | 1,241                  | -                       |
| Financial assets measured at amortised cost                               | -                   | -                    | -                      | -                       |
| Financial liabilities measured at amortised cost                          | -                   | -                    | -                      | -                       |
|   | <u>-</u>            | <u>-</u>             | <u>1,241</u>           | <u>-</u>                |

**THE PALACE TRUST**

England & Wales - Charity number 1160830

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# Accounts

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**>>> THE PALACE TRUST <<<**

**(A Charitable Company  
Limited by Guarantee)**

# **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

**COMPANY NUMBER:  
09404519**

**CHARITY REGISTERED IN  
ENGLAND AND WALES  
NUMBER: 1160830**



**The Bishop's Palace**  
WELLS · SOMERSET

# »»» THE PALACE TRUST «««

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# Annual Report 2024

## Foreword



Welcome to the Report and Accounts for 2024. That sounds rather dry doesn't it?! However, these documents tell the story of a remarkable turnaround in that after two years of losses the Trust achieved a surplus of £120,000. This is all thanks to you, our visitors, our superb team of staff and volunteers, the support of a number of Trusts and private donations, and of the Church Commissioners. We thank you all sincerely.

However, it was not all plain sailing as the unpredictable English weather tried its best to disrupt things and other operational struggles presented their own challenges. We very much enjoyed hosting the crew and cast of Wolf Hall: The Mirror and the Light which gave us excellent coverage and much needed revenue, and we were delighted to see how enormously popular our Christmas Illuminations were in 2024, but one of the most significant initiatives in 2024 was the launch of our joint entrance ticket with Wells Cathedral which proved to be a great success. We recognise that The Bishop's Palace is one of the jewels in the crown of our unique city of Wells and we continue to seek ever closer ties with the Cathedral and other city attractions and stakeholders.

We welcomed just under half a million people over our drawbridge during the year and hope that they took away some very treasured memories. And not just of the cygnets we are privileged to observe each year! We said goodbye to four Trustees who retired in 2024 who were instrumental in making the Palace and grounds what they are today and welcomed four new ones thereby maintaining a strong team of Trustees with a wide range of skills.

Last year was the penultimate year of our five year strategy and it's pleasing to see so many of those aims and ambitions having been achieved. However, we strive continually to conserve and improve the Palace and its superb RHS partner gardens, and a number of projects were developed both during the year and which are on track for delivery in 2025. These include delivery of a new multi-media device which deepens the experience of visiting the Palace building, but also changes to the visitor entrance, improvements to the Dragons Lair, our cafe, our community garden facilities and our Christmas offering.

As a charity, community engagement has always been at the heart of what we do and page [9] of the report summarises just some of our activities here. But there is so much more we would like to do, and will do, in the coming years.

We know that we live in increasingly uncertain times but we also know that our visitors are able to find tranquillity and peace here, and can return to their lives feeling refreshed.



**Roger Hawes**  
Chair



**Merryn Kidd**  
Chief Executive

# »»» THE PALACE TRUST «««

## Reference and Administrative Details

|  |   |
|--|---|
| <b>Trustee Directors</b>                       | Rt Revd Noel Michael Beasley<br>Greg Beedle<br>Caroline Brawley<br>Paul Dickinson<br>Roger Hawes<br>Natasha Hopkins<br>Katharine MacDonald<br>Michael Minta<br>Claire Revell<br>Rt Revd Trevor Willmott |
| <b>Company Secretary</b>                       | Greg Beedle (from 25 May 2023 to 13 May 2024)<br>Hollie Peppard (from 13 May 2024)  |
| <b>Chief Executive</b>                         | Merryn Kidd   |
| <b>Charity Number</b>                          | 1160830   |
| <b>Company Number</b>                          | 09404519  |
| <b>Principal Address and Registered Office</b> | The Bishop's Palace<br>Wells<br>Somerset<br>BA5 2PD   |
| <b>Auditors</b>                                | Albert Goodman LLP<br>Goodwood House<br>Blackbrook Park Avenue<br>Taunton<br>Somerset<br>TA1 2PX  |
| <b>Bankers</b>                                 | NatWest<br>7 High Street<br>Wells<br>Somerset<br>TA1 1JQ  |

# »»» THE PALACE TRUST «««

## Trustee Directors Report

The Trustees, who are also directors for the purposes of the Companies Act, present their report and the financial statements of the charity for the year ended 31 December 2024, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The full name of the Charity is The Palace Trust. It was incorporated on 26 January 2015 as a company limited by guarantee. Its company registration number is 09404519. Its charity registration number is 1160830. The Charity is variously referred to throughout this report as either "the Charity", "the Company" or "the Trust".

### References and Administrative Details

Administrative information is given in a separate section at the front of these accounts.

### Directors and Trustees

The directors of the Company are the Charity's Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year and since the year-end are as follows:

|                              |                                |
|------------------------------|--------------------------------|
| Rt Revd Noel Michael Beasley |                                |
| Greg Beedle                  | (appointed 1st June 2024)      |
| Maureen Boylan               | (resigned 1st December 2024)   |
| Caroline Brawley             | (appointed 1st September 2024) |
| Nick Denison                 | (resigned 1st December 2024)   |
| Paul Dickinson               |                                |
| Sam Forsey                   | (resigned 1st March 2025)      |
| Roger Hawes                  | (Chair)                        |
| Natasha Hopkins              | (appointed 1st September 2024) |
| Katharine MacDonald          | (appointed 2nd May 2023)       |
| Michael Minta                |                                |
| Claire Revell                | (appointed 1st September 2024) |
| Peter Stickland              | (resigned 1st December 2024)   |
| Rt Revd Trevor Willmott      |                                |
| Julie Wills                  | (resigned 31st May 2024)       |

None of the Trustees have any beneficial interest in the Company. All of the Trustees are members of the Company and guarantee to contribute £1 in the event of a winding up.



# »»» THE PALACE TRUST ««« ANNUAL REPORT 2024

The Palace Trust's Articles contain two charitable aims: a) to preserve for the benefit of the public the fabric of The Bishop's Palace (as a place of historic and architectural interest) in order to facilitate access to The Bishop's Palace by the public for their education and interest, and b) to promote such charitable purposes as will advance the religious and other charitable work of the Church of England in such manner as the Trustees shall from time to time decide and are approved by the Church Commissioners.

Today, The Palace Trust continues to work towards these charitable aims, by opening The Bishop's Palace and its fourteen acres of gardens up to the public and running it as a heritage site, visitor attraction and community asset, and via its community engagement programmes.





The Bishop's Palace  
WELLS · SOMERSET

## ORGANISATIONAL STRUCTURE

The Board of Trustees is responsible for strategy and supervision of the executive to whom they delegate responsibility for operations. The Chief Executive Officer is responsible for delivering the strategy with the senior management team comprising the following department heads: Catering, Visitor Experience, Community Engagement and Volunteers, Horticulture, Property Management, Marketing & Communications, and Finance & HR. Department heads are responsible for the day to day running of the operations and report directly to the CEO.

An average of 51 staff were employed by the Trust and its subsidiary during the 12-month period ended 31 December 2024 with 51 in post at 31 December 2023 (22 full time and 29 part time). We had an average of 174 volunteers during the year.

## KEY MANAGEMENT PERSONNEL REMUNERATION

The trustees consider the Board of Trustees and the Chief Executive Officer as comprising the Key Management Personnel (KMP) in charge of directing and controlling the Trust and running and operating the Trust on a day-to-day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. The pay of Chief Executive Officer is reviewed annually and normally increased in accordance with average earnings. The remuneration is also benchmarked with heritage organisations of a similar size to ensure that the remuneration set is fair and not out of line with that generally paid for comparable roles. Details of trustee expenses and related party transactions are disclosed in note 8 to the accounts, and details of other KMP remuneration are disclosed in note 9 to the accounts.





174 VOLUNTEERS

AN AVERAGE OF 51 STAFF

10 TRUSTEES

**“ THIS PLACE WAS A TRUE SURPRISE WHEN WE VISITED ... THE SETTING IS BEAUTIFUL AND WITH EASY STROLLS ALL AROUND IT MADE FOR A LOVELY DAY OUT ”**

8



## ➤➤➤ SELECTION AND TRAINING OF TRUSTEES

Trustees are appointed according to the skills and experience required to deliver a successful strategic Board which meets both as a board and in smaller sub-committees. The Church Commissioners have the right to appoint one Trustee and the Bishop of Bath and Wells also has the right to be a Trustee. A skills audit was conducted prior to the 2024 recruitment round in order to identify gaps in the skills and experience in the board of Trustees.

Interviews for new Trustees are carried out by a Trustee panel before a decision on whether to appoint is made. New Trustees are provided with an induction pack of relevant information which is supplemented by a detailed induction programme involving the Chair and key members of staff. Trustees are encouraged to participate in ongoing training and an annual away day.

## ➤➤➤ RELATIONSHIP WITH OTHER ENTITIES

The management of catering, events (both corporate and private) and filming is undertaken by Palace Enterprises (Wells) Ltd ('PEL'), which is a wholly owned subsidiary of The Palace Trust. Income generated by this subsidiary may be donated to the charity by way of an annual Gift Aid donation if available from distributable profits.



## OBJECTIVES, STRATEGY AND ACTIVITIES OF THE TRUST



### STRATEGIC AIMS

The charitable purposes of The Palace Trust are to preserve for the benefit of the public the fabric of The Bishop's Palace and to promote such charitable purposes as will advance the religious and other charitable work of the Church of England.

Today, The Palace Trust seeks to conserve and share the Palace and its story as a place of enjoyment and reflection for the benefit of all. The charity fulfils its purpose by taking forward detailed actions that meet five strategic objectives.

Our Strategic Objectives, following the 3-year Strategy are to:

1. Establish the Trust's identity and purpose to a diverse, inclusive & expanding audience.
2. Deliver the benefits of wellbeing and a sense of community to more people.
3. Develop the site to deliver the best visitor experience & welcome.
4. Improve our environmental and financial sustainability.
5. Develop the Trust's reputation for excellence in Horticulture.

#### **1. ESTABLISH THE TRUST'S IDENTITY AND PURPOSE TO A DIVERSE, INCLUSIVE AND EXPANDING AUDIENCE**

Our ambition is to welcome 160,000 paying visitors annually to the Palace by 2025. The ambition is based on three approaches. First, the development of the visitor offer, with significantly improved interpretation around the built heritage of the site. Second, a broader, more dynamic public events programme. Third, by making our heritage accessible to those who will benefit from it the most, who do not currently have the means to engage.

#### **2. DELIVER THE BENEFITS OF WELLBEING AND A SENSE OF COMMUNITY TO MORE PEOPLE**

We want the Palace to be a best practice model of community engagement, and for our organisation to become a focal point for the community in which we operate, working in partnership to achieve better outcomes for the people who will benefit from our site, facilities, and expertise the most.

**3. DEVELOP THE SITE TO DELIVER THE BEST VISITOR EXPERIENCE & WELCOME**

By 2025 The Palace Trust aims to have embarked on a transformation of the visitor experience of the Palace buildings. New interpretation will be engaging, immersive, and will transform people’s understanding and enjoyment of The Bishop’s Palace.

**4. IMPROVE OUR ENVIRONMENTAL AND FINANCIAL SUSTAINABILITY**

A sustainable future is dependent on three key areas; sustainability in terms of environmental impact – an essential area of focus which will assist both our financial performance and also our desire to care for and conserve the natural world and our heritage assets for future generations to enjoy; financial, and social sustainability. The Palace Trust will have made substantial progress towards a net zero carbon footprint by 2025 and will have rebuilt the ability to generate a surplus, depleted in recent times since the coronavirus pandemic.

**5. DEVELOP THE TRUST’S REPUTATION FOR EXCELLENCE IN HORTICULTURE**

The Gardens are the Palace’s most high-profile primary asset as 2024 saw the 9th consecutive year as an RHS Partner Garden. We want to inspire and train the next generation of gardeners and enhance and protect the natural and semi-cultivated environment in the gardens to support nature and wildlife, and adapt to the ever-changing climate in an holistic manner.

**»»» PUBLIC BENEFIT**

In setting The Palace Trust’s preceding aims and following activities, the Trustees have given careful consideration to the Charity Commission’s guidance on public benefit and continue to preserve and make accessible The Bishop’s Palace and its fourteen acres of gardens to the public, as a place of historic, architectural and landscape interest.

The Palace Trust achieves its purpose by opening the site to the public throughout the year, aiming to engage a diverse audience through a programme of public events, activities, exhibitions, its commercial activities and its community engagement programme. The Bishop’s Palace is central to the experience and enjoyment of Wells and will remain so as The Palace Trust continues to grow and expand its public offer, in particular with the introduction of community engagement measures designed to reach out to those most in need for little or no cost to them. The Palace Trust undertakes an annual plan of conservation and repair works ensuring The Bishop’s Palace remains in the public domain for future generations.





**“STAFF ALL LOVELY, GARDENS IMMACULATE. GARDENERS ALSO VERY FRIENDLY AND AFTERNOON TEA WAS ABSOLUTELY DELICIOUS. CAME AWAY HAVING JOINED FOR THE YEAR”  
(TRIPADVISOR)**

## »»» ACTIVITIES

2024 was a year of consolidation and growth for the organisation. Several successful key staff appointments were made throughout the year including a new Visitor Experience Manager in January, a new Head of Finance and HR in May, a new Weddings Manager in August, and a new Chef, Kitchen Assistant and Cafe Supervisor in November. As four Trustees retired in 2024, four new ones were recruited.

A new ticketing platform was launched online in January 2024, allowing a much easier online booking system, and subsequently the platform was rolled out to all sales, in person and online, facilitating quicker entry, enhancing event pre-sales, and allowing easy booking for the cafe offerings. A new joint ticket, allowing entry to both the Palace and the adjacent Wells Cathedral was launched in April following Wells Cathedral's introduction of charging for entry, and it has proved to be very successful with tourists to Wells, and a wonderful opportunity to work with our close neighbours.

Changes inside the Palace buildings were made throughout the year, following our ongoing Interpretation project to develop the site into an all-weather destination. The East Gallery was opened in February, displaying our own small but significant permanent collection, and new items formerly kept hidden in the Bishop's safe which are of great interest to the visiting public. The Wynne Willson Study was launched; recreating the Drawing Room as it might have been during Bishop Wynne Willson's time (1921-1937) with music, furniture, newspapers, pastime objects and decoration from that period, and the Long Gallery was updated with a new table display and interpretation. Interpretation panels detailing our stories around the Transatlantic Slavery connections were displayed in the Wynne Willson Study. Work continued throughout the year on research and development for the launch of digital multimedia guides, and a welcome video for the Entrance Hall and these will be launched in January 2025.

In July, we were delighted to install a new, interactive stained-glass sculpture of the Moon in recycled materials by local artist Edgar Phillips in the outer gardens. The same artist has been commissioned to create a bespoke interpretive tabletop to showcase the legs of Bishop Ken's table in our Entrance Hall for early 2025.

**“WE HAD THE GUIDED TOUR WITH DAVID WHO WAS SO KNOWLEDGEABLE AND FRIENDLY, AND MADE OUR VISIT SPECIAL 👍 (TRIPADVISOR) ”**

## ➤➤➤ ACTIVITIES (CONT)

A new 'Book Nook' to sell second-hand books was created in an unused bastion by our maintenance volunteers and opened in July. It is being run by volunteers and has proved to be very popular with visitors, raising a few hundred pounds per month.

Our very busy Café was given a full refurbishment and redecoration, bringing the garden indoors with a plant effect wall, copper tables, plant-draped statement ceiling lights, neon signs, and new colour scheme, and a range of new seating. Not only has this changed the ambiance inside, but it has also allowed more covers within the same space and better access for those with mobility aids.

Finally, a much-needed refresh of the ladies and accessible facilities in the Stable Yard Area took place, with new flooring, tiling, painting and mirrors, alongside newly sprayed magenta pink cubicles!

Development plans for the site were accelerated during 2024 and planning permission was granted in late autumn for works in the Community Garden to provide shelter and more accessible inside space with suitable facilities for our groups using the area. Much work was carried out on developing ideas and drawings and taking advice for several projects including: moving our Visitor Reception to a larger space in the Stable Yard area and creating a new entrance to the grounds (planning application and LBC submitted in December 2024);

creating a Splash Play area in The Dragon's Lair, using spring water; widening and potentially moving our Willow Bridge in order to create better access for those with mobility issues to our outer gardens; and finally assessing the potential to install solar panels on the rooves of the Palace and Chapel buildings that are hidden from view. We hope to carry out all of these projects in 2025, subject to permissions.



# PERFORMANCE

2024 was a very different year from the two previous years in terms of performance, and the team was delighted to return a surplus of £119,000 – double the budgeted surplus, representing an improvement of £180,000 on 2023.

We welcomed 490,500 over the Drawbridge and of those, 140,170 paid to enter the site, which represented an 11.8% increase on 2023.

Key factors leading to the success included:

- Welcoming the crew and cast of BBC's Wolf Hall: The Mirror and The Light to film at the Palace for two weeks in March - a wonderful opportunity to showcase our stunning medieval rooms and gardens on screen, and to generate additional income;
- The success of the discounted joint ticket with Wells Cathedral which allows tourists to enjoy both sites;
- Strong performance in the summer from the cafe and its associated new outlets around the site;
- A new pop event (a Queen tribute act) which saw 600 people enjoying the music on our Croquet Lawn for the first time;
- The Christmas Artisan Market, which was more successful than ever with record numbers of visitors,
- A very busy Christmas at the Palace, including large numbers of visitors buying a new 'evening only' Christmas Illuminations ticket, along with our decision to open the site between Christmas and New Year for the first time which likely added around £25k to our income.

The Trust was exceptionally grateful to several trusts and foundations for their support in 2025, including the Boshier Hinton Foundation, the David Medlock Foundation, and The Clarks Foundation, and to the Church Commissioners for their support.



## COMMUNITY ENGAGEMENT

In 2024 we gave 200 free annual passes to those who would benefit most from access to our place of peace, beauty and tranquillity (this included people using the local food bank). In addition to this we gave 82 annual passes to children and their families on pupil premium at a local school. We donated raffle prizes to a 40 local groups. We also gave out 60 community membership passes to local groups that would benefit from accessing The Bishop's Palace and Gardens who might not otherwise have been able to visit. In addition to this we gave some free venue hire so that some local groups could celebrate here or hold regular meetings eg bereavement group, carers group, Refugee Week Exhibition.

This year we broadened the range of learning opportunities. We continued to offer some free visits to local schools which totalled 1171 pupils visiting this year. We ran some free nature courses for learning disabled adults and a yoga course for neurodiverse people. We worked in partnership with Museum To You to deliver outreach sessions to over 100 people living in local nursing homes and over 100 learning disabled adults, so they could enjoy learning about The Bishop's Palace. With Historic Houses Association we developed a new learning module for educators on sustainability and reducing our carbon footprint, and shared this with other members of Historic Houses in the South of England. We worked in partnership with three local groups to deliver sessions in our community garden for young people and adults needing extra support. We also worked with Wells Transatlantic Slavery Group to pilot a learning module on the subject for primary schools. We more than doubled the number of students coming on work experience from previous years to fifteen. One member of our team completed their apprenticeship. Our Young Photographers' Competition attracted more than 150 entries and we offered some free workshops to encourage participation.

**“ THIS WAS AN AMAZING DISCOVERY AND WELL WORTH THE JOINT TICKET PRICE WITH A VISIT TO THE CATHEDRAL. THE GARDENS WERE BRILLIANT WITH LOTS OF DIFFERENT AREAS TO EXPLORE. THE PALACE WAS VERY INTERESTING WITH PLENTY TO LEARN ABOUT IN THE VARIOUS ROOMS AND EXHIBITIONS. ”**



# 2024 AT A GLANCE



The Bishop's Palace  
WELLS · SOMERSET

**490,500**

Crossed the drawbridge



**140,170**

Visitors paid to enjoy the Palace & Gardens

**2,513**

Memberships were bought or renewed



**over 100 days**

Of public events and activities

**200** Free annual passes to those who would benefit most



**82**

Annual passes to children and their families on pupil premium

**1,171**

Pupil free visits from local schools



Welcomed new Visitor Experience Manager; Head of Finance and HR; Weddings Manager, Chef, Kitchen Assistant and Cafe Supervisor

**3**

Groups per week in Community Garden

**5**

Cygnets born



**69,000** cups of coffee  
and **34,000** pieces of cake sold in the newly  
refurbished café



## VOLUNTEERING OPPORTUNITIES

This year 177 volunteers contributed just over 17000 volunteering hours to our organisation. There are 14 different volunteer roles requiring a time commitment of between 2 hours per fortnight to a day per week, which means there is a range of opportunities to suit everyone. We organised two new family volunteering days which went well. The number of volunteers who need extra support to take part, doubled from seven to fourteen which was a great achievement. We continue to offer a comprehensive training programme, out of pocket expenses, a volunteer website, and regular social events, to make the volunteering experience at The Bishop's Palace as rewarding as possible. The Palace Trust is extremely grateful for the loyalty and contribution of its volunteers who not only make the effective running of the site viable through their gift of time, knowledge and skills but who benefit from their engagement with our work, to deliver our charitable objects.

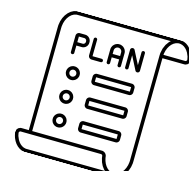
## FUTURE PLANS

2025 will be the final year of our current Strategic Plan, and the management team and trustees will meet in March 2025 to begin the path to creating a new strategy for 2026 and beyond.

A bite-sized version of our 2025 Business Plan can be found on our website, or via this link <https://bishoppalace.org.uk/wp-content/uploads/2024/12/Bitesize-Business-Plan-2025-compressed.pdf>

The final year of our plan includes the aims that, by the end of 2025, we will:

- Be an example in the South-West for inclusivity and diversity in our operations, events, interpretation and welcome.
- Have transformed the interpretation of the historic interiors and be sharing the captivating stories they hold.
- Put learning and education at the heart of all we do with programmes of structured and informal learning activities for a broad range of audiences.
- Optimise our continued status of RHS Partner garden by offering a range of horticultural courses and workshops.
- Have maximised all revenue streams and significantly increased surplus.
- Have implemented improvements to The Dragon's Lair area.
- Have proceeded with or rejected a new Visitor Reception.
- Have installed an accessible loo, and completed works to the Community Garden area to create adequate facilities for user groups.
- Be fully engaged with the local community, offering high quality employment, volunteering opportunities, and pathways to employment across all our work.
- Have improved our environmental performance in energy consumption, on-site production and storage.
- Have reduced by 50% our carbon footprint (from 2022 baseline) through investments in renewable energy production & storage proposals, in partnership and with external funding.





## 2025 PROJECTS

### »»» Visitor Reception

Move Visitor Reception to the Stableyard Room, creating a new entrance into the south gardens, allowing level, wide access for all, along with more space suitable for our growing numbers, and a retail and membership area

### »»» Community Gardens Access for all

Capacity building of Community Gardens facilities to enable groups to engage all year round and in all weathers. Create more shelter, space for growing, outdoor tap, accessible toilet, bifold doors to maximise indoor/outdoor space.

### »»» Environmental Sustainability

Install solar panels on the hidden rooves of the Palace and the Chapel, and carry out research into possibilities of increasing footprint and capacity of our water source heat pump.

### »»» Interpretation

Work with Bloomberg Connects to create content for app to use in the Gardens and exteriors of the Palace. Create new interactive interpretation in the Wynne Willson Room, and explore potential for an immersive experience in the Conference Room.

### »»» The Dragon's Lair Water Play and Sensory Trail

Install a new, water play area with raining trees, squirting fountains, splash pool etc, and investigate potential for sensory trail (for barefoot play etc)

### »»» Willow Bridge

Double the width of the bridge and move it to line up with the small door to the outer gardens to allow unimpeded access to those using mobility scooters or wheelchairs, and children's prams and buggies.

# FINANCIAL REVIEW AND RESERVES POLICY



The Palace Trust’s financial position improved over the year by £34,345 at year end, the Trust had unrestricted net assets (excluding the trading subsidiary), of £1,260,850, £569,102 of which is designated and £207,307 is Tangible fixed assets. It is the charity’s policy not to commit The Palace Trust to any new major programme of work until sufficient funds are accumulated in reserves to satisfy existing obligations.

## >>> RISK POLICY

The Trustees undertook a comprehensive review of risks during the past year and maintain a register of those risks which would affect the reputation and financial status of The Palace Trust. This register is maintained by the Trustees and includes a ranking of risk that takes account of likelihood and severity of impact. Risks that could have a material impact on The Palace Trust are singled out for particular attention.

- A prolonged period of inclement weather. Wet weather can lead to a drop in footfall and thus visitor income. This is mitigated by steps taken to increase footfall in the shoulder months thereby reducing the reliance on summer months, and in the long term to develop the site as an all-weather attraction.
- Long term conservation and use of the site. The Bishop’s Palace and gardens is owned by the Church Commissioners and the long-term conservation and use of the site is governed by a Management Agreement between The Palace Trust and Church Commissioners. We are in active communication with them regarding longer term arrangements for the Trust to continue to manage the site for the benefit of the community.

## >>> RESERVES

Each year the Trustees review the level of free reserves. The Board considers the exposure to major risks in terms of their likely impact on its income sources and planned expenditure in the medium term.

Free reserves are defined as those available for the use by the Charity that are deemed to be readily realisable, less funds that are restricted or else designated for particular purposes.

This therefore excludes £207,307 tangible fixed assets that will continue to be used in the day-to-day running, and restricted funds of £nil.

The policy is to have a Trust Reserve for unrestricted funds at the year-end of sufficient size to cover the period from January to March when The Palace Trust runs at a deficit. The Trust Reserve therefore equates to 3 months of forecast expenditure. As at 31st December 2024 this was £450,000.

Other free reserves of £635,172 include £199,102 which has been allocated to the following projects as designated funds:

- Conservation: improving the fabric of the property.
- Environmental: introducing renewable energy sources.
- Interpretation: enhancing the Palace visitor experience.
- Community: expanding engagement across the Palace and gardens

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standard have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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



## STATEMENT AS TO DISCLOSURE TO OUR AUDITORS

In so far as the Trustees are aware:

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

- 

### AUDITORS

The auditors, Albert Goodman LLP, are deemed to be re-appointed under Section 487(2) of the Companies Act 2006.

### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

By order of the Trustees.



.....  
R Hawes

Trustee

The Palace Trust

Date: 5.8.25 .....



➤➤➤ Finally, we asked ChatGPT to summarise key themes from the feedback we've had from our visitors:



The Bishop's Palace  
WELLS • SOMERSET

## **The Palace Trust**

Independent Auditors' Report to the Trustees and Members  
For the Year Ended 31 December 2024

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### **Opinion**

We have audited the financial statements of The Palace Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2024, which comprise the consolidated Statement of Financial Activities, the consolidated and parent charitable company Balance Sheets, the consolidated and parent charitable company Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

### **Basis for opinion**

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

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustee's 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 entity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

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

## **The Palace Trust**

Independent Auditors' Report to the Trustees and Members  
For the Year Ended 31 December 2024

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### **Opinion on other matter prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on pages 19-20, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **The Palace Trust**

Independent Auditors' Report to the Trustees and Members  
For the Year Ended 31 December 2024

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charity Act 2011, employment, data protection and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation, claims and breaches of relevant legislation; and
- reviewing correspondence with the Charity Commission and other relevant regulators including the group's legal advisors and insurers.

**The Palace Trust**

Independent Auditors' Report to the Trustees and Members  
For the Year Ended 31 December 2024

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There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

**Use of our report**

This report is made solely to the group and parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group and parent charitable company's members and trustees 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 group and parent charitable company and the group and parent charitable company's members as a body and the parent charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
Michelle Ferris BSC (Hons) FCA DChA (Senior Statutory Auditor)  
For and on behalf of Albert Goodman LLP, Statutory Auditor

Goodwood House  
Blackbrook Park Avenue  
Taunton  
Somerset  
TA1 2PX

Date: 07. August 2025...

**The Palace Trust**

Consolidated Statement of Financial Activities (including an Income & Expenditure account)

For the Year Ended 31 December 2024

|   |       | 2024                   |                      |                  | 2023                   |                      |                  |
|---|-------|------------------------|----------------------|------------------|------------------------|----------------------|------------------|
|   | Notes | Unres-<br>tricted<br>£ | Res-<br>tricted<br>£ | Total<br>£       | Unres-<br>tricted<br>£ | Res-<br>tricted<br>£ | Total<br>£       |
| <b>Income from:</b>                       |       |                        |                      |                  |                        |                      |                  |
| Donations and legacies                    | 2     | 180,221                | 1,549                | 181,770          | 190,439                | 13,850               | 204,289          |
| Charitable activities                     | 3     | 736,726                | -                    | 736,726          | 626,200                | -                    | 626,200          |
| Other trading activities                  | 4     | 997,052                | -                    | 997,052          | 752,176                | -                    | 752,176          |
| Investment                                | 5     | 41,523                 | -                    | 41,523           | 40,520                 | -                    | 40,520           |
| <b>Total income</b>                       |       | <b>1,955,522</b>       | <b>1,549</b>         | <b>1,957,071</b> | <b>1,609,335</b>       | <b>13,850</b>        | <b>1,623,185</b> |
| <b>Expenditure on:</b>                    |       |                        |                      |                  |                        |                      |                  |
| Raising funds                             | 6     | 816,923                | -                    | 816,923          | 728,079                | -                    | 728,079          |
| Charitable activities                     | 7     | 1,022,317              | -                    | 1,022,317        | 965,115                | -                    | 965,115          |
| <b>Total expenditure</b>                  |       | <b>1,839,240</b>       | <b>-</b>             | <b>1,839,240</b> | <b>1,693,194</b>       | <b>-</b>             | <b>1,693,194</b> |
| <b>Net (expenditure) / income</b>         |       | <b>116,282</b>         | <b>1,549</b>         | <b>117,831</b>   | <b>(83,859)</b>        | <b>13,850</b>        | <b>(70,009)</b>  |
| Transfer between funds                    | 15    | 1,549                  | (1,549)              | -                | 13,850                 | (13,850)             | -                |
| <b>Other recognised gains</b>             |       |                        |                      |                  |                        |                      |                  |
| Unrealised (loss) / gain on investment    |       | 1,241                  | -                    | 1,241            | 4,703                  | -                    | 4,703            |
| <b>Net movement in funds for the year</b> |       | <b>119,072</b>         | <b>-</b>             | <b>119,072</b>   | <b>(65,306)</b>        | <b>-</b>             | <b>(65,306)</b>  |
| <b>Reconciliation of funds</b>            |       |                        |                      |                  |                        |                      |                  |
| Total funds brought forward               |       | 1,229,739              | -                    | 1,229,739        | 1,295,045              | -                    | 1,295,045        |
| <b>Total funds carried forward</b>        |       | <b>1,348,811</b>       | <b>-</b>             | <b>1,348,811</b> | <b>1,229,739</b>       | <b>-</b>             | <b>1,229,739</b> |

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

All income and expenditure derive from continuing activities.

**The Palace Trust – Company Registration Number: 09404519**  
**Balance Sheet and Consolidated Balance Sheet**  
**As at 31 December 2024**

|  | Notes | 2024<br>£<br>Group      | 2024<br>£<br>Charity    | 2023<br>£<br>Group      | 2023<br>£<br>Charity    |
|--|-------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Fixed assets</b>                            |       |                         |                         |                         |                         |
| Tangible fixed assets                          | 10    | 263,639                 | 207,307                 | 284,108                 | 224,212                 |
| Investments                                    | 11    | 55,494                  | 55,495                  | 54,253                  | 54,254                  |
|  |       | <u>319,133</u>          | <u>262,802</u>          | <u>338,361</u>          | <u>278,466</u>          |
| <b>Current assets</b>                          |       |                         |                         |                         |                         |
| Stock  | 12    | 25,636                  | -                       | 29,075                  | -                       |
| Debtors  | 13    | 128,420                 | 122,473                 | 80,797                  | 219,743                 |
| Cash at bank and in hand                       |       | 1,113,706               | 996,612                 | 927,177                 | 811,790                 |
|  |       | <u>1,267,762</u>        | <u>1,119,085</u>        | <u>1,037,049</u>        | <u>1,031,533</u>        |
| <b>Liabilities:</b>                            |       |                         |                         |                         |                         |
| Creditors: amounts falling due within one year | 14    | (238,084)               | (121,037)               | (145,671)               | (83,494)                |
| <b>Net current assets</b>                      |       | <u>1,029,678</u>        | <u>998,048</u>          | <u>891,378</u>          | <u>948,039</u>          |
| <b>Total net assets</b>                        |       | <u><u>1,348,811</u></u> | <u><u>1,260,850</u></u> | <u><u>1,229,739</u></u> | <u><u>1,226,505</u></u> |
| <b>The funds of the charity:</b>               |       |                         |                         |                         |                         |
| Unrestricted funds:                            |       |                         |                         |                         |                         |
| General funds                                  |       | 436,070                 | 404,441                 | 266,036                 | 322,698                 |
| Designated funds                               |       | 912,741                 | 856,409                 | 963,703                 | 903,807                 |
| Total unrestricted funds                       | 15    | <u>1,348,811</u>        | <u>1,260,850</u>        | <u>1,229,739</u>        | <u>1,226,505</u>        |
| Restricted funds                               | 15    | <u>-</u>                | <u>-</u>                | <u>-</u>                | <u>-</u>                |
| <b>Total charity funds</b>                     |       | <u><u>1,348,811</u></u> | <u><u>1,260,850</u></u> | <u><u>1,229,739</u></u> | <u><u>1,226,505</u></u> |

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes on pages 30 – 50 form part of these accounts.

Approved by the Board for issue on ..... 5.8.25 ..... and signed on their behalf by:



.....  
R Hawes  
Trustee

**The Palace Trust**

Statement of Cash Flows and Consolidated Statement of Cash Flows

For the Year Ended 31 December 2024

|  |       | 2024<br>£ | 2024<br>£ | 2023<br>£ | 2023<br>£ |
|--|-------|-----------|-----------|-----------|-----------|
|  | Notes | Group     | Charity   | Group     | Charity   |
| <b>Cash flows from operating activities</b>                        |       |           |           |           |           |
| Net expenditure for the year                                       |       | 119,072   | 34,345    | (65,306)  | (14,123)  |
| Adjustments to cash flows from non-cash items:                     |       |           |           |           |           |
| Depreciation and amortisation                                      | 10    | 74,859    | 50,620    | 60,509    | 38,902    |
| Investment income  | 5     | (41,523)  | (36,522)  | (40,520)  | (38,742)  |
| Unrealised net (gain) / loss on investments                        | 11    | (1,241)   | (1,241)   | (4,703)   | (4,703)   |
| (Profit) / loss on disposal of fixed assets                        |       | 4,234     | -         | 1,245     | 783       |
|  |       | 155,401   | 47,202    | (48,775)  | (17,883)  |
| Working capital adjustments  |       |           |           |           |           |
| Decrease / (increase) in stocks                                    | 12    | 3,439     | -         | (20,866)  | 246       |
| (Increase) / decrease in debtors                                   | 13    | (47,623)  | 97,270    | (23,990)  | (109,483) |
| Increase / (decrease) in creditors                                 | 14    | 92,413    | 37,543    | 18,174    | 14,831    |
| Net cash flow from operations                                      |       | 203,630   | 182,015   | (75,457)  | (112,289) |
| <b>Cash flows from investing activities</b>                        |       |           |           |           |           |
| Purchase of tangible fixed assets                                  | 10    | (58,624)  | (33,715)  | (150,231) | (129,401) |
| Proceeds on disposal of fixed assets                               |       | -         | -         | 250       | -         |
| Investment income  | 5     | 41,523    | 36,522    | 40,520    | 38,742    |
|  |       | (17,101)  | 2,807     | (109,461) | (90,659)  |
| Net increase in cash and cash equivalents                          |       | 186,529   | 184,822   | (184,918) | (202,948) |
| Cash and cash equivalents at the beginning of the reporting period |       | 927,177   | 811,790   | 1,112,095 | 1,014,738 |
| Cash and cash equivalents at the end of the reporting period       |       | 1,113,706 | 996,612   | 927,177   | 811,790   |
| <b>Cash &amp; Cash equivalents reconciliation:</b>                 |       |           |           |           |           |
| Cash at bank   |       | 1,113,706 | 996,612   | 927,177   | 811,790   |
| Total cash & cash equivalents at the end of the reporting period   |       | 1,113,706 | 996,612   | 927,177   | 811,790   |

## **1 Accounting Policies**

The principal accounting policies adopted in the preparation of the financial statements are:

### **1.1 Basis of accounting**

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

The Palace Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) and all amounts are presented in £ sterling.

These financial statements consolidate the results of the Charity and its wholly owned subsidiary, Palace Enterprises (Wells) Limited, on a line by line basis. The "Group" heading within the balance sheet refers to the consolidated accounts of The Palace Trust and Palace Enterprises (Wells) Limited.

In the parent company financial statements the investment in the trading subsidiary is accounted for at cost less impairment.

A separate Statement of Financial Activities or income and expenditure account, for the Charity itself has not been presented because the Charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

### **1.2 Legal status of the Trust**

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The company is incorporated in England and Wales and the company registered office is detailed on page 4, reference and administration details.

### **1.3 Going Concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting when preparing the financial statements.

**1.4 Income**

Income from grants and donations is recognised in the year in which they are receivable when there is evidence of entitlement, receipt is probable and the amount can be reliably measured. Where income has not been received for gift aid claims relating to donations received in the year, income is accrued.

Income from government grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Where no conditions are attached to the grant income they are recognised within donations and legacies and where conditions relating to performance of services are attached, grant income is recognised in income from charitable activities within the Statement of Financial Activities.

Income from charitable activities includes membership and admissions income. Membership income is accounted for in full in the year that the membership commences. Admission income is recognised on a cash basis, in the year the income is physically received.

Income from other trading activities, including restaurant income, event income and rental income, is included in the period in which the group is entitled to receipt, it is probable that economic benefits will flow to the entity and the amount can be reliably measured.

The charity receives income from its subsidiary under gift aid and this is recognised upon physical receipt.

The charity notes the requirement of the SORP that large charities must report their results on an activities basis. The charity considers that they produce one activity – the operation of a heritage site– and therefore reports on that basis.

**1.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

**1.6 Expenditure**

Resources expended are recognised on the accruals basis to match the period in which the expenditure was incurred.

Raising funds is expenditure incurred in generating the trading subsidiary funds and from other trading activities carried out by the trust.

Charitable activity expenditure comprises costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and costs of an indirect nature necessary to support them. Grants payable are at the discretion of the Trustees. Governance costs are those costs associated with the governance arrangements of the charity and relate to general running of the charity as opposed to those costs associated with charitable activities.

**1.7 Operating leases**

The trust classifies the lease of properties as operating leases as title remains with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

**1.8 Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of Trust.

Restricted funds are from donations and grants in which the donor or funder has specified are to be solely used for particular areas of the Trust's work or for specific projects being undertaken by the Trust.

**1.9 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Fixed assets under £1,000 are not capitalised. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life as follows:

|                                 |                            |
|---------------------------------|----------------------------|
| Computer equipment              | 3 - 5 years straight line  |
| Furniture, fittings & equipment | 2 - 10 years straight line |
| Outdoor equipment               | 2 - 15 years straight line |
| Catering equipment              | 5 - 10 years straight line |

**1.10 Debtors**

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Trust will not be able to collect all amounts due to according to the original terms of the receivables.

Other debtors comprise prepayments and accrued income. Prepayments arise from the payments for services prior to benefit from those services, and accrued income is amounts due for services provided, recognised at the point of provision of the services.

**1.11 Stock**

Stock consists of shop stock for resale and publication stocks. Stock is valued at the lower of cost and net realisable value, after making allowances for obsolete and slow moving stock.

**1.12 Cash at bank and in hand**

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

**1.13 Creditors**

Creditors 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 measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

**1.14 Defined contribution pension**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to defined contribution plans are recognised as staff pension expense through the profit and loss when they are due.

**1.15 Taxation**

As a registered charity, the company is not liable to corporation tax or capital gains tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax (VAT) is partially recoverable by the company. Any irrecoverable VAT is added to the relevant cost and charged as an expense in the Statement of Financial Activities.

**1.16 Financial Instruments**

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and liabilities of the charity and their measurements are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank and deposit accounts– is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**2 Donations and legacies**

|                      | Unres-<br>tricted<br>funds<br>£ | Res-<br>tricted<br>funds<br>£ | 2024<br>Total<br>£ | Unres-<br>tricted<br>funds<br>£ | Res-<br>tricted<br>funds<br>£ | 2023<br>Total<br>£ |
|----------------------|---------------------------------|-------------------------------|--------------------|---------------------------------|-------------------------------|--------------------|
| Donations            | 13,001                          | 1,549                         | 14,550             | 17,525                          | -                             | 17,525             |
| Gift aid             | 62,220                          | -                             | 62,220             | 82,704                          | -                             | 82,704             |
| <b>Grants</b>        |                                 |                               |                    |                                 |                               |                    |
| Church Commissioners | 105,000                         | -                             | 105,000            | 89,500                          | -                             | 89,500             |
| Other small grants   | -                               | -                             | -                  | 710                             | 13,850                        | 14,560             |
|                      | <u>180,221</u>                  | <u>1,549</u>                  | <u>181,770</u>     | <u>190,439</u>                  | <u>13,850</u>                 | <u>204,289</u>     |

**3 Income from charitable activities**

|                   | Unres-<br>tricted<br>funds<br>£ | Res-<br>tricted<br>funds<br>£ | 2024<br>Total<br>£ | Unres-<br>tricted<br>funds<br>£ | Res-<br>tricted<br>funds<br>£ | 2023<br>Total<br>£ |
|-------------------|---------------------------------|-------------------------------|--------------------|---------------------------------|-------------------------------|--------------------|
| Entrance fees     | 660,192                         | -                             | 660,192            | 532,314                         | -                             | 532,314            |
| Membership income | 76,534                          | -                             | 76,534             | 93,886                          | -                             | 93,886             |
|                   | <u>736,726</u>                  | <u>-</u>                      | <u>736,726</u>     | <u>626,200</u>                  | <u>-</u>                      | <u>626,200</u>     |

**4 Other trading activities**

|                    | Unres-<br>tricted<br>funds<br>£ | Res-<br>tricted<br>funds<br>£ | 2024<br>Total<br>£ | Unres-<br>tricted<br>funds<br>£ | Res-<br>tricted<br>funds<br>£ | 2023<br>Total<br>£ |
|--------------------|---------------------------------|-------------------------------|--------------------|---------------------------------|-------------------------------|--------------------|
| Restaurant income  | 719,546                         | -                             | 719,546            | 595,404                         | -                             | 595,404            |
| Event income       | 86,126                          | -                             | 86,126             | 66,550                          | -                             | 66,550             |
| Event site hire    | 43,120                          | -                             | 43,120             | 48,572                          | -                             | 48,572             |
| Shop income        | 30,475                          | -                             | 30,475             | 18,040                          | -                             | 18,040             |
| Event catering     | 12,722                          | -                             | 12,722             | 15,958                          | -                             | 15,958             |
| Solar panel income | -                               | -                             | -                  | 385                             | -                             | 385                |
| Film income        | 82,667                          | -                             | 82,667             | 200                             | -                             | 200                |
| Rental income      | 22,396                          | -                             | 22,396             | 7,067                           | -                             | 7,067              |
|                    | 997,052                         | -                             | 997,052            | 752,176                         | -                             | 752,176            |

**5 Investment income**

|               | Unres-<br>tricted<br>funds<br>£ | Res-<br>tricted<br>funds<br>£ | 2024<br>Total<br>£ | Unres-<br>tricted<br>funds<br>£ | Res-<br>tricted<br>funds<br>£ | 2023<br>Total<br>£ |
|---------------|---------------------------------|-------------------------------|--------------------|---------------------------------|-------------------------------|--------------------|
| Bank interest | 41,523                          | -                             | 41,523             | 40,520                          | -                             | 40,520             |

**6 Expenditure on raising funds**

|                          | Unres-<br>tricted<br>£ | Res-<br>tricted<br>£ | 2024<br>Total<br>£ | Unres-<br>tricted<br>£ | Res-<br>tricted<br>£ | 2023<br>Total<br>£ |
|--------------------------|------------------------|----------------------|--------------------|------------------------|----------------------|--------------------|
| Costs of goods sold      | 250,590                | -                    | 250,590            | 199,680                | -                    | 199,680            |
| Wages, salaries & agency | 394,386                | -                    | 394,386            | 369,715                | -                    | 369,715            |
| Other direct costs       | 118,926                | -                    | 118,926            | 105,482                | -                    | 105,482            |
| Event costs              | 47,006                 | -                    | 47,006             | 47,185                 | -                    | 47,185             |
| Commission sales expense | 6,015                  | -                    | 6,015              | 6,017                  | -                    | 6,017              |
|                          | 816,923                | -                    | 816,923            | 728,079                | -                    | 728,079            |

**7 Charitable activities expenditure**

|                                     | Unres-<br>tricted<br>£ | Res-<br>tricted<br>£ | 2024<br>Total<br>£ | Unres-<br>tricted<br>£ | Res-<br>tricted<br>£ | 2023<br>Total<br>£ |
|-------------------------------------|------------------------|----------------------|--------------------|------------------------|----------------------|--------------------|
| <b>Direct charitable activities</b> |                        |                      |                    |                        |                      |                    |
| Maintenance costs                   | 102,370                | -                    | 102,370            | 52,268                 | -                    | 52,268             |
| Garden maintenance                  | 31,668                 | -                    | 31,668             | 22,152                 | -                    | 22,152             |
| Public access & education           | 7,656                  | -                    | 7,656              | 7,922                  | -                    | 7,922              |
| <b>Support costs</b>                |                        |                      |                    |                        |                      |                    |
| Wages & salaries                    | 556,130                | -                    | 556,130            | 547,625                | -                    | 547,625            |
| Staff training & recruitment        | 24,318                 | -                    | 24,318             | 19,935                 | -                    | 19,935             |
| Travel & entertainment              | 8,457                  | -                    | 8,457              | 5,716                  | -                    | 5,716              |
| Rent, rates, light & heat           | 63,978                 | -                    | 63,978             | 114,495                | -                    | 114,495            |
| Cleaning costs                      | 50,229                 | -                    | 50,229             | 47,590                 | -                    | 47,590             |
| Advertising                         | 36,777                 | -                    | 36,777             | 30,614                 | -                    | 30,614             |
| Office costs                        | 69,464                 | -                    | 69,464             | 59,608                 | -                    | 59,608             |
| Subscriptions                       | 2,598                  | -                    | 2,598              | 3,436                  | -                    | 3,436              |
| Legal fees                          | -                      | -                    | -                  | 600                    | -                    | 600                |
| Professional fees                   | 3,280                  | -                    | 3,280              | 1,332                  | -                    | 1,332              |
| Accountancy                         | -                      | -                    | -                  | 150                    | -                    | 150                |
| Bank charges                        | 3,165                  | -                    | 3,165              | 3,685                  | -                    | 3,685              |
| Depreciation                        | 50,620                 | -                    | 50,620             | 39,683                 | -                    | 39,683             |
| Loss on disposal of fixed asset     | 3,288                  | -                    | 3,288              | 4                      | -                    | 4                  |
| <b>Governance</b>                   |                        |                      |                    |                        |                      |                    |
| Auditors fees - audit               | 6,719                  | -                    | 6,719              | 6,700                  | -                    | 6,700              |
| Auditors fees- accountancy          | 1,600                  | -                    | 1,600              | 1,600                  | -                    | 1,600              |
|                                     | <u>1,022,317</u>       | <u>-</u>             | <u>1,022,317</u>   | <u>965,115</u>         | <u>-</u>             | <u>965,115</u>     |

**7 Expenditure (continued)**

|                              | Charity |        | Subsidiary |        | Total  | Total  |
|------------------------------|---------|--------|------------|--------|--------|--------|
|                              | 2024    | 2023   | 2024       | 2023   | 2024   | 2023   |
|                              | £       | £      | £          | £      | £      | £      |
| Depreciation of owned assets | 50,620  | 38,902 | 24,239     | 21,607 | 74,859 | 60,509 |
| Auditors' remuneration for:  |         |        |            |        |        |        |
| Current auditors             |         |        |            |        |        |        |
| - Audit services             | 6,700   | 6,340  | 5,100      | 4,800  | 11,800 | 11,140 |
| - Other services             | 1,600   | 1,600  | 1,040      | 1,300  | 2,640  | 2,900  |

**8 Trustee directors**

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2023: £nil).

One charity trustee was reimbursed for travel expenses during the year totalling £434 (2023: three trustees - £1,069).

No charity trustee received payment for professional or other services supplied to the charity (2023: £nil).

**9 Employees**

|                       | <b>2024</b>    | <b>2024</b>    | <b>2023</b>    | <b>2023</b>    |
|-----------------------|----------------|----------------|----------------|----------------|
|                       | <b>Group</b>   | <b>Charity</b> | <b>Group</b>   | <b>Charity</b> |
|                       | <b>£</b>       | <b>£</b>       | <b>£</b>       | <b>£</b>       |
| Wages and salaries    | 856,433        | 487,120        | 790,854        | 452,421        |
| Social security costs | 48,017         | 33,163         | 45,819         | 32,671         |
| Employer pension      | 41,498         | 31,279         | 41,478         | 29,319         |
| Termination payments  | 4,568          | 4,568          | 39,189         | 33,214         |
|                       | <u>950,516</u> | <u>556,130</u> | <u>917,340</u> | <u>547,625</u> |

**Number of employees**

The average monthly number of employees during the year, calculated on the basis of average headcount, was as follows:

|                             | <b>2024</b>  | <b>2024</b>    | <b>2023</b>  | <b>2023</b>    |
|-----------------------------|--------------|----------------|--------------|----------------|
|                             | <b>Group</b> | <b>Charity</b> | <b>Group</b> | <b>Charity</b> |
|                             | <b>No.</b>   | <b>No.</b>     | <b>No.</b>   | <b>No.</b>     |
| Average employee head count | <u>47</u>    | <u>23</u>      | <u>43</u>    | <u>22</u>      |

During the year, one employee was paid £1,522 in respect of PILON and £3,045 in respect of a redundancy. All payments are full and final settlement, and no amounts are accrued at the year-end (2023: four employees were paid a total of £17,174 in respect of settlement, £19,830 in respect of PILON and £2,185 in respect of a redundancy).

The number of employees whose annual emoluments were £60,000 (excluding employer pension costs) or more were:

|                   | <b>2024</b>   | <b>2023</b>   |
|-------------------|---------------|---------------|
|                   | <b>number</b> | <b>number</b> |
| £70,000 - £80,000 | <u>1</u>      | <u>-</u>      |

This employee is not a member of the defined contribution pension scheme.

**9 Employees (continued)**

The key management personnel for the year, comprises the Chief Executive (2023: the Chief Executive and Chief Operating Officer). The total employee benefits (includes gross pay, employer pension and employer national insurance) of the key management personnel of the Trust were £87,489 (2023: £117,201).

**Pension costs**

The company operates a defined contribution pension scheme. The charge to the Statement of Financial Activities for the year is shown above.

Contributions totalling £nil (2023 - £nil) were payable to the schemes at the end of the year and are included in creditors.

**10 Tangible fixed assets**

| Group                   | Computer<br>equipment<br>£ | Furniture,<br>fittings &<br>equipment<br>£ | Outdoor<br>equipment<br>£ | Catering<br>equipment<br>£ | Total<br>£ |
|-------------------------|----------------------------|--|---------------------------|----------------------------|------------|
| <b>Cost</b>             |                            |  |                           |                            |            |
| At 1 January 2024       | 37,079                     | 130,768                                    | 198,570                   | 154,453                    | 520,870    |
| Additions               | 12,242                     | 16,859                                     | 4,614                     | 24,909                     | 58,624     |
| Disposals               | -                          | -  | -                         | (12,219)                   | (12,219)   |
| At 31 December 2024     | 49,321                     | 147,627                                    | 203,184                   | 167,143                    | 567,275    |
| <b>Depreciation</b>     |                            |  |                           |                            |            |
| At 1 January 2024       | 32,367                     | 35,394                                     | 75,973                    | 93,028                     | 236,762    |
| Charge for the year     | 6,078                      | 25,098                                     | 18,576                    | 25,107                     | 74,859     |
| Eliminated on disposals | -                          | -  | -                         | (7,985)                    | (7,985)    |
| At 31 December 2024     | 38,445                     | 60,492                                     | 94,549                    | 110,150                    | 303,636    |
| <b>Net book value</b>   |                            |  |                           |                            |            |
| At 31 December 2024     | 10,876                     | 87,135                                     | 108,635                   | 56,993                     | 263,639    |
| At 31 December 2023     | 4,712                      | 95,374                                     | 122,597                   | 61,425                     | 284,108    |

10 Tangible fixed assets (continued)

| Charity                 | Computer<br>equipment<br>£ | Furniture,<br>fittings &<br>equipment<br>£ | Outdoor<br>equipment<br>£ | Catering<br>equipment<br>£ | Total<br>£ |
|-------------------------|----------------------------|--|---------------------------|----------------------------|------------|
| <b>Cost</b>             |                            |  |                           |                            |            |
| At 1 January 2024       | 37,079                     | 130,768                                    | 198,570                   | 23,991                     | 390,408    |
| Additions               | 12,242                     | 16,859                                     | 4,614                     | -                          | 33,715     |
| Disposals               | -                          | -  | -                         | -                          | -          |
| At 31 December 2024     | 49,321                     | 147,627                                    | 203,184                   | 23,991                     | 424,123    |
| <b>Depreciation</b>     |                            |  |                           |                            |            |
| At 1 January 2024       | 32,367                     | 35,394                                     | 75,973                    | 22,462                     | 166,196    |
| Charge for the year     | 6,078                      | 25,098                                     | 18,576                    | 868                        | 50,620     |
| Eliminated on disposals | -                          | -  | -                         | -                          | -          |
| At 31 December 2024     | 38,445                     | 60,492                                     | 94,549                    | 23,330                     | 216,816    |
| <b>Net book value</b>   |                            |  |                           |                            |            |
| At 31 December 2024     | 10,876                     | 87,135                                     | 108,635                   | 661                        | 207,307    |
| At 31 December 2023     | 4,712                      | 95,374                                     | 122,597                   | 1,529                      | 224,212    |

11 Investments

| Group                          | 2024<br>£ | 2023<br>£ |
|--------------------------------|-----------|-----------|
| <b>Unlisted investments</b>    |           |           |
| Opening balance                | 54,253    | 49,550    |
| Unrealised (loss) / gain       | 1,241     | 4,703     |
| Closing balance                | 55,494    | 54,253    |
| Historical cost of investments | 33,593    | 33,593    |

The unlisted investments comprise 2,400 shares in the Central Board of Finance of the Church of England Investment Fund.

**11 Investments (continued)**

| <b>Charity</b>                 | <b>2024</b>   | <b>2023</b>   |
|--------------------------------|---------------|---------------|
|                                | <b>£</b>      | <b>£</b>      |
| <b>Unlisted investments</b>    |               |               |
| Opening balance                | 54,253        | 49,550        |
| Unrealised (loss) / gain       | 1,241         | 4,703         |
|                                | <u>55,494</u> | <u>54,253</u> |
| Closing balance                | <u>55,494</u> | <u>54,253</u> |
| Historical cost of investments | <u>33,593</u> | <u>33,593</u> |

**Charity investments at market value comprise:**

|  | <b>Total</b>  | <b>Total</b>  |
|--|---------------|---------------|
|  | <b>2024</b>   | <b>2023</b>   |
|  | <b>£</b>      | <b>£</b>      |
| Shares in unlisted investments                     | 55,494        | 54,253        |
| Shareholding in Palace Enterprises (Wells) Limited |               |               |
| Ordinary shares of £1 each                         | 1             | 1             |
|  | <u>55,495</u> | <u>54,254</u> |

Palace Enterprises (Wells) Limited (company no 03013064) was incorporated 23 January 1995 and is a wholly owned trading subsidiary of The Palace Trust. The parent charity holds 100% of the issued share capital and 100% of the voting rights of the subsidiary trading company.

The principal activities of the company is to provide a fully catered venue for wedding receptions and other events, together with a catering service in the Bishop's Table Restaurant. The registered office is the same as that of the Trust, detailed on page 1. The subsidiary gift aids some of its taxable profits to The Palace Trust, paying corporation tax on any profits retained, and files audited accounts with the Registrar of Companies.

**11 Investments (continued)**

A summary of the trading results is shown below:

|   | <b>2024</b>   | <b>2023</b>  |
|---|---------------|--------------|
|   | <b>£</b>      | <b>£</b>     |
| Turnover  | 951,786       | 717,055      |
| Cost of sales                                     | (646,859)     | (572,151)    |
|   | <hr/>         | <hr/>        |
| Gross profit                                      | 304,927       | 144,904      |
| Administrative expenses                           | (220,201)     | (196,086)    |
|   | <hr/>         | <hr/>        |
| Operating profit                                  | 84,726        | (51,182)     |
| Investment income                                 | -             | -            |
|   | <hr/>         | <hr/>        |
| Profit before tax & profit for the financial year | 84,726        | (51,182)     |
| Retained earnings brought forward in subsidiary   | 3,235         | 54,417       |
| Gift aid to The Palace Trust                      | -             | -            |
|   | <hr/>         | <hr/>        |
| Retained earnings carried forward in subsidiary   | 87,961        | 3,235        |
|   | <hr/>         | <hr/>        |
| The assets and liabilities were:                  |               |              |
| Fixed assets                                      | 56,332        | 59,896       |
| Current assets                                    | 185,632       | 168,273      |
| Current liabilities                               | (154,002)     | (224,933)    |
|   | <hr/>         | <hr/>        |
| Total net assets                                  | 87,962        | 3,236        |
|   | <hr/>         | <hr/>        |
| Called up share capital                           | 1             | 1            |
| Profit and loss reserve                           | 87,961        | 3,235        |
|   | <hr/>         | <hr/>        |
|   | <b>87,962</b> | <b>3,236</b> |
|   | <hr/>         | <hr/>        |

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| <b>12 Stocks</b> | <b>2024<br/>Group<br/>£</b> | <b>2024<br/>Charity<br/>£</b> | <b>2023<br/>Group<br/>£</b> | <b>2023<br/>Charity<br/>£</b> |
|------------------|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| Goods for resale | 25,636                      | -                             | 29,075                      | -                             |
|                  | <u>25,636</u>               | <u>-</u>                      | <u>29,075</u>               | <u>-</u>                      |

| <b>13 Debtors</b>                  | <b>2024<br/>Group<br/>£</b> | <b>2024<br/>Charity<br/>£</b> | <b>2023<br/>Group<br/>£</b> | <b>2023<br/>Charity<br/>£</b> |
|------------------------------------|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| Trade debtors                      | 59,789                      | 22,991                        | 24,380                      | 1,621                         |
| Prepayments and accrued income     | 68,631                      | 62,527                        | 56,417                      | 55,365                        |
| Amounts owed by group undertakings | -                           | 36,955                        | -                           | 162,757                       |
|                                    | <u>128,420</u>              | <u>122,473</u>                | <u>80,797</u>               | <u>219,743</u>                |

**14 Creditors: Amounts falling due within one year**

|                              | <b>2024</b>    | <b>2024</b>    | <b>2023</b>    | <b>2023</b>    |
|------------------------------|----------------|----------------|----------------|----------------|
|                              | <b>Group</b>   | <b>Charity</b> | <b>Group</b>   | <b>Charity</b> |
|                              | <b>£</b>       | <b>£</b>       | <b>£</b>       | <b>£</b>       |
| Trade creditors              | 50,961         | 20,103         | 31,863         | 29,427         |
| Other creditors              | 32,489         | 31,759         | 27,078         | 27,078         |
| Accruals and deferred income | 104,624        | 54,375         | 53,685         | 20,771         |
| Taxation and social security | 50,010         | 14,800         | 33,045         | 6,218          |
|                              | <u>238,084</u> | <u>121,037</u> | <u>145,671</u> | <u>83,494</u>  |

**Deferred Income**

|                                   | <b>2024</b>   | <b>2024</b>    | <b>2023</b>   | <b>2023</b>    |
|-----------------------------------|---------------|----------------|---------------|----------------|
|                                   | <b>Group</b>  | <b>Charity</b> | <b>Group</b>  | <b>Charity</b> |
|                                   | <b>£</b>      | <b>£</b>       | <b>£</b>      | <b>£</b>       |
| Deferred income at 1 January 2024 | 33,695        | 8,759          | 30,637        | 9,187          |
| Released from previous years      | (33,695)      | (8,759)        | (30,637)      | (9,187)        |
| Resources deferred in the year    | 45,367        | 13,125         | 33,695        | 8,759          |
|                                   | <u>45,367</u> | <u>13,125</u>  | <u>33,695</u> | <u>8,759</u>   |

At the balance sheet date the trust was holding funds received in advance for events to be held in 2025.

15 Summary of movement in funds- Group

|                                   | Opening<br>balance<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>& gains<br>£ | Closing<br>balance<br>£ |
|-----------------------------------|-------------------------|------------------|--------------------|---------------------------|-------------------------|
| <b>Unrestricted funds - Group</b> |                         |                  |                    |                           |                         |
| General                           | 266,036                 | 1,955,522        | (1,764,381)        | (21,107)                  | 436,070                 |
| <b>Designated funds - Group</b>   |                         |                  |                    |                           |                         |
| Palace interpretation             | 229,595                 | -                | -                  | (30,493)                  | 199,102                 |
| Trust Reserve                     | 450,000                 | -                | -                  | -                         | 450,000                 |
| Fixed assets                      | 284,108                 | -                | (74,859)           | 54,390                    | 263,639                 |
| <b>Total designated funds</b>     | <b>963,703</b>          | <b>-</b>         | <b>(74,859)</b>    | <b>23,897</b>             | <b>912,741</b>          |
| <b>Restricted funds</b>           |                         |                  |                    |                           |                         |
| Mobility Scooter                  | -                       | 1,549            | -                  | (1,549)                   | -                       |
| <b>Total funds</b>                | <b>1,229,739</b>        | <b>1,957,071</b> | <b>(1,839,240)</b> | <b>1,241</b>              | <b>1,348,811</b>        |

Summary of movement in funds- Charity

|                                     | Opening<br>balance<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>& gains<br>£ | Closing<br>balance<br>£ |
|-------------------------------------|-------------------------|------------------|--------------------|---------------------------|-------------------------|
| <b>Unrestricted funds - Charity</b> |                         |                  |                    |                           |                         |
| General                             | 322,698                 | 1,103,852        | (1,021,677)        | (432)                     | 404,441                 |
| <b>Designated funds - Charity</b>   |                         |                  |                    |                           |                         |
| Palace interpretation               | 229,595                 | -                | -                  | (30,493)                  | 199,102                 |
| Trust Reserve                       | 450,000                 | -                | -                  | -                         | 450,000                 |
| Fixed assets                        | 224,212                 | -                | (50,620)           | 33,715                    | 207,307                 |
| <b>Total designated funds</b>       | <b>903,807</b>          | <b>-</b>         | <b>(50,620)</b>    | <b>3,222</b>              | <b>856,409</b>          |
| <b>Restricted funds</b>             |                         |                  |                    |                           |                         |
| Mobility Scooter                    | -                       | 1,549            | -                  | (1,549)                   | -                       |
| <b>Total funds</b>                  | <b>1,226,505</b>        | <b>1,105,401</b> | <b>(1,072,297)</b> | <b>1,241</b>              | <b>1,260,850</b>        |

**Summary of movement in funds – Group (2023)**

|                                   | Opening<br>balance<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>& gains<br>£ | Closing<br>balance<br>£ |
|-----------------------------------|-------------------------|------------------|--------------------|---------------------------|-------------------------|
| <b>Unrestricted funds - Group</b> |                         |                  |                    |                           |                         |
| General                           | 296,969                 | 1,609,335        | (1,632,685)        | (7,583)                   | 266,036                 |
| <b>Designated funds - Group</b>   |                         |                  |                    |                           |                         |
| Palace interpretation             | 352,195                 | -                | -                  | (122,600)                 | 229,595                 |
| Trust Reserve                     | 450,000                 | -                | -                  | -                         | 450,000                 |
| Fixed assets                      | 195,881                 | -                | (60,509)           | 148,736                   | 284,108                 |
| <b>Total designated funds</b>     | <b>963,703</b>          | <b>-</b>         | <b>(60,509)</b>    | <b>(62,091)</b>           | <b>963,703</b>          |
| <b>Restricted funds</b>           |                         |                  |                    |                           |                         |
| Gate funds                        | -                       | 13,850           | -                  | (13,850)                  | -                       |
| <b>Total funds</b>                | <b>1,260,672</b>        | <b>1,609,335</b> | <b>(1,693,194)</b> | <b>(69,674)</b>           | <b>1,229,739</b>        |

**Summary of movement in funds – Charity (2023)**

|                                     | Opening<br>balance<br>£ | Income<br>£    | Expenditure<br>£   | Transfers<br>& gains<br>£ | Closing<br>balance<br>£ |
|-------------------------------------|-------------------------|----------------|--------------------|---------------------------|-------------------------|
| <b>Unrestricted funds - Charity</b> |                         |                |                    |                           |                         |
| General                             | 303,937                 | 983,484        | (977,258)          | 12,535                    | 322,698                 |
| <b>Designated funds - Charity</b>   |                         |                |                    |                           |                         |
| Palace interpretation               | 352,195                 | -              | -                  | (122,600)                 | 229,595                 |
| Trust Reserve                       | 450,000                 | -              | -                  | -                         | 450,000                 |
| Fixed assets                        | 134,496                 | -              | (38,902)           | 128,618                   | 224,212                 |
| <b>Total designated funds</b>       | <b>936,691</b>          | <b>-</b>       | <b>(38,902)</b>    | <b>6,018</b>              | <b>903,807</b>          |
| <b>Restricted funds</b>             |                         |                |                    |                           |                         |
| Gate funds                          | -                       | 13,850         | -                  | (13,850)                  | -                       |
| <b>Total funds</b>                  | <b>1,240,628</b>        | <b>983,484</b> | <b>(1,016,160)</b> | <b>18,553</b>             | <b>1,226,505</b>        |

**Summary of movement in funds (continued)**

**Designated funds**

- The Palace interpretation fund relates to a large development project currently in the planning phase and fresh interpretation in the Palace building.
- Trust Reserve relates to an amount of unrestricted funds sufficient to cover 3 months of expenditure, to cover the period from January to March when The Palace Trust runs at a seasonal deficit.
- The fixed assets funds represent the net book value of the assets held.

**Restricted funds**

- The Mobility Scooter Funds were received as a contribution towards purchase of a mobility scooter. £1,549 of the funds came from The Boshier-Hinton Foundation. The amount has been transferred to unrestricted upon the purchase of the fixed asset, as permitted by the Charity SORP.
- The Gate Funds were received as a contribution towards the installation of the community gate. £10,000 of the funds came from The Medlock Charity, £350 from the Sir John and Lady Heathcoat Amory Trust and £3,500 from an anonymous source. The amount has been transferred to unrestricted upon the purchase of the fixed asset, as permitted by the Charity SORP.

**16 Analysis of assets between funds – Group**

|                               | <b>Tangible<br/>fixed<br/>assets<br/>£</b> | <b>Cash at<br/>bank and<br/>in hand<br/>£</b> | <b>Other net<br/>current<br/>assets/<br/>(liabilities)<br/>£</b> | <b>Creditors<br/>more than<br/>one year<br/>£</b> | <b>Total<br/>£</b> |
|-------------------------------|--|---|--|---|--------------------|
| Unrestricted funds            | 55,494                                     | 464,604                                       | (84,028)   | -   | 436,070            |
| Designated funds              | 263,639                                    | 649,102                                       | -  | -   | 912,741            |
| Restricted funds              | -  | -   | -  | -   | -                  |
| <b>As at 31 December 2024</b> | <b>319,133</b>                             | <b>1,113,706</b>                              | <b>(84,028)</b>  | <b>-</b>  | <b>1,348,811</b>   |

**Analysis of assets between funds – Charity**

|                               | <b>Tangible<br/>fixed<br/>assets<br/>£</b> | <b>Cash at<br/>bank and<br/>in hand<br/>£</b> | <b>Other net<br/>current<br/>assets/<br/>(liabilities)<br/>£</b> | <b>Creditors<br/>more than<br/>one year<br/>£</b> | <b>Total<br/>£</b> |
|-------------------------------|--|---|--|---|--------------------|
| Unrestricted funds            | 55,495                                     | 347,510                                       | 1,436  | -   | 404,441            |
| Designated funds              | 207,307                                    | 649,102                                       | -  | -   | 856,409            |
| Restricted funds              | -  | -   | -  | -   | -                  |
| <b>As at 31 December 2024</b> | <b>262,802</b>                             | <b>996,612</b>                                | <b>1,436</b>   | <b>-</b>  | <b>1,260,850</b>   |

**Analysis of assets between funds – Group - 2023**

|                               | <b>Tangible<br/>fixed<br/>assets<br/>£</b> | <b>Cash at<br/>bank and<br/>in hand<br/>£</b> | <b>Other net<br/>current<br/>assets/<br/>(liabilities)<br/>£</b> | <b>Creditors<br/>more than<br/>one year<br/>£</b> | <b>Total<br/>£</b> |
|-------------------------------|--|---|--|---|--------------------|
| Unrestricted funds            | 54,253                                     | 247,582                                       | (35,799)   | -   | 266,036            |
| Designated funds              | 284,108                                    | 679,595                                       | -  | -   | 963,703            |
| Restricted funds              | -  | -   | -  | -   | -                  |
| <b>As at 31 December 2023</b> | <b>338,361</b>                             | <b>927,177</b>                                | <b>(35,799)</b>  | <b>-</b>  | <b>1,229,739</b>   |

**Analysis of assets between funds – Charity – 2023**

|                               | <b>Tangible<br/>fixed<br/>assets<br/>£</b> | <b>Cash at<br/>bank and<br/>in hand<br/>£</b> | <b>Other net<br/>current<br/>assets/<br/>(liabilities)<br/>£</b> | <b>Creditors<br/>more than<br/>one year<br/>£</b> | <b>Total<br/>£</b> |
|-------------------------------|--|---|--|---|--------------------|
| Unrestricted funds            | 54,254                                     | 132,195                                       | 136,249  | -   | 322,698            |
| Designated funds              | 224,212                                    | 679,595                                       | -  | -   | 903,807            |
| Restricted funds              | -  | -   | -  | -   | -                  |
| <b>As at 31 December 2023</b> | <b>278,466</b>                             | <b>811,790</b>                                | <b>136,249</b>   | <b>-</b>  | <b>1,226,505</b>   |

**17 Income and expenditure account of the Trust**

The company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own Income and Expenditure Account or separate Statement of Financial Activities.

Prior to gift aid amounts received from the subsidiary, The Palace Trust has net income for the year of £34,346 (2023 - £14,124) based on income of £1,104,213 (2023 - £906,130). Gift aid distributions from trading subsidiary of £nil (2023: £nil) were received in the year.

**18 Obligations under leases**

Operating leases-

The total future minimum rentals payable under non-cancellable operating leases funded by unrestricted funds are as follows:

|                           | <b>2024</b>  | <b>2023</b>  |
|---------------------------|--------------|--------------|
|                           | <b>£</b>     | <b>£</b>     |
| <b>Other</b>              |              |              |
| Expiry date:              |              |              |
| Within one year           | 1,926        | 1,785        |
| Within two and five years | 6,240        | 3,193        |
|                           | <u>8,166</u> | <u>4,978</u> |

In addition to the above, the Trust has a non-exclusive licence (by way of a management agreement) to occupy the Palace and the gardens with the Church Commissioners to the end of 2033.

**19 Related party transactions**

The charity has taken advantage of the exemption in FRS 102 "Related Party Disclosures" from disclosing transactions with other members of the group.

The chief executive (who was appointed 1 April 2023), M Kidd, was charged £5,500 (2023: £3,850) in rent for the use of The Gardeners Flat during the year. The rent collected, is in turn paid onto the Church Commissioners. A balance of £nil (2023: £nil) was outstanding to The Palace Trust at the year end. This is considered to be a market rent.

**20 Financial instruments**

|   | 2024<br>Group<br>£ | 2024<br>Charity<br>£ | 2023<br>Group<br>£ | 2023<br>Charity<br>£ |
|---|--------------------|----------------------|--------------------|----------------------|
| Financial assets that are fair value through income & expenditure account | 55,494             | 55,495               | 54,253             | 54,254               |
| Financial assets that are debt instruments measured at amortised cost     | 1,221,374          | 1,099,269            | 994,034            | 1,018,645            |
|   | <u>1,276,868</u>   | <u>1,154,764</u>     | <u>1,048,287</u>   | <u>1,072,899</u>     |
| Financial liabilities measured at amortised cost                          | 142,707            | 64,987               | 78,931             | 65,263               |
|   | <u>142,707</u>     | <u>64,987</u>        | <u>78,931</u>      | <u>65,263</u>        |

**Items of income, expenditure, gain and loss (group and charity)**

|   | Income<br>£ | Expense<br>£ | Net gains<br>£ | Net losses<br>£ |
|---|-------------|--------------|----------------|-----------------|
| <b>2024</b>   |             |              |                |                 |
| Financial assets that are fair value through income & expenditure account | -           | -            | 1,241          | -               |
| Financial assets measured at amortised cost                               | -           | -            | -              | -               |
| Financial liabilities measured at amortised cost                          | -           | -            | -              | -               |
|   | <u>-</u>    | <u>-</u>     | <u>1,241</u>   | <u>-</u>        |
| <b>2023</b>   |             |              |                |                 |
| Financial assets that are fair value through income & expenditure account | -           | -            | 4,703          | -               |
| Financial assets measured at amortised cost                               | -           | -            | -              | -               |
| Financial liabilities measured at amortised cost                          | -           | -            | -              | -               |
|   | <u>-</u>    | <u>-</u>     | <u>4,703</u>   | <u>-</u>        |

**THE PALACE TRUST**

England & Wales - Charity number 1160830

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# Accounts

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**>>> THE PALACE TRUST <<<**

**(A Charitable Company  
Limited by Guarantee)**

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# **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

**COMPANY NUMBER:  
09404519**

**CHARITY REGISTERED IN  
ENGLAND AND WALES  
NUMBER: 1160830**



**The Bishop's Palace**  
WELLS · SOMERSET

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# >>> THE PALACE TRUST <<<

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# Annual Report 2023 Foreward



It is obvious that 2023 was another challenging year in so many ways and for so many people all round the world. More locally, we are grateful that whilst it was challenging for us too, we finished the year much stronger than we began it. Our charity, The Palace Trust, manages The Bishop's Palace and Gardens, a truly unique and tranquil place which provides much community benefit.

We were delighted to welcome 506,00 visitors who ventured across the drawbridge into the free area during 2023 with 125,000 paying to visit the rest of the site which is admirable given both the continued cost of living crisis and the torrid weather we suffered for far too much of the year! We now have over 3,500 members and hope to increase that number by the end of 2024, partly as a result of improving members' benefits and also because we know members gain much satisfaction from supporting our charitable trust which means this special site can be enjoyed by the public all year round.

We continue to focus on providing as much community benefit as possible with the resources available to us, as can be seen by the detail within the report.

As regards our financial performance, we are naturally disappointed to report a loss two years running which was heavily influenced by sky high energy prices and appalling weather which badly affects all outdoor attractions. However, there are two reasons to be cheerful. One is that we halved the loss of the previous year with the loss for 2023 being £65k. The second, and arguably the most important, is that the changes we have implemented during the year should lead to a healthy surplus in 2024. We expect that to be sustainable in future years which will enable us to fund improvements to the site and buildings, starting with our ambitious reinterpretation plans, both digital and physical, for the site, to allow us to appeal to a wider audience.

We continue to have a valuable partnership with the Church Commissioners who own the site and to show their faith in how the Trust is looking after the site they increased the term of our management agreement to 10 years which enables us to plan for the longer term.

We'd like to pay tribute to the fantastic work undertaken by both our staff and volunteers. As regards the former, we have a very strong team in place and in 2024, will celebrate 20 years of fantastic work from our head gardener, James Cross who secured coveted RHS partner garden status many years ago. We are excited to see how the Palace and Gardens evolve over the next 20 years (and beyond!) and look forward to sharing this unique and tranquil site with all our current and future visitors.



**Roger Hawes**  
Chair



**Merryn Kidd**  
Chief Executive

# >>> THE PALACE TRUST <<<

## Reference and Administrative Details

**The Palace Trust**  
Reference and Administrative Details  
For the Year Ended 31 December 2023

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|  |  |
|--|--|
| <b>Trustee Directors</b>                       | Rt Revd Noel Michael Beasley<br>Ms Maureen Boylan<br>Mr Nick Denison<br>Mr Paul Dickinson<br>Mr Sam Forsey<br>Mr Roger Hawes<br>Mr Michael Minta<br>Mr Peter Stickland<br>Rt Revd Trevor Willmott<br>Mrs Julie Wills |
| <b>Company Secretary</b>                       | Natalie Lansdown (until 25 May 2023)<br>Greg Beedle (from 25 May 2023 to 13 May 2024)<br>Hollie Peppard (from 13 May 2024)   |
| <b>Chief Executive</b>                         | Jan Wallwork Clark (until 31 March 2023)<br>Merryn Kidd (from 1 April 2023)  |
| <b>Chief Operating Officer</b>                 | Merryn Kidd (until 31 March 2023)  |
| <b>Charity Number</b>                          | 1160830  |
| <b>Company Number</b>                          | 09404519   |
| <b>Principal Address and Registered Office</b> | The Bishop's Palace<br>Wells<br>Somerset<br>BA5 2PD  |
| <b>Auditors</b>                                | Albert Goodman LLP<br>Goodwood House<br>Blackbrook Park Avenue<br>Taunton<br>Somerset<br>TA1 2PX   |
| <b>Bankers</b>                                 | NatWest<br>7 High Street<br>Wells<br>Somerset<br>TA1 1JQ   |

# >>> THE PALACE TRUST <<<

## Trustee Directors Report

The Trustees, who are also directors for the purposes of the Companies Act, present their report and the financial statements of the charity for the year ended 31 December 2023, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The full name of the Charity is The Palace Trust. It was incorporated on 26 January 2015 as a company limited by guarantee. Its company registration number is 09404519. Its charity registration number is 1160830. The Charity is variously referred to throughout this report as either "the Charity", "the Company" or "the Trust".

### References and Administrative Details

Administrative information is given in a separate section at the front of these accounts.

### Directors and Trustees

The directors of the Company are the Charity's Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year and since the year-end are as follows:

|                              |                               |
|------------------------------|-------------------------------|
| Rt Revd Noel Michael Beasley | (appointed 15 September 2022) |
| Ms Maureen Boylan            |                               |
| Mr Nick Denison              | (Treasurer)                   |
| Mr Paul Dickinson            |                               |
| Mr Sam Forsey                | (appointed 25 May 2023)       |
| Mr Roger Hawes               | (Chair from November 2022)    |
| Mr Michael Minta             |                               |
| Mr Peter Stickland           |                               |
| Rt Revd Trevor Willmott      |                               |
| Mrs Julie Wills              |                               |
| Mrs Claire Reed              | (resigned 1 April 2023)       |
| Very Revd Dr John Davies     | (resigned 25 January 2023)    |

None of the Trustees have any beneficial interest in the Company. All of the Trustees are members of the Company and guarantee to contribute £1 in the event of a winding up.

# THE PALACE TRUST

## 2023 ANNUAL REPORT

### OBJECTIVES, STRATEGY AND ACTIVITIES OF THE TRUST

#### STRATEGIC AIMS

The charitable purposes of The Palace Trust are to preserve for the benefit of the public the fabric of The Bishop's Palace and to promote such charitable purposes as will advance the religious and other charitable work of the Church of England.

Today, The Palace Trust seeks to conserve and share the Palace and its story as a place of enjoyment and reflection for the benefit of all. The charity fulfils its purpose by taking forward detailed actions that meet five strategic objectives.

Our Strategic Objectives, following the 3-year Strategy are to:

1. Establish the Trust's identity and purpose to a diverse, inclusive & expanding audience.
2. Deliver the benefits of wellbeing and a sense of community to more people.
3. Develop the site to deliver the best visitor experience & welcome.
4. Improve our environmental and financial sustainability.
5. Develop the Trust's reputation for excellence in Horticulture.

#### 1. ESTABLISH THE TRUST'S IDENTITY AND PURPOSE TO A DIVERSE, INCLUSIVE AND EXPANDING AUDIENCE

Our ambition is to welcome 160,000 paying visitors annually to the Palace by 2025. The ambition is based on three approaches. First, the development of the visitor offer, with significantly improved interpretation around the built heritage of the site. Second, a broader, more dynamic public events programme. Third, by making our heritage accessible to those who will benefit from it the most, who do not currently have the means to engage.

## 2. DELIVER THE BENEFITS OF WELLBEING AND A SENSE OF COMMUNITY TO MORE PEOPLE

We want the Palace to be a best practice model of community engagement, and for our organisation to become a focal point for the community in which we operate, working in partnership to achieve better outcomes for the people who will benefit from our site, facilities, and expertise the most.

## 3. DEVELOP THE SITE TO DELIVER THE BEST VISITOR EXPERIENCE & WELCOME

By 2025 The Palace Trust aims to have embarked on a transformation of the visitor experience of the Palace buildings. New interpretation will be engaging, immersive, and will transform people's understanding and enjoyment of The Bishop's Palace.



## 4. IMPROVE OUR ENVIRONMENTAL AND FINANCIAL SUSTAINABILITY

A sustainable future is dependent on three key areas; sustainability in terms of environmental impact – an essential area of focus which will assist both our financial performance and also our desire to care for and conserve the natural world and our heritage assets for future generations to enjoy; financial, and social sustainability. The Palace Trust will have made substantial progress towards a net zero carbon footprint by 2025 and will have rebuilt the ability to generate a surplus, depleted in recent times since the coronavirus pandemic.

## 5. DEVELOP THE TRUST'S REPUTATION FOR EXCELLENCE IN HORTICULTURE

The Gardens are the Palace's most high-profile primary asset as 2023 saw the 8th consecutive year as an RHS Partner Garden. We want to inspire and train the next generation of gardeners and enhance and protect the natural and semi-cultivated environment in the gardens to support nature and wildlife, and adapt to the ever-changing climate in an holistic manner.

## »»» PUBLIC BENEFIT

In setting The Palace Trust's preceding aims and following activities, the Trustees have given careful consideration to the Charity Commission's guidance on public benefit and continue to preserve and make accessible The Bishop's Palace and its fourteen acres of gardens to the public, as a place of historic, architectural and landscape interest.

The Palace Trust achieves its purpose by opening the site to the public throughout the year, aiming to engage a diverse audience through a programme of public events, activities, exhibitions, its commercial activities and community engagement programme. The Bishop's Palace is central to the experience and enjoyment of Wells and will remain so as The Palace Trust continues to grow and expand its public offer, in particular with the introduction of community engagement measures designed to reach out to those most in need for little or no cost to them. The Palace Trust undertakes an annual plan of conservation and repair works ensuring The Bishop's Palace remains in the public domain for future generations.

“THE SETTING, THE LAYOUT, THE HISTORY IS ALL PART OF THE ATMOSPHERE OF THE PLACE. AN ABSOLUTE MUST SEE”  
(TRIPADVISOR)

## »»» ACTIVITIES

2023 was a year of change at The Bishop's Palace with many key projects coming to fruition and enhancing the use and experience of the site.

In May, the conversion of two Gatehouse rooms from residential to office space was completed, resulting in two offices equipped with working space for 5-6 members of staff. This has allowed the creation of a confidential meeting space in The Laundry and has given the organisation the capacity to host more interns/work experience/apprentices in desks alongside members of staff, in line with the community engagement objectives set out in the 5 year strategic plan.

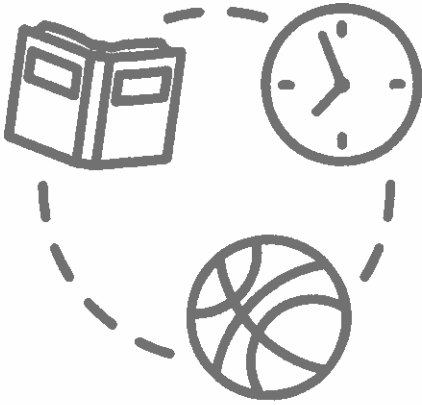
Also in May, the Apple Store Bastion was converted from an artist's studio into the Apple Store Cafe, with the ability to sell drinks and food from within the paying visitor area, and the bonus of bistro style seating on the terrace with a stunning view of the formal gardens. The intense heat in May and June resulted in the Apple Store being a popular location for visitors to enjoy ice creams and cold drinks.

In June, a new Visitor Reception was created in the end of the Cafe Building, with a wall being erected between the two parts of the building. The Visitor Operations Team were finally able to vacate the temporary horsebox ticket office into which they moved during the pandemic and were delighted to have a suitable space for welcoming visitors, along with a new space for retail.

The horsebox was refitted and launched in July as "The Bishop's Brew" a takeaway coffee and snacks outlet, positioned in the Free Area in view of the Drawbridge. Sales have been significant, and look to be additional to the Cafe offering, with passing trade of c500,000 visitors.

In August, the first new opening in the historic curtilage for over 60 years was created with our Community Garden Gate project. The door, from the St Andrew's Street Car Park, opens into the Community Garden and allows direct access for those who are unable to walk the long distance from the Drawbridge through to this area. This initiative, which was officially opened by the Bishop of Taunton, will allow our Community Engagement team to offer visits to a new range of user groups for whom access was previously a barrier to enjoying our opportunities and activities. Future initiatives related to this project will be funded by the private rental of spaces in the St Andrew's Street Car Park.





## »»» ACTIVITIES (CONT)

In October, the new Coronation Room inside the Palace was officially opened by Their Royal Highnesses the Duke and Duchess of Gloucester. Following the very high profile appearance of the Right Reverend Michael Beasley, 80th Bishop of Bath and Wells, at King Charles III's Coronation in May, there was a renewed interest in the role of the Bishops of Bath and Wells in Royal Coronations, and it was decided to move the historic Coronation Cope to a new home and to create a dedicated Coronation Room to tell the stories of this important part of our history. Bishop Michael kindly lent his invitation, his order of service and his cue cards (seen by over 20 million UK viewers in the television coverage) to be displayed in the room alongside other artefacts and video footage of previous coronations. The room was redecorated in a regal teal and gold scheme to complement the collection.

A Quinquennial survey of the site was completed by B2B Architects and was used in partnership with similar work from Savills (on behalf of the Church Commissioners) to identify the requirements over the next 5-10 years to conserve and maintain the site. A schedule of repairs and maintenance has now been established and the Trust will follow this schedule for routine maintenance over the coming years, whilst the Church Commissioners remain responsible for the balance of the maintenance of the site.

2023 saw significant changes in staffing with the departure of the Chief Executive in March. This was followed by an Interim appointment which became permanent in December.

Other changes included the senior catering team, Visitor Experience Manager and Senior Gardener. Accordingly, the current team is both complete and very capable of delivering the Trust's vision for the site.

Work on how to better engage our visitors with this important heritage site, and in particular, with the interior of the Palace, continued. Internal and external workshops were held to discover what our current visitors, and perhaps more importantly, those who do not currently visit us, think. Several internal "Spirit of Place" sessions for staff and volunteers were also held which led to the development of a new Statement of Significance. Much research also took place into how best to deliver the myriad stories of the Palace, and meetings were held with a range of Interpretation Consultants. An Interpretation Framework was drawn up which will be developed further in 2024.

In 2023 we continued to follow our environmental programme with the aim to reduce our carbon emissions and to generate more of our own energy. In July the solar panels on the cafe roof which had been installed in 2011, were replaced with new panels capable of generating three times the energy. Further areas of interest for solar generation were also identified, and investigations began into hydro generation. Energy usage on site was closely monitored and various schemes were implemented to reduce usage, resulting in savings on carbon emissions and cost.

# PERFORMANCE

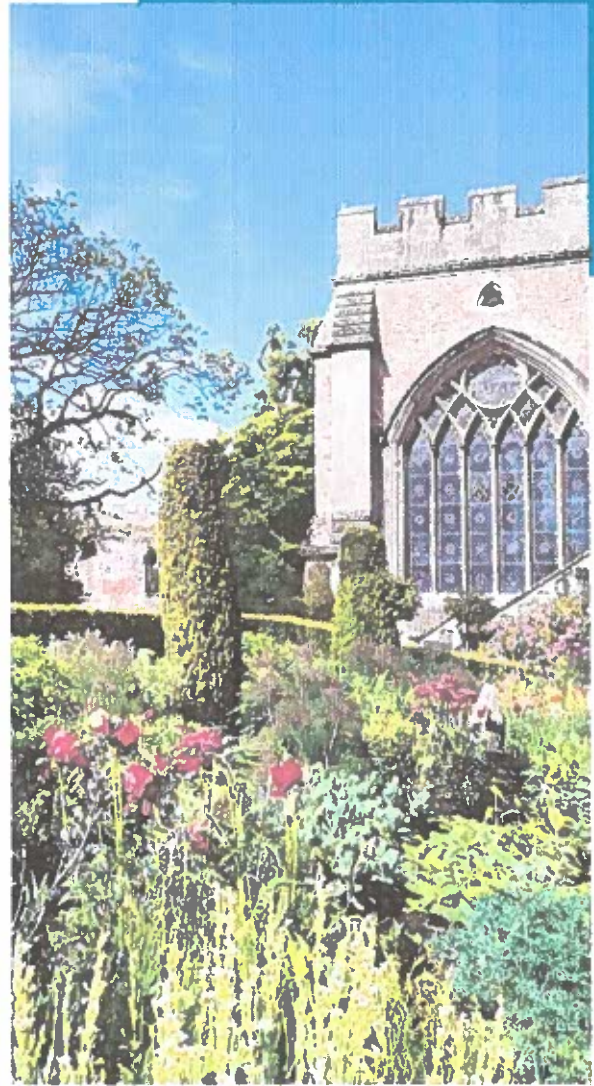
2023 was another difficult year financially. External factors including the cost-of-living crisis, an exceptionally wet summer season, and the huge uplift in energy costs resulted in a deficit of c£65k

However, many great achievements also took place. We welcomed 502,470 people over our Drawbridge and of those, 125,308 paid to enter the site; a 1% increase on 2022.

The popular events programme was very well received, with great attendance at outdoor theatre events, two fabulous opera performances from Opera Brava, record numbers at our Christmas Artisan Market and extended opening for our Christmas at the Palace illuminations.

New events were trialled in the Undercroft such as a Medieval Banquet, which sold out, and a Silent Disco, which also sold out, along with Christmas parties, which were very well received.

The Trust was exceptionally grateful to several trusts and foundations for their support in 2023, including the Sir John and Lady Amory Charitable Trust, The David Medlock Foundation, and The Clarks Foundation, and to the Church Commissioners for their support.



## COMMUNITY ENGAGEMENT

In 2023 we welcomed 53 community groups, 12 Parish groups (120 people), 17 school groups and in addition, we granted 174 annual free passes to those who benefit most from access to our place of peace, beauty and tranquillity. We donated raffle prizes to a further 60 community groups. We value our staff, volunteers and visitors and aim to extend out beyond our moat to become the beating heart of our local community, welcoming supporting and engaging all who can benefit from our incredible resource. We will actively champion our gardens and programming as a resource for peoples on-going wellbeing.

We enjoyed being able to meet many education and learning objectives throughout 2023 and we welcomed six students for work experience, offered full time employment to a previous apprentice, and started another member of staff on an apprenticeship. The Sculpture trail in association with Wells Cathedral and Wells and Mendip Museum is in its third year with a growing audience. In 2023 we welcomed 17 schools continuing with the offer to invite all schools in Wells and the 70 schools nearest to Wells, to bring one class for free. Over half of the 174 free annual passes we gave out were to local families where at least one child in their family was on pupil premium.



## VOLUNTEERING OPPORTUNITIES

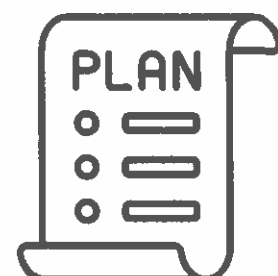
This year 167 volunteers contributed approx. 12,500 volunteering hours to our organisation. The new role of oral history volunteer was introduced to compliment the new pilot project undertaken with our partners Wells Museum and Wells Cathedral. We continue to offer a comprehensive training programme, a volunteer website, and regular social events, to make the volunteering experience at The Bishop's Palace as rewarding as possible.

The Palace Trust is extremely grateful for the loyalty and contribution of its volunteers who not only make the effective running of the site viable through their gift of time, knowledge and skills but who benefit from their engagement with our work, to deliver our charitable objects.

## FUTURE PLANS

For 2024, we continue to follow our 3 year Strategic Plan, which outlines that by the end of 2024, we will:

- Have established a programme of events, exhibitions and workshops that engage our audience, whilst also championing our excellence in Horticulture.
  - Optimised our offer in terms of ticket range, membership, food and beverage, weddings and other private functions.
  - Continue our track record of securing fundraising and voluntary income for an ambitious programme of projects and events.
- Have implemented a successful online and offline ticketing system, replaced the current tills and have streamlined the user journey and back-end experience for all tickets and events.
  - Be fully engaged with the local community, offering high quality employment, volunteering opportunities, and pathways to employment across all our work.
  - Have improved our environmental performance in energy consumption, on-site production and storage.
  - Improved our community garden capacity to provide more fresh produce for sale and for internal use in food and beverage offer, and improved access and facilities for community groups.
  - Have implemented significant change to the Interpretation of the Palace buildings
  - Have installed an accessible loo, and completed works to the Community Garden area to create adequate facilities for user groups
  - Have planned and begun implementation of improvements to The Dragon's Lair play area





## 2024 PROJECTS

### »»» TICKETING

Complete online ticket sales trial with DigiTickets. Roll out to physical sales (as and when staffing capacity allows). Align with installation of new tills and EPOS system.

### »»» COMMUNITY GARDENS ACCESS FOR ALL

Capacity building of Community Gardens facilities to enable groups to engage all year round and in all weathers. Create more shelter, space for growing, outdoor tap, accessible toilet, bifold doors to maximise indoor/outdoor space.

### »»» ENVIRONMENTAL SUSTAINABILITY

Project Phase 2 Investigation of recommended ground source heat pumps, addition of PV units on main building. Exploration of hydropower potential.

### »»» INTERPRETATION OF PALACE INTERIOR

Work with consultants to determine narrative arcs, create compelling content and stories, implement digital and physical interpretation.

### »»» THE DRAGON'S LAIR WATER PLAY AND SENSORY TRAIL

Exploration of potential for a new, water play area with squirting fountains etc, and sensory trail (for barefoot play etc).

### »»» GATEHOUSE

Conversion of Upper Room for best use of space.

# FINANCIAL REVIEW AND RESERVES POLICY



The Palace Trust's financial position deteriorated slightly over the year after the loss of £[14,123], however it remains very healthy. At year end, the Trust had unrestricted net assets (excluding the trading subsidiary), of £[1,060,995], £[679,595] of which is designated and £[224,212] is Tangible fixed assets. It is the charity's policy not to commit The Palace Trust to any new major programme of work until sufficient funds are accumulated in reserves to satisfy existing obligations.

The subsidiary recorded a loss due to difficult trading circumstances. During the year the Trustees invested in improving the offering, and are confident of a return to profitability in 2024.

## »»» RISK POLICY

The Trustees undertook a comprehensive review of risks during the past year and maintain a register of those risks which would affect the reputation and financial status of The Palace Trust. This register is maintained by the Trustees and includes a ranking of risk that takes account of likelihood and severity of impact. Risks that could have a material impact on The Palace Trust are singled out for particular attention.

- A prolonged period of inclement weather. Wet weather can lead to a drop in footfall and thus visitor income. This is mitigated by steps taken to increase footfall in the shoulder months thereby reducing the reliance on summer months, and in the long term to develop the site as an all-weather attraction.
- Long term conservation and use of the site. The Bishop's Palace and gardens is owned by the Church Commissioners and the long-term conservation and use of the site is governed by a Management Agreement between The Palace Trust and Church Commissioners. We are in active communication with them regarding longer term arrangements for the Trust to continue to manage the site for the benefit of the community.

## »»» RESERVES

Each year the Trustees review the level of free reserves. The Board considers the exposure to major risks in terms of their likely impact on its income sources and planned expenditure in the medium term.

Free reserves are defined as those available for the use by the Charity that are deemed to be readily realisable, less funds that are restricted or else designated for particular purposes.

This therefore excludes £[£224,212] tangible fixed assets that will continue to be used in the day-to-day running, and restricted funds of £nil.

The policy is to have a Trust Reserve for unrestricted funds at the year-end of sufficient size to cover the period from January to March when The Palace Trust runs at a deficit. The Trust Reserve therefore equates to 3 months of forecast expenditure. As at 31st December 2023 this was £[450,000].

Other free reserves of £[552,293] include £[229,595] which has been allocated to the following projects as designated funds:

- Conservation: improving the fabric of the property.
- Environmental: introducing renewable energy sources.
- Interpretation: enhancing the Palace visitor experience.
- Community: expanding engagement across the Palace and gardens



## CONSTITUTION OF THE PALACE TRUST

# STRUCTURE, GOVERNANCE AND MANAGEMENT

The Palace Trust was set up in 1968 by Trust Deed in order to preserve The Bishop's Palace in Wells for: inspection by the public as a place of historic and architectural interest; and the advancement of charitable work of the Church of England in a manner chosen from time to time by the Trustees and approved by the Church Commissioners. The Palace Trust Memorandum and Articles were incorporated in January 2015 and the charitable aims are to preserve for the benefit of the public the fabric of The Bishop's Palace (as a place of historic and architectural interest) in order to facilitate access to The Bishop's Palace by the public for their education and interest, and to promote such charitable purposes as will advance the religious and other charitable work of the Church of England in such

Today, The Palace Trust continues to work towards these charitable aims, by opening The Bishop's Palace and its fourteen acres of gardens up to the public and running it as a heritage site, visitor attraction and community asset.



## ORGANISATIONAL STRUCTURE

The Board of Trustees is responsible for strategy and supervision of the executive to whom they delegate responsibility for operations. The Chief Executive Officer is responsible for delivering the strategy with the senior management team comprising the following department heads : Catering, Visitor Experience, Community Engagement and Volunteers, Horticulture, Property Management, Marketing & Communications, and Finance & HR. Department heads are responsible for the day to day running of the operations and report directly to the CEO.

An average of 40 staff were employed by the Trust and its subsidiary during the 12-month period ended 31 December 2023 with 38 in post at 31 December 2023 (13 full time and 25 part time). We had an average of 167 volunteers during the year.

## ➤➤➤ KEY MANAGEMENT PERSONNEL REMUNERATION



The trustees consider the Board of Trustees and the Chief Executive Officer as comprising the Key Management Personnel (KMP) in charge of directing and controlling the Trust and running and operating the Trust on a day-to-day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. The pay of Chief Executive Officer is reviewed annually and normally increased in accordance with average earnings. The remuneration is also benchmarked with heritage organisations of a similar size to ensure that the remuneration set is fair and not out of line with that generally paid for comparable roles. Details of trustee expenses and related party transactions are disclosed in note 8 to the accounts, and details of other KMP remuneration are disclosed in note 9 to the accounts.

## ➤➤➤ FUNDRAISING

The Trust plans future fundraising activities but these are constrained by both a lack of internal resource and discussion with the Church Commissioners about the long term nature of the Trust's occupation at the site. It is hoped these will be overcome as a result of the current discussions with the Church Commissioners and in the meantime a small amount of third party resource is being used to advance fundraising activities which can bear fruit notwithstanding these constraints.

Any third party suppliers are required to comply with all recognised fundraising standards and the public will be protected from unreasonable intrusion or pressure to give.



## SELECTION AND TRAINING OF TRUSTEES

Trustees are appointed according to the skills and experience required to deliver a successful strategic Board which meets both as a board and in smaller sub-committees. The Church Commissioners have the right to appoint one Trustee and the Bishop of Bath and Wells also has the right to be a Trustee. A skills audit was conducted in November 2023 to identify gaps in the skills and experience in the board of Trustees for whom the Trust is actively recruiting in anticipation of several retirements in 2024.

Interviews for new Trustees are carried out by a Trustee panel before a decision on whether to appoint is made. New Trustees are provided with an induction pack of relevant information which is supplemented by a detailed induction programme involving the Chair and key members of staff. Trustees are encouraged to participate in ongoing training and an annual away day.



## RELATIONSHIP WITH OTHER ENTITIES

The management of catering, events (both corporate and private) and filming is undertaken by Palace Enterprises (Wells) Ltd ('PEL'), which is a wholly owned subsidiary of The Palace Trust. Income generated by this subsidiary may be donated to the charity by way of an annual Gift Aid donation if available from distributable profits.

## »»» STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standard have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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



## STATEMENT AS TO DISCLOSURE TO OUR AUDITORS

In so far as the Trustees are aware:

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

### AUDITORS

The auditors, Albert Goodman LLP, are deemed to be re-appointed under Section 487(2) of the Companies Act 2006.

### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

By order of the Trustees.



.....  
R Hawes  
Trustee  
The Palace Trust

Date: ..... 23.5.24 .....



# Groups We Have Worked With In 2023



In **2023**, we worked with



# 53

Local community groups

that's

# 8

more than **2022**



We welcomed

The same  
number as **2022**

# 12



Parish Groups

# 17



Local schools visited

# 2

more  
than  
**2022**

We welcomed students from the  
**University of Exeter**



that's

# 23

more than **2022**



In **2023**, we donated  
raffle prizes to

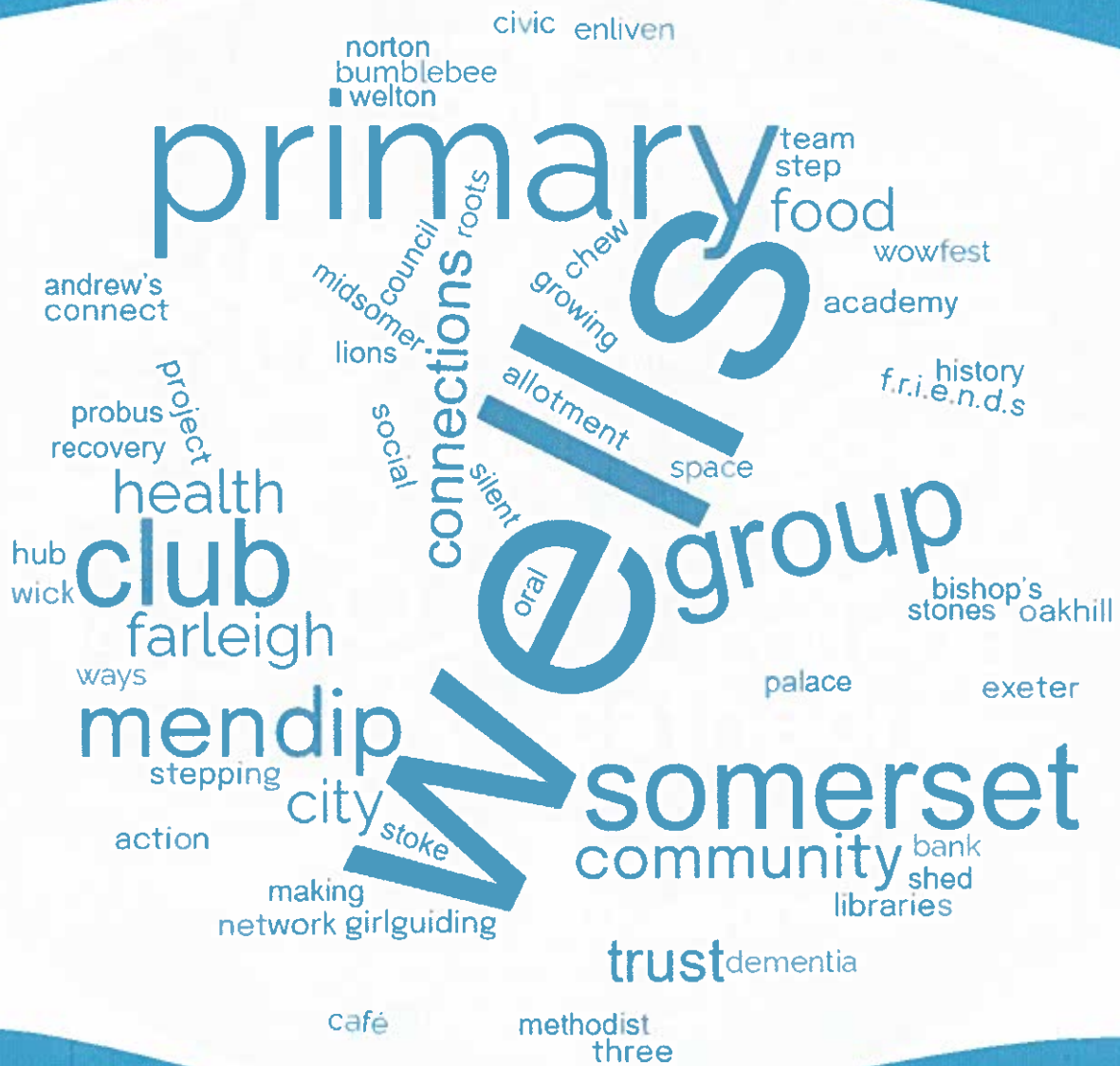
# 60

Community groups  
and individuals



# Local Community Groups We've Worked With

2023



Community  
Groups



Universities

Diocesan  
Groups

Schools

## **Opinion**

We have audited the financial statements of The Palace Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2023, which comprise the consolidated Statement of Financial Activities, the consolidated and parent charitable company Balance Sheets, the consolidated and parent charitable company Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

## **Basis for opinion**

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

## **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustee's 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 entity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

## **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

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

## **The Palace Trust**

Independent Auditors' Report to the Trustees and Members  
For the Year Ended 31 December 2023

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### **Opinion on other matter prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on pages 17-18, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## The Palace Trust

Independent Auditors' Report to the Trustees and Members  
For the Year Ended 31 December 2023

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charity Act 2011, employment, data protection and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation, claims and breaches of relevant legislation; and
- reviewing correspondence with the Charity Commission and other relevant regulators including the group's legal advisors and insurers.

**The Palace Trust**  
Independent Auditors' Report to the Trustees and Members  
For the Year Ended 31 December 2023

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There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

**Use of our report**

This report is made solely to the group and parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group and parent charitable company's members and trustees 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 group and parent charitable company and the group and parent charitable company's members as a body and the parent charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
Michelle Ferris BSC (Hons) FCA DChA (Senior Statutory Auditor)  
For and on behalf of Albert Goodman LLP, Statutory Auditor

Goodwood House  
Blackbrook Park Avenue  
Taunton  
Somerset  
TA1 2PX

Date: 21/06/2024 .....

**The Palace Trust****Consolidated Statement of Financial Activities (including an Income & Expenditure account)**

For the Year Ended 31 December 2023

|   |       | 2023                   |                      | 2022             |                        |                      |                  |
|---|-------|------------------------|----------------------|------------------|------------------------|----------------------|------------------|
|   | Notes | Unres-<br>tricted<br>£ | Res-<br>tricted<br>£ | Total<br>£       | Unres-<br>tricted<br>£ | Res-<br>tricted<br>£ | Total<br>£       |
| <b>Income from:</b>                       |       |                        |                      |                  |                        |                      |                  |
| Donations and legacies                    | 2     | 190,439                | 13,850               | 204,289          | 168,297                | -                    | 168,297          |
| Charitable activities                     | 3     | 626,200                | -                    | 626,200          | 625,407                | -                    | 625,407          |
| Other trading activities                  | 4     | 752,176                | -                    | 752,176          | 658,642                | -                    | 658,642          |
| Investment                                | 5     | 40,520                 | -                    | 40,520           | 5,955                  | -                    | 5,955            |
| <b>Total income</b>                       |       | <b>1,609,335</b>       | <b>13,850</b>        | <b>1,623,185</b> | <b>1,458,301</b>       | <b>-</b>             | <b>1,458,301</b> |
| <b>Expenditure on:</b>                    |       |                        |                      |                  |                        |                      |                  |
| Raising funds                             | 6     | 728,079                | -                    | 728,079          | 620,717                | -                    | 620,717          |
| Charitable activities                     | 7     | 965,115                | -                    | 965,115          | 949,506                | -                    | 949,506          |
| <b>Total expenditure</b>                  |       | <b>1,693,194</b>       | <b>-</b>             | <b>1,693,194</b> | <b>1,570,223</b>       | <b>-</b>             | <b>1,570,223</b> |
| <b>Net (expenditure) / income</b>         |       | <b>(83,859)</b>        | <b>13,850</b>        | <b>(70,009)</b>  | <b>(111,922)</b>       | <b>-</b>             | <b>(111,922)</b> |
| Transfer between funds                    |       | 13,850                 | (13,850)             | -                | -                      | -                    | -                |
| <b>Other recognised gains</b>             |       |                        |                      |                  |                        |                      |                  |
| Unrealised (loss) / gain on investment    |       | 4,703                  | -                    | 4,703            | (6,578)                | -                    | (6,578)          |
| <b>Net movement in funds for the year</b> |       | <b>(65,306)</b>        | <b>-</b>             | <b>(65,306)</b>  | <b>(118,500)</b>       | <b>-</b>             | <b>(118,500)</b> |
| <b>Reconciliation of funds</b>            |       |                        |                      |                  |                        |                      |                  |
| Total funds brought forward               |       | 1,295,045              | -                    | 1,295,045        | 1,413,545              | -                    | 1,413,545        |
| <b>Total funds carried forward</b>        |       | <b>1,229,739</b>       | <b>-</b>             | <b>1,229,739</b> | <b>1,295,045</b>       | <b>-</b>             | <b>1,295,045</b> |

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

All income and expenditure derive from continuing activities.

**The Palace Trust – Company Registration Number: 09404519**  
**Balance Sheet and Consolidated Balance Sheet**  
**As at 31 December 2023**

|  |       | 2023<br>£               | 2023<br>£               | 2022<br>£               | 2022<br>£               |
|--|-------|-------------------------|-------------------------|-------------------------|-------------------------|
|  | Notes | Group                   | Charity                 | Group                   | Charity                 |
| <b>Fixed assets</b>                            |       |                         |                         |                         |                         |
| Tangible fixed assets                          | 10    | 284,108                 | 224,212                 | 195,881                 | 134,496                 |
| Investments                                    | 11    | 54,253                  | 54,254                  | 49,550                  | 49,551                  |
|  |       | <u>338,361</u>          | <u>278,466</u>          | <u>245,431</u>          | <u>184,047</u>          |
| <b>Current assets</b>                          |       |                         |                         |                         |                         |
| Stock  | 12    | 29,075                  | -                       | 8,209                   | 246                     |
| Debtors  | 13    | 80,797                  | 219,743                 | 56,807                  | 110,260                 |
| Cash at bank and in hand                       |       | 927,177                 | 811,790                 | 1,112,095               | 1,014,738               |
|  |       | <u>1,037,049</u>        | <u>1,031,533</u>        | <u>1,177,111</u>        | <u>1,125,244</u>        |
| <b>Liabilities:</b>                            |       |                         |                         |                         |                         |
| Creditors: amounts falling due within one year | 14    | (145,671)               | (83,494)                | (127,497)               | (68,663)                |
| <b>Net current assets</b>                      |       | <u>891,378</u>          | <u>948,039</u>          | <u>1,049,614</u>        | <u>1,056,581</u>        |
| <b>Total net assets</b>                        |       | <u><u>1,229,739</u></u> | <u><u>1,226,505</u></u> | <u><u>1,295,045</u></u> | <u><u>1,240,628</u></u> |
| <b>The funds of the charity:</b>               |       |                         |                         |                         |                         |
| Unrestricted funds:                            |       |                         |                         |                         |                         |
| General funds                                  |       | 266,036                 | 322,698                 | 296,969                 | 303,937                 |
| Designated funds                               |       | 963,703                 | 903,807                 | 998,076                 | 936,691                 |
| Total unrestricted funds                       | 15    | <u>1,229,739</u>        | <u>1,226,505</u>        | <u>1,295,045</u>        | <u>1,240,628</u>        |
| Restricted funds                               | 15    | <u>-</u>                | <u>-</u>                | <u>-</u>                | <u>-</u>                |
| <b>Total charity funds</b>                     |       | <u><u>1,229,739</u></u> | <u><u>1,226,505</u></u> | <u><u>1,295,045</u></u> | <u><u>1,240,628</u></u> |

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes on pages 29 – 50 form part of these accounts.

Approved by the Board for issue on ..... 23.5.24 ..... and signed on their behalf by:



.....  
R Hawes  
Trustee

**The Palace Trust**  
**Statement of Cash Flows and Consolidated Statement of Cash Flows**  
**For the Year Ended 31 December 2023**

|  |       | 2023      | 2023      | 2022      | 2022      |
|--|-------|-----------|-----------|-----------|-----------|
|  |       | £         | £         | £         | £         |
|  | Notes | Group     | Charity   | Group     | Charity   |
| <b>Cash flows from operating activities</b>                        |       |           |           |           |           |
| Net expenditure for the year                                       |       | (65,306)  | (14,123)  | (118,500) | (37,000)  |
| Adjustments to cash flows from non-cash items:                     |       |           |           |           |           |
| Depreciation and amortisation                                      | 10    | 60,509    | 38,902    | 51,987    | 28,803    |
| Investment income  | 5     | (40,520)  | (38,742)  | (5,955)   | (5,604)   |
| Unrealised net (gain) / loss on investments                        | 11    | (4,703)   | (4,703)   | 6,578     | 6,578     |
| (Profit) / loss on disposal of fixed assets                        |       | 1,245     | 783       | 2,764     | 2,015     |
|  |       | (48,775)  | (17,883)  | (63,126)  | (5,208)   |
| Working capital adjustments  |       |           |           |           |           |
| Decrease / (increase) in stocks                                    | 12    | (20,866)  | 246       | (953)     | -         |
| (Increase) / decrease in debtors                                   | 13    | (23,990)  | (109,483) | (27,532)  | (5,625)   |
| Increase / (decrease) in creditors                                 | 14    | 18,174    | 14,831    | 2,207     | (31,684)  |
| Net cash flow from operations                                      |       | (75,457)  | (112,289) | (89,404)  | (42,517)  |
| <b>Cash flows from investing activities</b>                        |       |           |           |           |           |
| Purchase of tangible fixed assets                                  | 10    | (150,231) | (129,401) | (90,949)  | (68,904)  |
| Proceeds on disposal of fixed assets                               |       | 250       | -         | 21,500    | 21,500    |
| Investment income  | 5     | 40,520    | 38,742    | 5,955     | 5,604     |
|  |       | (109,461) | (90,659)  | (63,494)  | (41,800)  |
| Net increase in cash and cash equivalents                          |       | (184,918) | (202,948) | (152,898) | (84,317)  |
| Cash and cash equivalents at the beginning of the reporting period |       | 1,112,095 | 1,014,738 | 1,264,993 | 1,099,055 |
| Cash and cash equivalents at the end of the reporting period       |       | 927,177   | 811,790   | 1,112,095 | 1,014,738 |
| Cash & Cash equivalents reconciliation:                            |       |           |           |           |           |
| Cash at bank   |       | 927,177   | 811,790   | 1,112,095 | 1,014,738 |
| Total cash & cash equivalents at the end of the reporting period   |       | 927,177   | 811,790   | 1,112,095 | 1,014,738 |

## **1 Accounting Policies**

The principal accounting policies adopted in the preparation of the financial statements are:

### **1.1 Basis of accounting**

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

The Palace Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) and all amounts are presented in £ sterling.

These financial statements consolidate the results of the Charity and its wholly owned subsidiary, Palace Enterprises (Wells) Limited, on a line by line basis. The "Group" heading within the balance sheet refers to the consolidated accounts of The Palace Trust and Palace Enterprises (Wells) Limited.

In the parent company financial statements the investment in the trading subsidiary is accounted for at cost less impairment.

A separate Statement of Financial Activities or income and expenditure account, for the Charity itself has not been presented because the Charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

### **1.2 Legal status of the Trust**

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The company is incorporated in England and Wales and the company registered office is detailed on page 4, reference and administration details.

### **1.3 Going Concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting when preparing the financial statements.

**1.4 Income**

Income from grants and donations is recognised in the year in which they are receivable when there is evidence of entitlement, receipt is probable and the amount can be reliably measured. Where income has not been received for gift aid claims relating to donations received in the year, income is accrued.

Income from government grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Where no conditions are attached to the grant income they are recognised within donations and legacies and where conditions relating to performance of services are attached, grant income is recognised in income from charitable activities within the Statement of Financial Activities.

Income from charitable activities includes membership and admissions income. Membership income is accounted for in full in the year that the membership commences. Admission income is recognised on a cash basis, in the year the income is physically received.

Income from other trading activities, including restaurant income, event income and rental income, is included in the period in which the group is entitled to receipt, it is probable that economic benefits will flow to the entity and the amount can be reliably measured.

The charity receives income from its subsidiary under gift aid and this is recognised upon physical receipt.

The charity notes the requirement of the SORP that large charities must report their results on an activities basis. The charity considers that they produce one activity – the operation of a heritage site– and therefore reports on that basis.

**1.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

**1.6 Expenditure**

Resources expended are recognised on the accruals basis to match the period in which the expenditure was incurred.

Raising funds is expenditure incurred in generating the trading subsidiary funds and from other trading activities carried out by the trust.

Charitable activity expenditure comprises costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and costs of an indirect nature necessary to support them. Grants payable are at the discretion of the Trustees. Governance costs are those costs associated with the governance arrangements of the charity and relate to general running of the charity as opposed to those costs associated with charitable activities.

**1.7 Operating leases**

The trust classifies the lease of properties as operating leases as title remains with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

**1.8 Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of Trust.

Restricted funds are from donations and grants in which the donor or funder has specified are to be solely used for particular areas of the Trust's work or for specific projects being undertaken by the Trust.

**1.9 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Fixed assets under £1,000 are not capitalised. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life as follows:

|                                 |                            |
|---------------------------------|----------------------------|
| Computer equipment              | 3 - 5 years straight line  |
| Furniture, fittings & equipment | 2 - 10 years straight line |
| Outdoor equipment               | 2 - 15 years straight line |
| Catering equipment              | 5 - 10 years straight line |

**1.10 Debtors**

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Trust will not be able to collect all amounts due to according to the original terms of the receivables.

Other debtors comprise prepayments and accrued income. Prepayments arise from the payments for services prior to benefit from those services, and accrued income is amounts due for services provided, recognised at the point of provision of the services.

**1.11 Stock**

Stock consists of shop stock for resale and publication stocks. Stock is valued at the lower of cost and net realisable value, after making allowances for obsolete and slow moving stock.

**1.12 Cash at bank and in hand**

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

**1.13 Creditors**

Creditors 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 measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

**1.14 Defined contribution pension**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to defined contribution plans are recognised as staff pension expense through the profit and loss when they are due.

**1.15 Taxation**

As a registered charity, the company is not liable to corporation tax or capital gains tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax (VAT) is partially recoverable by the company. Any irrecoverable VAT is added to the relevant cost and charged as an expense in the Statement of Financial Activities.

**1.16 Financial Instruments**

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and liabilities of the charity and their measurements are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank and deposit accounts– is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**2 Donations and legacies**

|                             | <b>Unres-<br/>tricted<br/>funds<br/>£</b> | <b>Res-<br/>tricted<br/>funds<br/>£</b> | <b>2023<br/>Total<br/>£</b> | <b>Unres-<br/>tricted<br/>funds<br/>£</b> | <b>Res-<br/>tricted<br/>funds<br/>£</b> | <b>2022<br/>Total<br/>£</b> |
|-----------------------------|---|---|-----------------------------|---|---|-----------------------------|
| Donations                   | 17,525                                    | -                                       | 17,525                      | 11,000                                    | -                                       | 11,000                      |
| Gift aid                    | 82,704                                    | -                                       | 82,704                      | 81,286                                    | -                                       | 81,286                      |
| <b>Grants</b>               |   |   |                             |   |   |                             |
| Church Commissioners        | 89,500                                    | -                                       | 89,500                      | 59,033                                    | -                                       | 59,033                      |
| Historic England- KickStart | -   | -                                       | -                           | 6,763                                     | -                                       | 6,763                       |
| Other small grants          | 710                                       | 13,850                                  | 14,560                      | 10,215                                    | -                                       | 10,215                      |
|                             | <b>190,439</b>                            | <b>13,850</b>                           | <b>204,289</b>              | <b>168,297</b>                            | <b>-</b>                                | <b>168,297</b>              |

\*Denotes government grants

Income from government grants comprises grants made by local authorities to fund the principal activities and objectives of the charity via core funding and funding for specific projects. See above for more information, including the amount and source of these grants. There are no unfulfilled conditions or other contingencies attached to these grants.

**3 Income from charitable activities**

|                   | Unres-<br>tricted<br>funds<br>£ | Res-<br>tricted<br>funds<br>£ | 2023<br>Total<br>£ | Unres-<br>tricted<br>funds<br>£ | Res-<br>tricted<br>funds<br>£ | 2022<br>Total<br>£ |
|-------------------|---------------------------------|-------------------------------|--------------------|---------------------------------|-------------------------------|--------------------|
| Entrance fees     | 532,314                         | -                             | 532,314            | 525,625                         | -                             | 525,625            |
| Membership income | 93,886                          | -                             | 93,886             | 99,782                          | -                             | 99,782             |
|                   | <u>626,200</u>                  | <u>-</u>                      | <u>626,200</u>     | <u>625,407</u>                  | <u>-</u>                      | <u>625,407</u>     |

**4 Other trading activities**

|                    | Unres-<br>tricted<br>funds<br>£ | Res-<br>tricted<br>funds<br>£ | 2023<br>Total<br>£ | Unres-<br>tricted<br>funds<br>£ | Res-<br>tricted<br>funds<br>£ | 2022<br>Total<br>£ |
|--------------------|---------------------------------|-------------------------------|--------------------|---------------------------------|-------------------------------|--------------------|
| Restaurant income  | 595,404                         | -                             | 595,404            | 519,126                         | -                             | 519,126            |
| Event income       | 66,550                          | -                             | 66,550             | 71,234                          | -                             | 71,234             |
| Event site hire    | 48,572                          | -                             | 48,572             | 38,586                          | -                             | 38,586             |
| Shop income        | 18,040                          | -                             | 18,040             | 14,416                          | -                             | 14,416             |
| Event catering     | 15,958                          | -                             | 15,958             | 12,119                          | -                             | 12,119             |
| Solar panel income | 385                             | -                             | 385                | 2,261                           | -                             | 2,261              |
| Film income        | 200                             | -                             | 200                | 548                             | -                             | 548                |
| Rental income      | 7,067                           | -                             | 7,067              | 352                             | -                             | 352                |
|                    | <u>752,176</u>                  | <u>-</u>                      | <u>752,176</u>     | <u>658,642</u>                  | <u>-</u>                      | <u>658,642</u>     |

**5 Investment income**

|               | Unres-<br>tricted<br>funds<br>£ | Res-<br>tricted<br>funds<br>£ | 2023<br>Total<br>£ | Unres-<br>tricted<br>funds<br>£ | Res-<br>tricted<br>funds<br>£ | 2022<br>Total<br>£ |
|---------------|---------------------------------|-------------------------------|--------------------|---------------------------------|-------------------------------|--------------------|
| Bank interest | 40,520                          | -                             | 40,520             | 5,955                           | -                             | 5,955              |

**6 Expenditure on raising funds**

|                          | <b>Unres-<br/>tricted</b> | <b>Res-<br/>tricted</b> | <b>2023<br/>Total</b> | <b>Unres-<br/>tricted</b> | <b>Res-<br/>tricted</b> | <b>2022<br/>Total</b> |
|--------------------------|---------------------------|-------------------------|-----------------------|---------------------------|-------------------------|-----------------------|
|                          | £                         | £                       | £                     | £                         | £                       | £                     |
| Costs of goods sold      | 199,680                   | -                       | 199,680               | 160,332                   | -                       | 160,332               |
| Wages, salaries & agency | 369,715                   | -                       | 369,715               | 298,954                   | -                       | 298,954               |
| Other direct costs       | 105,482                   | -                       | 105,482               | 96,977                    | -                       | 96,977                |
| Event costs              | 47,185                    | -                       | 47,185                | 50,282                    | -                       | 50,282                |
| Commission sales expense | 6,017                     | -                       | 6,017                 | 14,172                    | -                       | 14,172                |
| Advertising              | -                         | -                       | -                     | -                         | -                       | -                     |
|                          | <b>728,079</b>            | <b>-</b>                | <b>728,079</b>        | <b>620,717</b>            | <b>-</b>                | <b>620,717</b>        |

**7 Charitable activities expenditure**

|                                     | Unres-<br>tricted<br>£ | Res-<br>tricted<br>£ | 2023<br>Total<br>£ | Unres-<br>tricted<br>£ | Res-<br>tricted<br>£ | 2022<br>Total<br>£ |
|-------------------------------------|------------------------|----------------------|--------------------|------------------------|----------------------|--------------------|
| <b>Direct charitable activities</b> |                        |                      |                    |                        |                      |                    |
| Maintenance costs                   | 52,268                 | -                    | 52,268             | 86,726                 | -                    | 86,726             |
| Garden maintenance                  | 22,152                 | -                    | 22,152             | 22,915                 | -                    | 22,915             |
| Public acces & education            | 7,922                  | -                    | 7,922              | 7,168                  | -                    | 7,168              |
| <b>Support costs</b>                |                        |                      |                    |                        |                      |                    |
| Wages & salaries                    | 547,625                | -                    | 547,625            | 552,856                | -                    | 552,856            |
| Staff training & recruitment        | 19,935                 | -                    | 19,935             | 20,934                 | -                    | 20,934             |
| Travel & entertainment              | 5,716                  | -                    | 5,716              | 9,783                  | -                    | 9,783              |
| Rent, rates, light & heat           | 114,495                | -                    | 114,495            | 48,141                 | -                    | 48,141             |
| Cleaning costs                      | 47,590                 | -                    | 47,590             | 47,041                 | -                    | 47,041             |
| Advertising                         | 30,614                 | -                    | 30,614             | 34,523                 | -                    | 34,523             |
| Office costs                        | 59,608                 | -                    | 59,608             | 61,582                 | -                    | 61,582             |
| Subscriptions                       | 3,436                  | -                    | 3,436              | 4,359                  | -                    | 4,359              |
| Legal fees                          | 600                    | -                    | 600                | 378                    | -                    | 378                |
| Professional fees                   | 1,332                  | -                    | 1,332              | 13,039                 | -                    | 13,039             |
| Accountancy                         | 150                    | -                    | 150                | -                      | -                    | -                  |
| Bank charges                        | 3,685                  | -                    | 3,685              | 3,150                  | -                    | 3,150              |
| Depreciation                        | 39,683                 | -                    | 39,683             | 28,139                 | -                    | 28,139             |
| Loss on disposal of fixed asset     | 4                      | -                    | 4                  | 1,728                  | -                    | 1,728              |
| <b>Governance</b>                   |                        |                      |                    |                        |                      |                    |
| Auditors fees - audit               | 6,700                  | -                    | 6,700              | 5,544                  | -                    | 5,544              |
| Auditors fees- accountancy          | 1,600                  | -                    | 1,600              | 1,500                  | -                    | 1,500              |
|                                     | <b>965,115</b>         | <b>-</b>             | <b>965,115</b>     | <b>949,506</b>         | <b>-</b>             | <b>949,506</b>     |

**7 Expenditure (continued)**

|                              | Charity |        | Subsidiary |        | Total  | Total  |
|------------------------------|---------|--------|------------|--------|--------|--------|
|                              | 2023    | 2022   | 2023       | 2022   | 2023   | 2022   |
|                              | £       | £      | £          | £      | £      | £      |
| Depreciation of owned assets | 38,902  | 28,803 | 21,607     | 23,184 | 60,509 | 51,987 |
| Auditors' remuneration for:  |         |        |            |        |        |        |
| Current auditors             |         |        |            |        |        |        |
| - Audit services             | 6,340   | 6,000  | 4,800      | 4,500  | 11,140 | 10,500 |
| - Other services             | 1,600   | 1,500  | 1,300      | 1,250  | 2,900  | 2,750  |

**8 Trustee directors**

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2022: £nil).

Three charity trustees were reimbursed for travel expenses during the year totalling £1,069 (2022: three trustees - £1,728). During the year, no trustees received accommodation paid to a third party for attending trustee training (2022: one trustee - £87).

No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

**9 Employees**

|                       | <b>2023</b>    | <b>2023</b>    | <b>2022</b>    | <b>2022</b>    |
|-----------------------|----------------|----------------|----------------|----------------|
|                       | <b>Group</b>   | <b>Charity</b> | <b>Group</b>   | <b>Charity</b> |
|                       | <b>£</b>       | <b>£</b>       | <b>£</b>       | <b>£</b>       |
| Wages and salaries    | 790,854        | 452,421        | 762,400        | 491,328        |
| Social security costs | 45,819         | 32,671         | 49,181         | 33,951         |
| Employer pension      | 41,478         | 29,319         | 40,229         | 27,577         |
| Termination payments  | 39,189         | 33,214         | -              | -              |
|                       | <u>917,340</u> | <u>547,625</u> | <u>851,810</u> | <u>552,856</u> |

**Number of employees**

The average monthly number of employees during the year, calculated on the basis of average headcount, was as follows:

|                             | <b>2023</b>  | <b>2023</b>    | <b>2022</b>  | <b>2022</b>    |
|-----------------------------|--------------|----------------|--------------|----------------|
|                             | <b>Group</b> | <b>Charity</b> | <b>Group</b> | <b>Charity</b> |
|                             | <b>No.</b>   | <b>No.</b>     | <b>No.</b>   | <b>No.</b>     |
| Average employee head count | <u>43</u>    | <u>22</u>      | <u>51</u>    | <u>27</u>      |

During the year, four employees were paid a total of £17,174 in respect of settlement, £19,830 in respect of PILON and £2,185 in respect of a redundancy. All payments are full and final settlement, and no amounts are accrued at the year end (2022: none).

The number of employees whose annual emoluments were £60,000 (excluding employer pension costs) or more were:

|                   | <b>2023</b>   | <b>2022</b>   |
|-------------------|---------------|---------------|
|                   | <b>number</b> | <b>number</b> |
| £60,000 - £70,000 | <u>-</u>      | <u>1</u>      |

This employee is not a member of the defined contribution pension scheme.

## 9 Employees (continued)

The key management personnel for the year, comprises the Chief Executive and the Chief Operating Officer (2022: the Chief Executive and Chief Operating Officer). The total employee benefits (includes gross pay, employer pension and employer national insurance) of the key management personnel of the Trust were £117,201 (2022: £120,833).

### Pension costs

The company operates a defined contribution pension scheme. The charge to the Statement of Financial Activities for the year is shown above.

Contributions totalling £nil (2022 - £nil) were payable to the schemes at the end of the year and are included in creditors.

## 10 Tangible fixed assets

| Group                   | Computer<br>equipment<br>£ | Furniture,<br>fittings &<br>equipment<br>£ | Outdoor<br>equipment<br>£ | Catering<br>equipment<br>£ | Total<br>£ |
|-------------------------|----------------------------|--|---------------------------|----------------------------|------------|
| <b>Cost</b>             |                            |  |                           |                            |            |
| At 1 January 2023       | 39,806                     | 46,195                                     | 158,217                   | 161,572                    | 405,790    |
| Additions               | 2,396                      | 84,959                                     | 42,046                    | 20,830                     | 150,231    |
| Disposals               | (5,123)                    | (386)                                      | (1,693)                   | (27,949)                   | (35,151)   |
| At 31 December 2023     | 37,079                     | 130,768                                    | 198,570                   | 154,453                    | 520,870    |
| <b>Depreciation</b>     |                            |  |                           |                            |            |
| At 1 January 2023       | 30,952                     | 18,873                                     | 62,294                    | 97,790                     | 209,909    |
| Charge for the year     | 5,896                      | 16,907                                     | 15,231                    | 22,475                     | 60,509     |
| Eliminated on disposals | (4,481)                    | (386)                                      | (1,552)                   | (27,237)                   | (33,656)   |
| At 31 December 2023     | 32,367                     | 35,394                                     | 75,973                    | 93,028                     | 236,762    |
| <b>Net book value</b>   |                            |  |                           |                            |            |
| At 31 December 2023     | 4,712                      | 95,374                                     | 122,597                   | 61,425                     | 284,108    |
| At 31 December 2022     | 8,854                      | 27,322                                     | 95,923                    | 63,782                     | 195,881    |

## 10 Tangible fixed assets (continued)

| Charity                 | Computer<br>equipment<br>£ | Furniture,<br>fittings &<br>equipment<br>£ | Outdoor<br>equipment<br>£ | Catering<br>equipment<br>£ | Total<br>£ |
|-------------------------|----------------------------|--|---------------------------|----------------------------|------------|
| <b>Cost</b>             |                            |  |                           |                            |            |
| At 1 January 2023       | 39,806                     | 46,195                                     | 158,217                   | 23,991                     | 268,209    |
| Additions               | 2,396                      | 84,959                                     | 42,046                    | -                          | 129,401    |
| Disposals               | (5,123)                    | (386)                                      | (1,693)                   | -                          | (7,202)    |
| At 31 December 2023     | 37,079                     | 130,768                                    | 198,570                   | 23,991                     | 390,408    |
| <b>Depreciation</b>     |                            |  |                           |                            |            |
| At 1 January 2023       | 30,952                     | 18,873                                     | 62,294                    | 21,594                     | 133,713    |
| Charge for the year     | 5,896                      | 16,907                                     | 15,231                    | 868                        | 38,902     |
| Eliminated on disposals | (4,481)                    | (386)                                      | (1,552)                   | -                          | (6,419)    |
| At 31 December 2023     | 32,367                     | 35,394                                     | 75,973                    | 22,462                     | 166,196    |
| <b>Net book value</b>   |                            |  |                           |                            |            |
| At 31 December 2023     | 4,712                      | 95,374                                     | 122,597                   | 1,529                      | 224,212    |
| At 31 December 2022     | 8,854                      | 27,322                                     | 95,923                    | 2,397                      | 134,496    |

## 11 Investments

| Group                          | 2023<br>£ | 2022<br>£ |
|--------------------------------|-----------|-----------|
| <b>Unlisted investments</b>    |           |           |
| Opening balance                | 49,550    | 56,128    |
| Unrealised (loss) / gain       | 4,703     | (6,578)   |
| Closing balance                | 54,253    | 49,550    |
| Historical cost of investments | 33,593    | 33,593    |

The unlisted investments comprise 2,400 shares in the Central Board of Finance of the Church of England Investment Fund.

**11 Investments (continued)**

| <b>Charity</b>                 | <b>2023</b>   | <b>2022</b>   |
|--------------------------------|---------------|---------------|
|                                | <b>£</b>      | <b>£</b>      |
| <b>Unlisted investments</b>    |               |               |
| Opening balance                | 49,550        | 56,128        |
| Unrealised (loss) / gain       | 4,703         | (6,578)       |
|                                | <u>54,253</u> | <u>49,550</u> |
| Closing balance                | <u>54,253</u> | <u>49,550</u> |
| Historical cost of investments | <u>33,593</u> | <u>33,593</u> |

**Charity investments at market value comprise:**

|  | <b>Total</b>  | <b>Total</b>  |
|--|---------------|---------------|
|  | <b>2023</b>   | <b>2022</b>   |
|  | <b>£</b>      | <b>£</b>      |
| Shares in unlisted investments                     | 54,253        | 49,550        |
| Shareholding in Palace Enterprises (Wells) Limited |               |               |
| Ordinary shares of £1 each                         | 1             | 1             |
|  | <u>54,254</u> | <u>49,551</u> |

Palace Enterprises (Wells) Limited (company no 03013064) was incorporated 23 January 1995 and is a wholly owned trading subsidiary of The Palace Trust. The parent charity holds 100% of the issued share capital and 100% of the voting rights of the subsidiary trading company.

The principal activities of the company is to provide a fully catered venue for wedding receptions and other events, together with a catering service in the Bishop's Table Restaurant. The registered office is the same as that of the Trust, detailed on page 4. The subsidiary gift aids some of its taxable profits to The Palace Trust, paying corporation tax on any profits retained, and files audited accounts with the Registrar of Companies.

**11 Investments (continued)**

A summary of the trading results is shown below:

|  | <b>2023</b>     | <b>2022</b>     |
|--|-----------------|-----------------|
|  | <b>£</b>        | <b>£</b>        |
| Turnover   | 717,055         | 609,663         |
| Cost of sales  | (572,151)       | (479,045)       |
| <b>Gross profit</b>  | <b>144,904</b>  | <b>130,618</b>  |
| Administrative expenses                                      | (196,086)       | (150,637)       |
| <b>Operating profit</b>                                      | <b>(51,182)</b> | <b>(20,019)</b> |
| Investment income  | -               | -               |
| <b>Profit before tax &amp; profit for the financial year</b> | <b>(51,182)</b> | <b>(20,019)</b> |
| Retained earnings brought forward in subsidiary              | 54,417          | 135,917         |
| Gift aid to The Palace Trust                                 | -               | (61,481)        |
| <b>Retained earnings carried forward in subsidiary</b>       | <b>3,235</b>    | <b>54,417</b>   |
| <b>The assets and liabilities were:</b>                      |                 |                 |
| Fixed assets   | 59,896          | 61,385          |
| Current assets   | 168,273         | 122,595         |
| Current liabilities  | (224,933)       | (129,562)       |
| <b>Total net assets</b>                                      | <b>3,236</b>    | <b>54,418</b>   |
| Called up share capital                                      | 1               | 1               |
| Profit and loss reserve                                      | 3,235           | 54,417          |
|  | <b>3,236</b>    | <b>54,418</b>   |

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| <b>12 Stocks</b> | <b>2023</b>   | <b>2023</b>    | <b>2022</b>  | <b>2022</b>    |
|------------------|---------------|----------------|--------------|----------------|
|                  | <b>Group</b>  | <b>Charity</b> | <b>Group</b> | <b>Charity</b> |
|                  | <b>£</b>      | <b>£</b>       | <b>£</b>     | <b>£</b>       |
| Goods for resale | 29,075        | -              | 8,209        | 246            |
|                  | <u>29,075</u> | <u>-</u>       | <u>8,209</u> | <u>246</u>     |

| <b>13 Debtors</b>                  | <b>2023</b>   | <b>2023</b>    | <b>2022</b>   | <b>2022</b>    |
|------------------------------------|---------------|----------------|---------------|----------------|
|                                    | <b>Group</b>  | <b>Charity</b> | <b>Group</b>  | <b>Charity</b> |
|                                    | <b>£</b>      | <b>£</b>       | <b>£</b>      | <b>£</b>       |
| Trade debtors                      | 24,380        | 1,621          | 14,589        | 441            |
| Prepayments and accrued income     | 56,417        | 55,365         | 42,218        | 39,091         |
| Amounts owed by group undertakings | -             | 162,757        | -             | 70,728         |
|                                    | <u>80,797</u> | <u>219,743</u> | <u>56,807</u> | <u>110,260</u> |

**14 Creditors: Amounts falling due within one year**

|                                   | <b>2023</b>    | <b>2023</b>    | <b>2022</b>    | <b>2022</b>    |
|-----------------------------------|----------------|----------------|----------------|----------------|
|                                   | <b>Group</b>   | <b>Charity</b> | <b>Group</b>   | <b>Charity</b> |
|                                   | <b>£</b>       | <b>£</b>       | <b>£</b>       | <b>£</b>       |
| Trade creditors                   | 31,863         | 29,427         | 38,305         | 31,263         |
| Other creditors                   | 27,078         | 27,078         | 5,038          | 5,039          |
| Accruals and deferred income      | 53,685         | 20,771         | 45,947         | 18,746         |
| Taxation and social security      | 33,045         | 6,218          | 38,207         | 13,615         |
|                                   | <u>145,671</u> | <u>83,494</u>  | <u>127,497</u> | <u>68,663</u>  |
| <br><b>Deferred Income</b>        |                |                |                |                |
|                                   | <b>2023</b>    | <b>2023</b>    | <b>2022</b>    | <b>2022</b>    |
|                                   | <b>Group</b>   | <b>Charity</b> | <b>Group</b>   | <b>Charity</b> |
|                                   | <b>£</b>       | <b>£</b>       | <b>£</b>       | <b>£</b>       |
| Deferred income at 1 January 2023 | 30,637         | 9,187          | 17,017         | 6,325          |
| Released from previous years      | (30,637)       | (9,187)        | (17,017)       | (6,325)        |
| Resources deferred in the year    | 33,695         | 8,759          | 30,637         | 9,187          |
|                                   | <u>33,695</u>  | <u>8,759</u>   | <u>30,637</u>  | <u>9,187</u>   |

At the balance sheet date the trust was holding funds received in advance for events to be held in 2024.

**15 Summary of movement in funds- Group**

|                                   | Opening<br>balance<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>& gains<br>£ | Closing<br>balance<br>£ |
|-----------------------------------|-------------------------|------------------|--------------------|---------------------------|-------------------------|
| <b>Unrestricted funds - Group</b> |                         |                  |                    |                           |                         |
| General                           | 296,969                 | 1,609,335        | (1,632,685)        | (7,583)                   | 266,036                 |
| <b>Designated funds - Group</b>   |                         |                  |                    |                           |                         |
| Palace interpretation             | 352,195                 | -                | -                  | (122,600)                 | 229,595                 |
| Trust Reserve                     | 450,000                 | -                | -                  | -                         | 450,000                 |
| Fixed assets                      | 195,881                 | -                | (60,509)           | 148,736                   | 284,108                 |
| <b>Total designated funds</b>     | <b>998,076</b>          | <b>-</b>         | <b>(60,509)</b>    | <b>26,136</b>             | <b>963,703</b>          |
| <b>Restricted funds</b>           |                         |                  |                    |                           |                         |
| Gate funds                        | -                       | 13,850           | -                  | (13,850)                  | -                       |
| <b>Total funds</b>                | <b>1,295,045</b>        | <b>1,623,185</b> | <b>(1,693,194)</b> | <b>4,703</b>              | <b>1,229,739</b>        |

**Summary of movement in funds- Charity**

|                                     | Opening<br>balance<br>£ | Income<br>£    | Expenditure<br>£   | Transfers<br>& gains<br>£ | Closing<br>balance<br>£ |
|-------------------------------------|-------------------------|----------------|--------------------|---------------------------|-------------------------|
| <b>Unrestricted funds - Charity</b> |                         |                |                    |                           |                         |
| General                             | 303,937                 | 983,484        | (977,258)          | 12,535                    | 322,698                 |
| <b>Designated funds - Charity</b>   |                         |                |                    |                           |                         |
| Palace interpretation               | 352,195                 | -              | -                  | (122,600)                 | 229,595                 |
| Trust Reserve                       | 450,000                 | -              | -                  | -                         | 450,000                 |
| Fixed assets                        | 134,496                 | -              | (38,902)           | 128,618                   | 224,212                 |
| <b>Total designated funds</b>       | <b>936,691</b>          | <b>-</b>       | <b>(38,902)</b>    | <b>6,018</b>              | <b>903,807</b>          |
| <b>Restricted funds</b>             |                         |                |                    |                           |                         |
| Gate funds                          | -                       | 13,850         | -                  | (13,850)                  | -                       |
| <b>Total funds</b>                  | <b>1,240,628</b>        | <b>997,334</b> | <b>(1,016,160)</b> | <b>4,703</b>              | <b>1,226,505</b>        |

**Summary of movement in funds – Group (2022)**

|                                   | Opening<br>balance<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>& gains<br>£ | Closing<br>balance<br>£ |
|-----------------------------------|-------------------------|------------------|--------------------|---------------------------|-------------------------|
| <b>Unrestricted funds - Group</b> |                         |                  |                    |                           |                         |
| General                           | 642,636                 | 1,458,301        | (1,517,147)        | (286,821)                 | 296,969                 |
| <b>Designated funds - Group</b>   |                         |                  |                    |                           |                         |
| Palace interpretation             | 653,000                 | -                | -                  | (300,805)                 | 352,195                 |
| Trust Reserve                     | -                       | -                | -                  | 450,000                   | 450,000                 |
| Fixed assets                      | 117,909                 | -                | (53,076)           | 131,048                   | 195,881                 |
| <b>Total designated funds</b>     | <b>770,909</b>          | <b>-</b>         | <b>(53,076)</b>    | <b>280,243</b>            | <b>998,076</b>          |
| <b>Total funds</b>                | <b>1,413,545</b>        | <b>1,458,301</b> | <b>(1,570,223)</b> | <b>(6,578)</b>            | <b>1,295,045</b>        |

**Summary of movement in funds – Charity (2022)**

|                                     | Opening<br>balance<br>£ | Income<br>£    | Expenditure<br>£   | Transfers<br>& gains<br>£ | Closing<br>balance<br>£ |
|-------------------------------------|-------------------------|----------------|--------------------|---------------------------|-------------------------|
| <b>Unrestricted funds - Charity</b> |                         |                |                    |                           |                         |
| General                             | 506,719                 | 983,538        | (984,093)          | (202,227)                 | 303,937                 |
| <b>Designated funds - Charity</b>   |                         |                |                    |                           |                         |
| Palace interpretation               | 653,000                 | -              | -                  | (300,805)                 | 352,195                 |
| Trust Reserve                       | -                       | -              | -                  | 450,000                   | 450,000                 |
| Fixed assets                        | 117,909                 | -              | (29,867)           | 46,454                    | 134,496                 |
| <b>Total designated funds</b>       | <b>770,909</b>          | <b>-</b>       | <b>(29,867)</b>    | <b>195,649</b>            | <b>936,691</b>          |
| <b>Total funds</b>                  | <b>1,277,628</b>        | <b>983,538</b> | <b>(1,013,960)</b> | <b>(6,578)</b>            | <b>1,240,628</b>        |

**Summary of movement in funds (continued)**

**Designated funds**

- The Palace interpretation fund relates to a large development project currently in the planning phase and fresh interpretation in the Palace building.
- Trust Reserve relates to an amount of unrestricted funds sufficient to cover 3 months of expenditure, to cover the period from January to March when The Palace Trust runs at a seasonal deficit.
- The fixed assets funds represent the net book value of the assets held.

**Restricted funds**

- The Gate Funds were received as a contribution towards the installation of the community gate. £10,000 of the funds came from The Medlock Charity, £350 from the Sir John and Lady Heathcoat Amory Trust and £3,500 from an anonymous source. The amount has been transferred to unrestricted upon the purchase of the fixed asset, as permitted by the Charity SORP.

**16 Analysis of assets between funds – Group**

|                               | Tangible<br>fixed<br>assets<br>£ | Cash at<br>bank and<br>in hand<br>£ | Other net<br>current<br>assets/<br>(liabilities)<br>£ | Creditors<br>more than<br>one year<br>£ | Total<br>£       |
|-------------------------------|----------------------------------|-------------------------------------|---|---|------------------|
| Unrestricted funds            | 54,253                           | 148,155                             | (35,799)  | -                                       | 166,609          |
| Designated funds              | 284,108                          | 779,022                             | -   | -                                       | 1,063,130        |
| Restricted funds              | -                                | -                                   | -   | -                                       | -                |
| <b>As at 31 December 2023</b> | <b>338,361</b>                   | <b>927,177</b>                      | <b>(35,799)</b>                                       | <b>-</b>                                | <b>1,229,739</b> |

**Analysis of assets between funds – Charity**

|                               | Tangible<br>fixed<br>assets<br>£ | Cash at<br>bank and<br>in hand<br>£ | Other net<br>current<br>assets/<br>(liabilities)<br>£ | Creditors<br>more than<br>one year<br>£ | Total<br>£       |
|-------------------------------|----------------------------------|-------------------------------------|---|---|------------------|
| Unrestricted funds            | 54,254                           | 32,768                              | 136,249   | -                                       | 223,271          |
| Designated funds              | 224,212                          | 779,022                             | -   | -                                       | 1,003,234        |
| Restricted funds              | -                                | -                                   | -   | -                                       | -                |
| <b>As at 31 December 2023</b> | <b>278,466</b>                   | <b>811,790</b>                      | <b>136,249</b>  | <b>-</b>                                | <b>1,226,505</b> |

**Analysis of assets between funds – Group - 2022**

|                               | <b>Tangible<br/>fixed<br/>assets<br/>£</b> | <b>Cash at<br/>bank and<br/>in hand<br/>£</b> | <b>Other net<br/>current<br/>assets/<br/>(liabilities)<br/>£</b> | <b>Creditors<br/>more than<br/>one year<br/>£</b> | <b>Total<br/>£</b> |
|-------------------------------|--|---|--|---|--------------------|
| Unrestricted funds            | 49,550                                     | 309,900                                       | (62,481)   | -   | 296,969            |
| Designated funds              | 195,881                                    | 802,195                                       | -  | -   | 998,076            |
| Restricted funds              | -  | -   | -  | -   | -                  |
| <b>As at 31 December 2022</b> | <b>245,431</b>                             | <b>1,112,095</b>                              | <b>(62,481)</b>  | <b>-</b>  | <b>1,295,045</b>   |

**Analysis of assets between funds – Charity – 2022**

|                               | <b>Tangible<br/>fixed<br/>assets<br/>£</b> | <b>Cash at<br/>bank and<br/>in hand<br/>£</b> | <b>Other net<br/>current<br/>assets/<br/>(liabilities)<br/>£</b> | <b>Creditors<br/>more than<br/>one year<br/>£</b> | <b>Total<br/>£</b> |
|-------------------------------|--|---|--|---|--------------------|
| Unrestricted funds            | 49,551                                     | 212,543                                       | 41,843   | -   | 303,937            |
| Designated funds              | 134,496                                    | 802,195                                       | -  | -   | 936,691            |
| Restricted funds              | -  | -   | -  | -   | -                  |
| <b>As at 31 December 2022</b> | <b>184,047</b>                             | <b>1,014,738</b>                              | <b>41,843</b>  | <b>-</b>  | <b>1,240,628</b>   |

## 17 Income and expenditure account of the Trust

The company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own Income and Expenditure Account or separate Statement of Financial Activities.

Prior to gift aid amounts received from the subsidiary, The Palace Trust has net expenditure for the year of £14,124 (2022 - £98,481) based on income of £906,130 (2022 - £848,638). Gift aid distributions from trading subsidiary of £nil (2022: £61,481) were received in the year.

## 18 Obligations under leases

Operating leases-

The total future minimum rentals payable under non-cancellable operating leases funded by unrestricted funds are as follows:

|                           | 2023<br>£    | 2022<br>£    |
|---------------------------|--------------|--------------|
| <b>Other</b>              |              |              |
| Expiry date:              |              |              |
| Within one year           | 1,785        | 1,570        |
| Within two and five years | 3,193        | 4,709        |
|                           | <u>4,978</u> | <u>6,279</u> |

In addition to the above, the Trust has a non-exclusive licence (by way of a management agreement) to occupy the Palace and the gardens with the Church Commissioners to the end of 2033.

## 19 Related party transactions

The charity has taken advantage of the exemption in FRS 102 "Related Party Disclosures" from disclosing transactions with other members of the group.

The chief executive (who resigned 31 March 2023), J Wallwork Clark, was charged £800 (2022: £1,030) in rent for the use of the Gatehouse during the year. A balance of £nil (2022: £nil) was outstanding at the year end. This is considered to be a market rent.

The chief executive (who was appointed 1 April 2023), M Kidd, was charged £3,850 (2022: £nil) in rent for the use of The Gardeners Flat during the year. The rent collected, is in turn paid onto the Church Commissioner. A balance of £nil (2022: £nil) was outstanding at the year end. This is considered to be a market rent.

## 20 Financial instruments

|   | 2023<br>Group<br>£ | 2023<br>Charity<br>£ | 2022<br>Group<br>£ | 2022<br>Charity<br>£ |
|---|--------------------|----------------------|--------------------|----------------------|
| Financial assets that are fair value through income & expenditure account | 54,253             | 54,254               | 49,550             | 49,550               |
| Financial assets that are debt instruments measured at amortised cost     | 994,034            | 1,018,645            | 1,153,801          | 1,113,025            |
|   | <u>1,048,287</u>   | <u>1,072,899</u>     | <u>1,203,351</u>   | <u>1,162,575</u>     |
| Financial liabilities measured at amortised cost                          | 78,931             | 65,263               | 58,653             | 45,861               |
|   | <u>78,931</u>      | <u>65,263</u>        | <u>58,653</u>      | <u>45,861</u>        |

### Items of income, expenditure, gain and loss (group and charity)

|   | Income<br>£ | Expense<br>£ | Net gains<br>£ | Net losses<br>£ |
|---|-------------|--------------|----------------|-----------------|
| <b>2023</b>   |             |              |                |                 |
| Financial assets that are fair value through income & expenditure account | -           | -            | 4,703          | -               |
| Financial assets measured at amortised cost                               | -           | -            | -              | -               |
| Financial liabilities measured at amortised cost                          | -           | -            | -              | -               |
|   | <u>-</u>    | <u>-</u>     | <u>4,703</u>   | <u>-</u>        |
| <b>2022</b>   |             |              |                |                 |
| Financial assets that are fair value through income & expenditure account | -           | -            | -              | 6,579           |
| Financial assets measured at amortised cost                               | -           | -            | -              | -               |
| Financial liabilities measured at amortised cost                          | -           | -            | -              | -               |
|   | <u>-</u>    | <u>-</u>     | <u>-</u>       | <u>6,579</u>    |

**THE PALACE TRUST**

England & Wales - Charity number 1160830

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# Accounts

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The Bishop's Palace  
WELLS - SOMERSET

# The Palace Trust

(A Charitable Company Limited by Guarantee)

## ANNUAL REPORT AND FINANCIAL STATEMENTS

- For the Year Ended 31 December 2022 -



Company Number: 09404519  
Charity Registered in England and  
Wales Number: 1160830

**THE PALACE TRUST  
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FOR THE YEAR ENDED 31 DECEMBER 2022**

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**THE PALACE TRUST  
ANNUAL REPORT 2022 FOREWORD  
FOR THE YEAR ENDED 31 DECEMBER 2022**

We are delighted to share our Report and Financial Statements for the year 2022 which was a year of “out of the covid frying pan” into the cost of living crisis “fire”. But we’re pleased to say that our results held up albeit showing a small loss and we look forward to the coming year with optimism.

Thanks to the incredible commitment of our colleagues, we continue to delight our visitors with our RHS partner gardens and benefit our community in so many ways. From giving away 44 free tickets to Ukranian families living locally, to giving a further 156 annual passes to those who can benefit most from access to our heritage site of peace, beauty and tranquillity. The value of cash and kind donated to our community in 2022 was around £25,000 in 2022 [which we aim to beat in 2023].

Sustainability is at the heart of what we do, commercially, environmentally and socially. We are taking action to become carbon neutral and are investing c£100,000 in 2023 into renewable technology, both solar power and, in time it is hoped, water power. It is noticeable that we have around 500,000 visitors who cross our drawbridge and around 125,000 who pay to visit the Palace and Gardens. Our challenge this year is to persuade some of those who don’t progress beyond our free area to visit the rest of this fabulous site and thereby help our Charity to continue its great work.

The Trust manages the Palace and Gardens on behalf of the Church Commissioners and we’re delighted that our current contract has recently been extended by 10 years. We are in active conversation regarding an even longer-term arrangement which will enable us to secure grant funding to develop further key areas such as the Palace building itself where we have some exciting interpretation ideas drawn from a wealth of stories over our 800 year history. From recreating a 14th century Christmas feast (original menu and guests are all recorded!) to the attendance of the Bishop of Bath and Wells (one of our Trustees) at the coronation of King Charles III.

We’d like to thank all of our staff, volunteers and Trustees for their continuous hard work, time and dedication to the Bishop’s Palace and Gardens and, of course, we’d like to give huge thanks to our visitors and community for whom the Trust is here to serve.

.....  
ROGER HAWES (CHAIR)

.....  
MERRYN KIDD (INTERIM CHIEF EXECUTIVE)

**THE PALACE TRUST  
REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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|  |  |
|--|--|
| <b>Trustee Directors</b>                       | Rt Revd Michael Beasley<br>Maureen Boylan<br>Nick Denison<br>Paul Dickinson<br>Roger Hawes<br>Michael Minta<br>Peter Stickland<br>Rt Revd Trevor Willmott<br>Julie Wills |
| <b>Company Secretary</b>                       | Natalie Lansdown   |
| <b>Chief Executive Officer</b>                 | Jan Wallwork Clark (from January 2022 -<br>resigned 27 March 2023)   |
| <b>Chief Operating Officer</b>                 | Merryn Kidd (Interim Chief Executive<br>from 28 March 2023)  |
| <b>Charity Number</b>                          | 1160830  |
| <b>Company Number</b>                          | 09404519   |
| <b>Principal Address and Registered Office</b> | The Bishop's Palace<br>Wells<br>Somerset, BA5 2PD  |
| <b>Auditors</b>                                | Albert Goodman LLP<br>Goodwood House<br>Blackbrook Park Avenue<br>Taunton<br>Somerset<br>TA1 2PX   |
| <b>Bankers</b>                                 | NatWest<br>7 High Street<br>Wells<br>Somerset<br>TA1 1JQ   |

# THE PALACE TRUST TRUSTEE DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022



The Trustees, who are also directors for the purposes of the Companies Act, present their report and the financial statements of the Charity for the year ended 31 December 2022, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The full name of the Charity is The Palace Trust. It was incorporated on 26 January 2015 as a company limited by guarantee. Its company registration number is 09404519. Its charity registration number is 1160830. The Charity is variously referred to throughout this report as either "the Charity", "the Company" or "the Trust".

## References and Administrative Details

Administrative information is given in a separate section at the front of these accounts.

## Directors and Trustees

The directors of the Company are the Charity's Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year and since the year-end are as follows:

|                         |   |
|-------------------------|---|
| Rt Revd N M R Beasley   | (appointed 15 September 2022)                           |
| Mrs M F A Boylan        |   |
| Mr N J Denison          | (Treasurer)   |
| Mr P R Dickinson        |   |
| Mr R Hawes              | (Chair from November 2022)                              |
| Mr M T Minta            |   |
| Mr P B G Stickland      | (Vice Chair)  |
| Rt Revd T Willmott      |   |
| Mrs J A Wills           |   |
| Very Revd Dr J H Davies | (resigned 25 January 2023)                              |
| Dame E P Cass           | (resigned 12 October 2022)                              |
| Mrs C Reed              | (resigned 1 April 2023)                                 |
| Mr B P Roberts-Wray     | (resigned 17 November 2022)                             |
| Rear Admiral D Wood     | (resigned 17 November 2022) (Chair until November 2022) |
| Rt Revd R E Worsley     | (resigned 1 October 2022)                               |

None of the Trustees have any beneficial interest in the Company. All of the Trustees are members of the Company and guarantee to contribute £1 in the event of a winding up.

**THE PALACE TRUST  
TRUSTEE DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**



The Bishop's Palace and Gardens, Wells

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution of The Palace Trust**

The Palace Trust's Articles contain two charitable aims: a) to preserve for the benefit of the public the fabric of The Bishop's Palace (as a place of historic and architectural interest) in order to facilitate access to The Bishop's Palace by the public for their education and interest, and b) to promote such charitable purposes as will advance the religious and other charitable work of the Church of England in such manner as the Trustees shall from time to time decide and are approved by the Church Commissioners.

Today, The Palace Trust continues to work towards these charitable aims, by opening The Bishop's Palace and its fourteen acres of gardens up to the public and running it as a heritage site, visitor attraction and community asset.

### **Organisational Structure**

The Board of Trustees are responsible for strategy and supervision of the executive to whom they delegate responsibility for operations. The Chief Executive Officer is responsible for delivering the strategy with the senior management team comprising the following department heads : Catering, Visitor Experience, Community Engagement and Volunteers, Horticulture, Property Manager, Marketing and Finance, People & IT. Department heads are responsible for the day to day running of the operations and report directly to the Interim Chief Executive.

An average of 51 staff were employed by the Trust and its subsidiary during the 12-month period ended 31 December 2022 with 44 in post at 31 December 2022. We had an average of 165 volunteers during the year.

**THE PALACE TRUST  
TRUSTEE DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**



The Bishop's Palace and Gardens, Wells

### **Key Management Personnel Remuneration**

The Trustees consider the Board of Trustees, the Chief Executive Officer and the Chief Operating Officer as comprising the Key Management Personnel (KMP) in charge of directing and controlling the Trust and running and operating the Trust on a day-to-day basis. All Trustees give of their time freely and no Trustee remuneration was paid in the year. The pay of Chief Executive Officer and the Chief Operating Officer is reviewed annually and normally increased in accordance with average earnings. The remuneration is also benchmarked with heritage organisations of a similar size to ensure that the remuneration set is fair and not out of line with that generally paid for comparable roles. Details of Trustee expenses and related party transactions are disclosed in note 8 to the accounts, and details of other KMP remuneration are disclosed in note 9 to the accounts.

### **Selection and Training of Trustees**

Trustees are appointed according to the skills and experience required to deliver a successful strategic Board which meets both as a board and in smaller sub-committees. The Church Commissioners have the right to appoint one Trustee and the Bishop of Bath and Wells also has the right to be a Trustee. A skills audit was conducted in November 2022 to identify gaps in the skills and experience in the Board of Trustees for whom the Trust is actively recruiting having seen several retirements in the past year. After external advertising, Roger Hawes applied for and was appointed Chair in November 2022 on the retirement of David Wood. Interviews for new Trustees are carried out by a Trustee panel before a decision on whether to appoint is made. New Trustees are provided with an induction pack of relevant information which is supplemented by a detailed induction programme involving the Chair and key members of staff. Trustees are encouraged to participate in ongoing training and an annual away day.

## **Relationship with other entities**

The management of catering, events (both corporate and private) and filming is undertaken by Palace Enterprises (Wells) Ltd ('PEL'), which is a wholly owned subsidiary of The Palace Trust. Income generated by this subsidiary may be donated to the Charity by way of an annual Gift Aid donation if available from distributable profits.





## **OBJECTIVES, STRATEGY AND ACTIVITIES OF THE TRUST**

### **Strategic Aims**

The charitable purposes of The Palace Trust are to preserve for the benefit of the public the fabric of The Bishop's Palace and to promote such charitable purposes as will advance the religious and other charitable work of the Church of England.

Today, The Palace Trust seeks to conserve and share the Palace and its story as a place of enjoyment and reflection for the benefit of all. The Charity fulfils its purpose by taking forward detailed actions that meet five strategic objectives covering:

#### **1. Reach more and a wider range of people**

Our ambition is to welcome 160,000 visitors annually to the Palace by 2025. The ambition is based on three approaches.

First, the development of the visitor offer, with significantly improved interpretation around the built heritage of the site. Second, a broader, more dynamic public events programme. Third, making our heritage accessible to those who will benefit from it the most, who do not currently have the means to engage.

#### **2. Be a national beacon for community engagement and wellbeing**

We want the Palace to be a best practice model of community engagement. In 2022 we welcomed 45 community groups, 12 Parish groups plus we donated 44 family memberships to Ukrainian families living locally.

In addition, we granted 156 annual free passes to those who benefit most from access to our place of peace, beauty and tranquillity. We welcomed 15 local schools and 3 Universities. We donated raffle prizes to a further 37 community groups, out of a total 113 raffle prizes given during 2022.

We value our staff, volunteers and visitors and aim to extend out beyond our moat to become the beating heart of our local community, welcoming supporting and engaging all who can benefit from our incredible resource. We will actively champion our gardens and programming as a resource for peoples on-going wellbeing.

#### **3. Realise the next phase of The Bishop's Palace development**

By 2025 The Palace Trust aims to have transformed the visitor experience of the Palace buildings. New interpretation will be engaging, immersive and will transform people's understanding and enjoyment of The Bishop's Palace.

#### **4. Invest in a sustainable future**

A sustainable future hangs on three key areas, sustainability in terms of environmental impact, financial and social sustainability. The Palace Trust will have made substantial progress towards a net zero carbon footprint by 2025 and will have rebuilt reserves depleted during the coronavirus pandemic.

#### **5. Become a centre of excellence in the field of horticulture**

The Gardens are the Palace's most high-profile primary asset as 2022 saw the 7th consecutive year as an RHS Partner Garden. We want to inspire and train the next generation of gardeners and enhance and protect the natural and semi-cultivated environment in the gardens to support nature and wildlife.



### **Public Benefit**

In setting The Palace Trust's preceding aims and following objectives and activities, the Trustees have given careful consideration to the Charity Commission's guidance on public benefit and continue to preserve and make accessible The Bishop's Palace and its fourteen acres of gardens to the public, as a place of historic, architectural and landscape interest.

The Palace Trust achieves its purpose by opening the site to the public throughout the year, aiming to engage a diverse audience through a programme of public events, activities, exhibitions, its commercial activities and community engagement programme.

The Bishop's Palace is central to the experience and enjoyment of Wells and will remain so as The Palace Trust continues to grow and expand its public offer, in particular with the introduction of community engagement measures designed to reach out to those most in need for little or no cost to them. The Palace Trust undertakes an annual plan of conservation and repair works ensuring The Bishop's Palace remains in the public domain for future generations.

**THE PALACE TRUST  
TRUSTEE DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**



## **Activities**

2022 was a year in which the UK grappled with a cost-of-living crisis as the economic impact of a war between Russia and Ukraine saw huge increases in oil and fuel prices in the UK. Food prices rocketed too, impacting on our cost of sales in the Bishop's Table café alongside a dearth of people available to work in this sector of our trading centres with a resultant reduction in opening times for the popular café due to under capacity staffing levels.

A big event in the history of the Palace and the Trust was the installation of the 80th Bishop of Bath & Wells, the Very Reverend Dr Michael Beasley in November. He and his wife and young family moved into the Palace in August and have been keen to work in collaboration on developing access to the Palace as well as working on joint projects towards carbon net zero.

We have made much progress in this year on our race to reduce our carbon footprint:

- The Trust became a participant organisation in Skills for Clean Growth programme in early 2022
- Our Carbon Champion member of the senior management team ("SMT") undertook Carbon Literacy for Museums Training (Nov 2022) with the Carbon Literacy Project with aim of becoming Carbon Literate Accredited for 2023
- The Trust received £2,500 funding towards Smart Heating Controls from the MINZ Resource Efficiency Grant and subsequently installed hi tech sensors to use AI to control heating
- The Trust received Make it NetZero Carbon UNFCCC RACE TO ZERO – pledge and plan – science based carbon reduction targets and regular reporting
- The SMT Carbon Champion undertook Carbon Tool training webinar Nov. 2022 & participated in Small Business Sustainability Reaching Net Zero workshop Feb 2022 plus they attended Green Tourism, Identifying Practical Changes Workshop. March 2022

**THE PALACE TRUST  
TRUSTEE DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

The benefits of access to the Gardens to provide peace and mental and physical health benefits to a widening audience were even more important to a widening audience. Locals continued to appreciate the yearly 'People's Ticket' and Membership sales increased especially around a Christmas Gift promotion in December. Produce from the Community Garden was utilised in the café and sold at the Visitor reception. Surpluses were donated to Wells Food Bank a local charity supporting those in food poverty.

Events included a new outdoor opera over 2 nights by Opera Brava - a joint venture with Project Factory, a local community interest company supporting new community initiatives in the area, both commercial and charitable with cultural and educational outputs. Well-established events such as the artisan Christmas market, Rare Plant Fair and Bowlore Medieval Weekend had increased visitor numbers this year and the turnover for the Christmas at the Palace was the highest since it started.

Projects were begun to develop the site and how visitors enjoy it, including some low-key but transformational medieval themed interpretation of the Undercroft, which has helped to sell 11 weddings for 2023. Further Foundational Interpretation has been planned with the newly formed Conservation & Curatorial Committee, based on the extensive research undertaken by a fellow at Exeter University as well as with our own in-house volunteer team. Work towards carbon net zero is going forward with Bath University contacts shared by Bishop Michael.



**THE PALACE TRUST  
TRUSTEE DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**



## **ACHIEVEMENTS AND PERFORMANCE**

The year was difficult financially and we made a £118,500 loss. However, there were successes, despite the increasingly difficult economic operating environment, in that the Palace welcomed 124,161 paying visitors to the site and over 508,573 in that part of the site for which there is no charge. This represented a 15% decrease, year on year in visitor numbers compared to 2021. Given the national picture of heritage attractions being up to 30% down across the board in 2022 (ALVA) a decrease of 15%, mostly accountable to the 5 months from April-August, shows some resilience.

The People's Ticket, now called the Annual Admission Ticket is in its 3rd year, continues to support our charitable aims by allowing local people to visit as many times as they like for a 12-month period for the price of a single day visit.

The number of Palace Memberships sold increased 5%, to 2283 in 2022, from 2184 in 2021. We developed the offer of Member-only events to include open evenings, talks and tours giving added benefit, along with advance booking options for popular events. Performance is above objectives set for the year and is a good indicator of the level of support for the Palace and its aims amongst the local community.

Community Engagement work involved a total of 45 groups (see above) and whilst this was a drop from 68 in 2021, that reflects the fact that some were able to return to their own venues following the lifting of pandemic restrictions.

Our education and learning objectives were fully met via our apprentice and intern schemes. Last year's Digital Marketing Apprentice in association with Strode College graduated with a Distinction and he was employed by the Palace Trust as a full time Digital Marketing Officer. The Sculpture trail in association with Wells Cathedral and Wells and Mendip Museum is in its second year with a growing audience. In 2022 we welcomed 15 schools as we developed the initiative to enable free access to all schools in Wells and to the 70 schools nearest to Wells, with a free pass to 1 class per year. Those with pupils on 'Pupil Premium' have the free access extended to their families.

Continuing with the Trust's sustainability aims, the metering and monitoring research has enabled us to specify and commission the infrastructure required to generate and store our own renewable energy. This is a large part of the project budget spend for 2023.

**THE PALACE TRUST  
TRUSTEE DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**



## **Volunteering Opportunities**

The range of volunteering opportunities has grown to include 'drawbridge welcoming' as a new initiative to offer a bespoke welcome to those who browse but do not go through the pay barrier. This was trialled in the summer months and will continue and expand in 2023. The number of garden volunteers has increased and the commitment of the maintenance volunteers was recognised and refreshed following the creation of the role of Property Manager who will be responsible for the maintenance of the historic built fabric and her growing team will support her in this role.

The Trust is extremely grateful for the loyalty and contribution of its volunteers who not only make the effective running of the site viable through their gift of time but who greatly benefit from their varied and constant engagement with and support of our work to deliver our charitable objects.

## **FUTURE PLANS**

Plans for 2023 centre around four pillars of emphasis:

- Conservation
- The environment
- Interpretation of this historic site
- Community

The Trust has ambitious future plans to re-imagine the Palace buildings, to develop other parts of the site and to secure a longer term contractual arrangement with the Church Commissioners for managing it. A successful outcome to those discussions will enable the Trust to apply for significant grant funding to achieve these ambitious plans which will include high-tech spec, interactive displays and digital content and will be delivered in the coming years.

We have an incredibly rich seam of stories and significance and will be using them in these developments which will depend on raising matched funding from grant bodies and other fundraising activities.

**THE PALACE TRUST  
TRUSTEE DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

In the short term, the Bishop's Table building is reverting to being a café and part ticket office, as it was several years ago, by the summer of 2023 and the conversion of the medieval gatehouse to appropriate office space for the current and growing team will be completed during 2023.

An environmental project will see the roof of the café building covered in new solar PV panels, and a 129kWh storage battery installed to enable onsite energy to be stored and reused rather than sending it back to the Grid. Smart Heating controls will use Artificial Intelligence to keep the inside of the medieval buildings at a constant, suitable temperature. Our carbon emissions will be reduced by around 35% as a result.

### **FINANCIAL REVIEW AND RESERVES POLICY**

The Palace Trust's financial position deteriorated slightly over the year after the loss of £118,500. At year end, the Trust had unrestricted net assets (excluding the trading subsidiary), of £1,240,628, £802,195 of which is designated and £134,496 is Tangible fixed assets. It is the Charity's policy not to commit The Palace Trust to any new major programme of work until sufficient funds are accumulated in reserves to satisfy existing obligations.

### **Risk Policy**

The Trustees undertook a comprehensive review of risks during the past year and maintain a register of those risks which would affect the reputation and financial status of The Palace Trust. This register is maintained by the Trustees and includes a ranking of risk that takes account of likelihood and severity of impact.

Risks that could have a material impact on The Palace Trust are singled out for particular attention.

- A prolonged period of inclement weather. Wet weather can lead to a drop in footfall and thus visitor income. This is mitigated by steps taken to increase footfall in the shoulder months thereby reducing the reliance on summer months, and in the long term to develop the site as an all-weather attraction.
- Long term conservation and use of the site. The Bishop's Palace and Gardens are owned by the Church Commissioners and the long-term conservation and use of the site is governed by a Management Agreement between The Palace Trust and Church Commissioners. We are in active communication with them regarding longer term arrangements for the Trust to continue to manage the site for the benefit of the community.

**THE PALACE TRUST  
TRUSTEE DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

## **Fundraising**

The Trust plans future fundraising activities but these are constrained by both a lack of internal resource and discussion with the Church Commissioners about the long term nature of the Trust's occupation at the site. It is hoped these will be overcome as a result of the current discussions with the Church Commissioners and in the meantime a small amount of third party resource will be used to advance fundraising activities which can bear fruit notwithstanding these constraints.

Any third party suppliers will be required to comply with all recognised fundraising standards and the public will be protected from unreasonable intrusion or pressure to give.

## **Reserves**

Each year the Trustees review the level of free reserves. The Board considers the exposure to major risks in terms of their likely impact on its income sources and planned expenditure in the medium term.

Free reserves are defined as those available for the use by the Charity that are deemed to be readily realisable, less funds that are restricted or else designated for particular purposes.

This therefore excludes £134,496 tangible fixed assets that will continue to be used in the day-to-day running, and restricted funds of £nil.

The policy is to have a Trust Reserve for unrestricted funds at the year-end of sufficient size to cover the period from January to March when The Palace Trust runs at a deficit. The Trust Reserve therefore equates to 3 months of forecast expenditure. As at 31st December 2022 this was £450,000.

Other free reserves of £656,132 include £352,195 which has been allocated to the following projects as designated funds:

- Conservation: improving the fabric of the property.
- Environmental: introducing renewable energy sources.
- Interpretation: enhancing the Palace visitor experience.
- Community: expanding engagement across the Palace and gardens

A further £300k has been allocated to a 2024 major interpretation project whilst seeking matching funding in due course.

# THE PALACE TRUST TRUSTEE DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

## Statement of Trustees' Responsibilities

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

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standard have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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



**THE PALACE TRUST  
TRUSTEE DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**Statement as to disclosure to our auditors**

In so far as the Trustees are aware:

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

**AUDITORS**

The auditors, Albert Goodman LLP, are deemed to be re-appointed under Section 487(2) of the Companies Act 2006.

**SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

By order of the Trustees.

.....  
Roger Hawes  
Chair  
The Palace Trust

Date: .....



# 2022 AT A GLANCE



The Bishop's Palace  
WELLS · SOMERSET

**508,573**

People visited the Free Area



**124,161**

Visitors paid to enjoy the Palace & Gardens

**2,283**

Memberships were bought or renewed



**225 days**

Of public events and activities

**156** Free annual passes to those in need



**113**

Raffle prizes given to local groups

**44**

Free memberships to local Ukranian families

Welcomed 1 new Bishop of Bath and Wells and 1 new Chief Executive



**4**

Groups per week in Community Garden

**5**

Cygnets born



69,000 cups of coffee  
and 34,000 pieces of cake sold

**17**

# What Our Community is Telling Us:



## FROM A UKRAINIAN FAMILY

"Many thanks for providing the membership card which we have picked up on Sunday. It was terrible raining, but the Bishop's Palace are amazing place, especially garden!"

"Well done the Bishop's Palace team for generously offering this amenity to locally-based Ukrainians."

## FROM A HOST FAMILY FOR THE MEMBERSHIP THEIR UKRAINIAN GUESTS RECEIVED

## FROM A FAMILY WHO USE THE FOODBANK AND RECEIVED FREE TICKETS

"Just wanted to say thank you so much for the last year, as a family we have enjoyed visiting the Palace so much, the Palace will always be so special to us as it's where our twins took their first steps on the lawns, we celebrated our first Easter together inside the Palace with an Easter egg picnic and very recently the twins had their very first slide in the Dragon's Lair, we have enjoyed quite time in the chapel to reflect and say some prayers, watch the swans raise their very own family and of course had the most amazing Christmas experience we could have ever dreamt of."

"Your talk was spot on ideal for the occasion. You enlightened us brilliantly with your lively and lucid delivery. You will have gathered from the number of questions thrown at you that you had totally captivated your audience's imagination and sentiment for our local treasure."

## PROBUS CLUB TALK FEEDBACK

## WORK EXPERIENCE STUDENT 2022

"Thank you for an amazing week. I found it hard to start with, meeting lots of new people but now I feel more confident. I really enjoyed doing the video with Matt (he is a legend) and meeting all the visitors and volunteers."

"Thank you so much for this morning. Your talk was inspiring and I absolutely enjoyed the walk. The feedback we received was positive from all who attended."

## WELLBEING AT WORK EVENT '22 - WORKING WITH THE JOB CENTRE

## CONTRIBUTOR TO THE JUBILEE EXHIBITION

"Delighted to be part of such a lovely exhibition with such amazing memories."

**THE PALACE TRUST  
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**Opinion**

We have audited the financial statements of The Palace Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2022, which comprise the consolidated Statement of Financial Activities, the consolidated and parent charitable company Balance Sheets, the consolidated and parent charitable company Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2022 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustee's 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 entity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

**THE PALACE TRUST  
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matter prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

**THE PALACE TRUST  
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**Responsibilities of Trustees**

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

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

**Auditor's responsibilities for the audit of the financial statements**

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

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

**THE PALACE TRUST  
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charity Act 2011, employment, data protection and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation, claims and breaches of relevant legislation; and
- reviewing correspondence with the Charity Commission and other relevant regulators including the group's legal advisors and insurers.

**THE PALACE TRUST  
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

**Use of our report**

This report is made solely to the group and parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group and parent charitable company's members and Trustees 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 group and parent charitable company and the group and parent charitable company's members as a body and the parent charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....  
Michelle Ferris BSC (Hons) FCA DChA (Senior Statutory Auditor)  
For and on behalf of Albert Goodman LLP, Statutory Auditor

Goodwood House  
Blackbrook Park Avenue  
Taunton  
Somerset  
TA1 2PX

Date:.....

**THE PALACE TRUST**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN**  
**INCOME & EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

|   |       |                        |                      | 2022             |                        |                      | 2021             |
|---|-------|------------------------|----------------------|------------------|------------------------|----------------------|------------------|
|   | Notes | Unres-<br>tricted<br>£ | Res-<br>tricted<br>£ | Total<br>£       | Unres-<br>tricted<br>£ | Res-<br>tricted<br>£ | Total<br>£       |
| <b>Income from:</b>                       |       |                        |                      |                  |                        |                      |                  |
| Donations and legacies                    | 2     | 168,297                | -                    | 168,297          | 576,575                | -                    | 576,575          |
| Charitable activities                     | 3     | 625,407                | -                    | 625,407          | 609,890                | -                    | 609,890          |
| Other trading activities                  | 4     | 658,642                | -                    | 658,642          | 688,374                | -                    | 688,374          |
| Investment                                | 5     | 5,955                  | -                    | 5,955            | 1,816                  | -                    | 1,816            |
| <b>Total income</b>                       |       | <b>1,458,301</b>       | <b>-</b>             | <b>1,458,301</b> | <b>1,876,655</b>       | <b>-</b>             | <b>1,876,655</b> |
| <b>Expenditure on:</b>                    |       |                        |                      |                  |                        |                      |                  |
| Raising funds                             | 6     | 620,717                | -                    | 620,717          | 572,361                | -                    | 572,361          |
| Charitable activities                     | 7     | 949,506                | -                    | 949,506          | 877,441                | -                    | 877,441          |
| <b>Total expenditure</b>                  |       | <b>1,570,223</b>       | <b>-</b>             | <b>1,570,223</b> | <b>1,449,802</b>       | <b>-</b>             | <b>1,449,802</b> |
| <b>Net (expenditure) / income</b>         |       | <b>(111,922)</b>       | <b>-</b>             | <b>(111,922)</b> | <b>426,853</b>         | <b>-</b>             | <b>426,853</b>   |
| Transfer between funds                    |       | -                      | -                    | -                | -                      | -                    | -                |
| <b>Other recognised gains</b>             |       |                        |                      |                  |                        |                      |                  |
| Unrealised (loss) / gain on investment    |       | (6,578)                | -                    | (6,578)          | 6,959                  | -                    | 6,959            |
| <b>Net movement in funds for the year</b> |       | <b>(118,500)</b>       | <b>-</b>             | <b>(118,500)</b> | <b>433,812</b>         | <b>-</b>             | <b>433,812</b>   |
| <b>Reconciliation of funds</b>            |       |                        |                      |                  |                        |                      |                  |
| Total funds brought forward               |       | 1,413,545              | -                    | 1,413,545        | 979,733                | -                    | 979,733          |
| <b>Total funds carried forward</b>        |       | <b>1,295,045</b>       | <b>-</b>             | <b>1,295,045</b> | <b>1,413,545</b>       | <b>-</b>             | <b>1,413,545</b> |

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

All income and expenditure derive from continuing activities.

**THE PALACE TRUST – COMPANY REGISTRATION NUMBER: 09404519**  
**BALANCE SHEET AND CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

|  | Notes | 2022<br>£<br>Group      | 2022<br>£<br>Charity    | 2021<br>£<br>Group      | 2021<br>£<br>Charity    |
|--|-------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Fixed assets</b>                            |       |                         |                         |                         |                         |
| Tangible fixed assets                          | 10    | 195,881                 | 134,496                 | 181,183                 | 117,909                 |
| Investments                                    | 11    | 49,550                  | 49,551                  | 56,128                  | 56,129                  |
|  |       | <u>245,431</u>          | <u>184,047</u>          | <u>237,311</u>          | <u>174,038</u>          |
| <b>Current assets</b>                          |       |                         |                         |                         |                         |
| Stock  | 12    | 8,209                   | 246                     | 7,256                   | 246                     |
| Debtors  | 13    | 56,807                  | 110,260                 | 29,275                  | 104,635                 |
| Cash at bank and in hand                       |       | 1,112,095               | 1,014,738               | 1,264,993               | 1,099,055               |
|  |       | <u>1,177,111</u>        | <u>1,125,244</u>        | <u>1,301,524</u>        | <u>1,203,936</u>        |
| <b>Liabilities:</b>                            |       |                         |                         |                         |                         |
| Creditors: amounts falling due within one year | 14    | (127,497)               | (68,663)                | (125,290)               | (100,346)               |
| <b>Net current assets</b>                      |       | <u>1,049,614</u>        | <u>1,056,581</u>        | <u>1,176,234</u>        | <u>1,103,590</u>        |
| <b>Total net assets</b>                        |       | <u><u>1,295,045</u></u> | <u><u>1,240,628</u></u> | <u><u>1,413,545</u></u> | <u><u>1,277,628</u></u> |
| <b>The funds of the charity:</b>               |       |                         |                         |                         |                         |
| Unrestricted funds:                            |       |                         |                         |                         |                         |
| General funds                                  |       | 296,969                 | 303,937                 | 642,636                 | 506,719                 |
| Designated funds                               |       | 998,076                 | 936,691                 | 770,909                 | 770,909                 |
| Total unrestricted funds                       | 15    | <u>1,295,045</u>        | <u>1,240,628</u>        | <u>1,413,545</u>        | <u>1,277,628</u>        |
| Restricted funds                               |       | <u>-</u>                | <u>-</u>                | <u>-</u>                | <u>-</u>                |
| <b>Total charity funds</b>                     |       | <u><u>1,295,045</u></u> | <u><u>1,240,628</u></u> | <u><u>1,413,545</u></u> | <u><u>1,277,628</u></u> |

The Trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes on pages 27 – 48 form part of these accounts.

Approved by the Board for issue on ..... and signed on their behalf by:

.....  
R Hawes  
Trustee

**THE PALACE TRUST**  
**STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF**  
**CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

|  |       | 2022      | 2022      | 2021      | 2021      |
|--|-------|-----------|-----------|-----------|-----------|
|  |       | £         | £         | £         | £         |
|  | Notes | Group     | Charity   | Group     | Charity   |
| <b>Cash flows from operating activities</b>                        |       |           |           |           |           |
| Net expenditure for the year                                       |       | (118,500) | (37,000)  | 433,812   | 345,583   |
| Adjustments to cash flows from non-cash items:                     |       |           |           |           |           |
| Depreciation and amortisation                                      | 10    | 51,987    | 28,803    | 42,375    | 20,639    |
| Investment income  | 5     | (5,955)   | (5,604)   | (1,816)   | (390)     |
| Unrealised net (gain) / loss on investments                        | 11    | 6,578     | 6,578     | (6,959)   | (6,959)   |
| (Profit) / loss on disposal of fixed assets                        |       | 2,764     | 2,015     | 525       | 89        |
|  |       | (63,126)  | (5,208)   | 467,937   | 358,962   |
| Working capital adjustments  |       |           |           |           |           |
| Decrease / (increase) in stocks                                    | 12    | (953)     | -         | (1,939)   | (246)     |
| (Increase) / decrease in debtors                                   | 13    | (27,532)  | (5,625)   | 16,034    | 73,380    |
| Increase / (decrease) in creditors                                 | 14    | 2,207     | (31,684)  | (48,762)  | 14,951    |
| Net cash flow from operations                                      |       | (89,404)  | (42,517)  | 433,270   | 447,047   |
| <b>Cash flows from investing activities</b>                        |       |           |           |           |           |
| Purchase of tangible fixed assets                                  | 10    | (90,949)  | (68,904)  | (46,232)  | (15,733)  |
| Proceeds on disposal of fixed assets                               |       | 21,500    | 21,500    | -         | -         |
| Investment income  | 5     | 5,955     | 5,604     | 1,816     | 390       |
|  |       | (63,494)  | (41,800)  | (44,416)  | (15,343)  |
| Net increase in cash and cash equivalents                          |       | (152,898) | (84,317)  | 388,854   | 431,704   |
| Cash and cash equivalents at the beginning of the reporting period |       | 1,264,993 | 1,099,055 | 876,139   | 667,351   |
| Cash and cash equivalents at the end of the reporting period       |       | 1,112,095 | 1,014,738 | 1,264,993 | 1,099,055 |
| Cash & Cash equivalents reconciliation:                            |       |           |           |           |           |
| Cash at bank   |       | 1,112,095 | 1,014,738 | 1,264,993 | 1,099,055 |
| Total cash & cash equivalents at the end of the reporting period   |       | 1,112,095 | 1,014,738 | 1,264,993 | 1,099,055 |

# **THE PALACE TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **1 Accounting Policies**

The principal accounting policies adopted in the preparation of the financial statements are:

##### **1.1 Basis of accounting**

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

The Palace Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) and all amounts are presented in £ sterling.

These financial statements consolidate the results of the Charity and its wholly owned subsidiary, Palace Enterprises (Wells) Limited, on a line by line basis. The "Group" heading within the balance sheet refers to the consolidated accounts of The Palace Trust and Palace Enterprises (Wells) Limited.

In the parent company financial statements the investment in the trading subsidiary is accounted for at cost less impairment.

A separate Statement of Financial Activities or income and expenditure account, for the Charity itself has not been presented because the Charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

##### **1.2 Legal status of the Trust**

The Trust is a company limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

The company is incorporated in England and Wales and the company registered office is detailed on page 1, reference and administration details.

##### **1.3 Going Concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting when preparing the financial statements.

**THE PALACE TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**1.4 Income**

Income from grants and donations is recognised in the year in which they are receivable when there is evidence of entitlement, receipt is probable and the amount can be reliably measured. Where income has not been received for gift aid claims relating to donations received in the year, income is accrued.

Income from government grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Where no conditions are attached to the grant income they are recognised within donations and legacies and where conditions relating to performance of services are attached, grant income is recognised in income from charitable activities within the Statement of Financial Activities.

Income from charitable activities includes membership and admissions income. Membership income is accounted for in full in the year that the membership commences. Admission income is recognised on a cash basis, in the year the income is physically received.

Income from other trading activities, including restaurant income, event income and rental income, is included in the period in which the group is entitled to receipt, it is probable that economic benefits will flow to the entity and the amount can be reliably measured.

The Charity receives income from its subsidiary under gift aid and this is recognised upon physical receipt.

The Charity notes the requirement of the SORP that large charities must report their results on an activities basis. The Charity considers that they produce one activity – the operation of a heritage site – and therefore reports on that basis.

**1.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

**1.6 Expenditure**

Resources expended are recognised on the accruals basis to match the period in which the expenditure was incurred.

Raising funds is expenditure incurred in generating the trading subsidiary funds and from other trading activities carried out by the trust.

Charitable activity expenditure comprises costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and costs of an indirect nature necessary to support them. Grants payable are at the discretion of the Trustees. Governance costs are those costs associated with the governance arrangements of the Charity and relate to general running of the Charity as opposed to those costs associated with charitable activities.

**1.7 Operating leases**

The Trust classifies the lease of properties as operating leases as title remains with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

**THE PALACE TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**1.8 Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of Trust.

Restricted funds are from donations and grants in which the donor or funder has specified are to be solely used for particular areas of the Trust's work or for specific projects being undertaken by the Trust.

**1.9 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Fixed assets under £1,000 are not capitalised. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life as follows:

|                                 |                          |
|---------------------------------|--------------------------|
| Computer equipment              | 3-5 years straight line  |
| Furniture, fittings & equipment | 5 years straight line    |
| Outdoor equipment               | 2-15 years straight line |
| Catering equipment              | 5 years straight line    |

**1.10 Debtors**

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Trust will not be able to collect all amounts due to according to the original terms of the receivables.

Other debtors comprise prepayments and accrued income. Prepayments arise from the payments for services prior to benefit from those services, and accrued income is amounts due for services provided, recognised at the point of provision of the services.

**1.11 Stock**

Stock consists of shop stock for resale and publication stocks. Stock is valued at the lower of cost and net realisable value, after making allowances for obsolete and slow moving stock.

**1.12 Cash at bank and in hand**

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

**1.13 Creditors**

Creditors 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 measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

**THE PALACE TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**11.14 Defined contribution pension**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to defined contribution plans are recognised as staff pension expense through the profit and loss when they are due.

**1.15 Taxation**

As a registered Charity, the company is not liable to corporation tax or capital gains tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax (VAT) is partially recoverable by the company. Any irrecoverable VAT is added to the relevant cost and charged as an expense in the Statement of Financial Activities.

**1.16 Financial Instruments**

The Charity only holds basic financial instruments as defined in FRS 102. The financial assets and liabilities of the Charity and their measurements are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank and deposit accounts– is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**THE PALACE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Donations and legacies

|                                       | Unres-<br>tricted<br>funds<br>£ | Res-<br>tricted<br>funds<br>£ | 2022<br>Total<br>£ | Unres-<br>tricted<br>funds<br>£ | Res-<br>tricted<br>funds<br>£ | 2021<br>Total<br>£ |
|---------------------------------------|---------------------------------|-------------------------------|--------------------|---------------------------------|-------------------------------|--------------------|
| Donations                             | 11,000                          | -                             | 11,000             | 21,346                          | -                             | 21,346             |
| Gift aid                              | 81,286                          | -                             | 81,286             | 96,089                          | -                             | 96,089             |
| <b>Grants</b>                         |                                 |                               |                    |                                 |                               |                    |
| Church Commissioners                  | 59,033                          | -                             | 59,033             | 63,975                          | -                             | 63,975             |
| NLHF Cultural Recovery Fund           | -                               | -                             | -                  | 352,450                         | -                             | 352,450            |
| Historic England- KickStart           | 6,763                           | -                             | 6,763              | -                               | -                             | -                  |
| Other small grants                    | 10,215                          | -                             | 10,215             | 4,898                           | -                             | 4,898              |
| <b>Exceptional government funding</b> |                                 |                               |                    |                                 |                               |                    |
| Job Retention Scheme*                 | -                               | -                             | -                  | 13,317                          | -                             | 13,317             |
| Other government grants*              | -                               | -                             | -                  | 24,500                          | -                             | 24,500             |
|                                       | <u>168,297</u>                  | <u>-</u>                      | <u>168,297</u>     | <u>576,575</u>                  | <u>-</u>                      | <u>576,575</u>     |

The Charity furloughed some of its staff under the governments CJRS in 2021. The funding received in the prior year totalling £13,317 relates to staff costs which are included within note 9 as appropriate. Staff entered into the furlough scheme were those directly involved with trading activity which were required to close in line with Government lockdown rules.

\*Denotes government grants

Income from government grants comprises grants made by local authorities to fund the principal activities and objectives of the Charity via core funding and funding for specific projects. See above for more information, including the amount and source of these grants. There are no unfulfilled conditions or other contingencies attached to these grants.

**THE PALACE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**3. Income from charitable activities**

|                   | Unres-<br>tricted<br>funds<br>£ | Res-<br>tricted<br>funds<br>£ | 2022<br>Total<br>£ | Unres-<br>tricted<br>funds<br>£ | Res-<br>tricted<br>funds<br>£ | 2021<br>Total<br>£ |
|-------------------|---------------------------------|-------------------------------|--------------------|---------------------------------|-------------------------------|--------------------|
| Entrance fees     | 525,625                         | -                             | 525,625            | 501,212                         | -                             | 501,212            |
| Membership income | 99,782                          | -                             | 99,782             | 108,678                         | -                             | 108,678            |
|                   | <u>625,407</u>                  | <u>-</u>                      | <u>625,407</u>     | <u>609,890</u>                  | <u>-</u>                      | <u>609,890</u>     |

**4 Other trading activities**

|                    | Unres-<br>tricted<br>funds<br>£ | Res-<br>tricted<br>funds<br>£ | 2022<br>Total<br>£ | Unres-<br>tricted<br>funds<br>£ | Res-<br>tricted<br>funds<br>£ | 2021<br>Total<br>£ |
|--------------------|---------------------------------|-------------------------------|--------------------|---------------------------------|-------------------------------|--------------------|
| Restaurant income  | 519,126                         | -                             | 519,126            | 543,012                         | -                             | 543,012            |
| Event income       | 71,234                          | -                             | 71,234             | 55,787                          | -                             | 55,787             |
| Event site hire    | 38,586                          | -                             | 38,586             | 39,200                          | -                             | 39,200             |
| Shop income        | 14,416                          | -                             | 14,416             | 16,680                          | -                             | 16,680             |
| Event catering     | 12,119                          | -                             | 12,119             | 7,822                           | -                             | 7,822              |
| Solar panel income | 2,261                           | -                             | 2,261              | 1,973                           | -                             | 1,973              |
| Film income        | 548                             | -                             | 548                | 21,879                          | -                             | 21,879             |
| Rental income      | 352                             | -                             | 352                | 1,912                           | -                             | 1,912              |
| Other income       | -                               | -                             | -                  | 109                             | -                             | 109                |
|                    | <u>658,642</u>                  | <u>-</u>                      | <u>658,642</u>     | <u>688,374</u>                  | <u>-</u>                      | <u>688,374</u>     |

**5 Investment income**

|               | Unres-<br>tricted<br>funds<br>£ | Res-<br>tricted<br>funds<br>£ | 2022<br>Total<br>£ | Unres-<br>tricted<br>funds<br>£ | Res-<br>tricted<br>funds<br>£ | 2021<br>Total<br>£ |
|---------------|---------------------------------|-------------------------------|--------------------|---------------------------------|-------------------------------|--------------------|
| Bank interest | 5,955                           | -                             | 5,955              | 1,816                           | -                             | 1,816              |

**THE PALACE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**6 Expenditure on raising funds**

|                          | <b>Unres-<br/>tricted</b> | <b>Res-<br/>tricted</b> | <b>2022<br/>Total</b> | <b>Unres-<br/>tricted</b> | <b>Res-<br/>tricted</b> | <b>2021<br/>Total</b> |
|--------------------------|---------------------------|-------------------------|-----------------------|---------------------------|-------------------------|-----------------------|
|                          | <b>£</b>                  | <b>£</b>                | <b>£</b>              | <b>£</b>                  | <b>£</b>                | <b>£</b>              |
| Costs of goods sold      | 160,332                   | -                       | 160,332               | 136,193                   | -                       | 136,193               |
| Wages, salaries & agency | 298,954                   | -                       | 298,954               | 262,044                   | -                       | 262,044               |
| Other direct costs       | 96,977                    | -                       | 96,977                | 100,973                   | -                       | 100,973               |
| Event costs              | 50,282                    | -                       | 50,282                | 56,867                    | -                       | 56,867                |
| Commission sales expense | 14,172                    | -                       | 14,172                | 13,071                    | -                       | 13,071                |
| Advertising              | -                         | -                       | -                     | 3,213                     | -                       | 3,213                 |
|                          | <b>620,717</b>            | <b>-</b>                | <b>620,717</b>        | <b>572,361</b>            | <b>-</b>                | <b>572,361</b>        |

**THE PALACE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**7 Charitable activities expenditure**

|                                     | Unres-<br>tricted<br>£ | Res-<br>tricted<br>£ | 2022<br>Total<br>£ | Unres-<br>tricted<br>£ | Res-<br>tricted<br>£ | 2021<br>Total<br>£ |
|-------------------------------------|------------------------|----------------------|--------------------|------------------------|----------------------|--------------------|
| <b>Direct charitable activities</b> |                        |                      |                    |                        |                      |                    |
| Maintenance costs                   | 86,726                 | -                    | 86,726             | 151,573                | -                    | 151,573            |
| Garden maintenance                  | 22,915                 | -                    | 22,915             | 21,381                 | -                    | 21,381             |
| Public acces & education            | 7,168                  | -                    | 7,168              | 5,254                  | -                    | 5,254              |
| <b>Support costs</b>                |                        |                      |                    |                        |                      |                    |
| Wages & salaries                    | 552,856                | -                    | 552,856            | 395,456                | -                    | 395,456            |
| Staff training & recruitment        | 20,934                 | -                    | 20,934             | 50,254                 | -                    | 50,254             |
| Travel & entertainment              | 9,783                  | -                    | 9,783              | 9,806                  | -                    | 9,806              |
| Rent, rates, light & heat           | 48,141                 | -                    | 48,141             | 49,816                 | -                    | 49,816             |
| Cleaning costs                      | 47,041                 | -                    | 47,041             | 21,704                 | -                    | 21,704             |
| Advertising                         | 34,523                 | -                    | 34,523             | 28,921                 | -                    | 28,921             |
| Office costs                        | 61,582                 | -                    | 61,582             | 51,949                 | -                    | 51,949             |
| Subscriptions                       | 4,359                  | -                    | 4,359              | 4,508                  | -                    | 4,508              |
| Legal fees                          | 378                    | -                    | 378                | 11,775                 | -                    | 11,775             |
| Professional fees                   | 13,039                 | -                    | 13,039             | 32,055                 | -                    | 32,055             |
| Accountancy                         | -                      | -                    | -                  | 14,082                 | -                    | 14,082             |
| Bank charges                        | 3,150                  | -                    | 3,150              | 1,280                  | -                    | 1,280              |
| Depreciation                        | 28,139                 | -                    | 28,139             | 20,639                 | -                    | 20,639             |
| Loss on disposal of fixed asset     | 1,728                  | -                    | 1,728              | 88                     | -                    | 88                 |
| <b>Governance</b>                   |                        |                      |                    |                        |                      |                    |
| Auditors fees - audit               | 5,544                  | -                    | 5,544              | 5,830                  | -                    | 5,830              |
| Auditors fees- accountancy          | 1,500                  | -                    | 1,500              | 1,070                  | -                    | 1,070              |
|                                     | <u>949,506</u>         | <u>-</u>             | <u>949,506</u>     | <u>877,441</u>         | <u>-</u>             | <u>877,441</u>     |

**THE PALACE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**7 Expenditure (continued)**

|                              | Charity |        | Subsidiary |        | Total  | Total  |
|------------------------------|---------|--------|------------|--------|--------|--------|
|                              | 2022    | 2021   | 2022       | 2021   | 2022   | 2021   |
|                              | £       | £      | £          | £      | £      | £      |
| Depreciation of owned assets | 28,803  | 20,639 | 23,184     | 21,736 | 51,987 | 42,375 |
| Auditors' remuneration for:  |         |        |            |        |        |        |
| Current auditors             |         |        |            |        |        |        |
| - Audit services             | 6,000   | -      | 4,500      | -      | 10,500 | -      |
| - Other services             | 1,500   | -      | 1,250      | -      | 2,750  | -      |
| Previous auditors            |         |        |            |        |        |        |
| - Audit services             | -       | 5,830  | -          | 4,700  | -      | 10,530 |
| - Other services             | -       | 1,070  | -          | 800    | -      | 1,870  |

**8 Trustee directors**

The Charity Trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2021: £nil).

Three Charity Trustees were reimbursed for travel expenses during the year totalling £1,728 (2021: two Trustees - £1,385). During the year, accommodation totalling £87 was paid to a third party for a Trustee who attended Trustee training (2021: none).

No Charity Trustee received payment for professional or other services supplied to the Charity (2021: £nil).

**THE PALACE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**9 Employees**

|                       | <b>2022</b>    | <b>2022</b>    | <b>2021</b>    | <b>2021</b>    |
|-----------------------|----------------|----------------|----------------|----------------|
|                       | <b>Group</b>   | <b>Charity</b> | <b>Group</b>   | <b>Charity</b> |
|                       | <b>£</b>       | <b>£</b>       | <b>£</b>       | <b>£</b>       |
| Wages and salaries    | 762,400        | 491,328        | 604,765        | 361,503        |
| Social security costs | 49,181         | 33,951         | 32,951         | 21,649         |
| Employer pension      | 40,229         | 27,577         | 24,807         | 17,587         |
|                       | <u>851,810</u> | <u>552,856</u> | <u>662,523</u> | <u>400,739</u> |

**Number of employees**

The average monthly number of employees during the year, calculated on the basis of average headcount, was as follows:

|                             | <b>2022</b>  | <b>2022</b>    | <b>2021</b>  | <b>2021</b>    |
|-----------------------------|--------------|----------------|--------------|----------------|
|                             | <b>Group</b> | <b>Charity</b> | <b>Group</b> | <b>Charity</b> |
|                             | <b>No.</b>   | <b>No.</b>     | <b>No.</b>   | <b>No.</b>     |
| Average employee head count | 51           | 27             | 42           | 23             |
|                             | <u>51</u>    | <u>27</u>      | <u>42</u>    | <u>23</u>      |

The number of employees whose annual emoluments were £60,000 (excluding employer pension costs) or more were:

|                   | <b>2022</b>   | <b>2021</b>   |
|-------------------|---------------|---------------|
|                   | <b>number</b> | <b>number</b> |
| £60,000 - £70,000 | 1             | -             |
|                   | <u>1</u>      | <u>-</u>      |

This employee is not a member of the defined contribution pension scheme.

The key management personnel for the year, comprises the Chief Executive and the Chief Operating Officer (2021: the Chief Executive and Joint Interim Chief Executives). The total employee benefits (includes gross pay, employer pension and employer national insurance) of the key management personnel of the Trust were £120,833 (2021: £112,039).

**Pension costs**

The company operates a defined contribution pension scheme. The charge to the Statement of Financial Activities for the year is shown above.

Contributions totalling £nil (2021 - £nil) were payable to the schemes at the end of the year and are included in creditors.

**THE PALACE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

10 Tangible fixed assets

| Group                   | Computer<br>equipment<br>£ | Furniture,<br>fittings &<br>equipment<br>£ | Outdoor<br>equipment<br>£ | Catering<br>equipment<br>£ | Total<br>£ |
|-------------------------|----------------------------|--|---------------------------|----------------------------|------------|
| <b>Cost</b>             |                            |  |                           |                            |            |
| At 1 January 2022       | 39,806                     | 21,427                                     | 140,256                   | 142,384                    | 343,873    |
| Additions               | -                          | 24,768                                     | 44,136                    | 22,045                     | 90,949     |
| Disposals               | -                          | -  | (26,175)                  | (2,857)                    | (29,032)   |
| At 31 December 2022     | 39,806                     | 46,195                                     | 158,217                   | 161,572                    | 405,790    |
| <b>Depreciation</b>     |                            |  |                           |                            |            |
| At 1 January 2022       | 22,939                     | 14,777                                     | 49,143                    | 75,831                     | 162,690    |
| Charge for the year     | 8,096                      | 4,096                                      | 15,729                    | 24,066                     | 51,987     |
| Eliminated on disposals | (83)                       | -  | (2,578)                   | (2,107)                    | (4,768)    |
| At 31 December 2022     | 30,952                     | 18,873                                     | 62,294                    | 97,790                     | 209,909    |
| <b>Net book value</b>   |                            |  |                           |                            |            |
| At 31 December 2022     | 8,854                      | 27,322                                     | 95,923                    | 63,782                     | 195,881    |
| At 31 December 2021     | 16,867                     | 6,650                                      | 91,113                    | 66,553                     | 181,183    |

**THE PALACE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

10 Tangible fixed assets (continued)

| Charity                 | Computer<br>equipment<br>£ | Furniture,<br>fittings &<br>equipment<br>£ | Outdoor<br>equipment<br>£ | Catering<br>equipment<br>£ | Total<br>£ |
|-------------------------|----------------------------|--|---------------------------|----------------------------|------------|
| <b>Cost</b>             |                            |  |                           |                            |            |
| At 1 January 2022       | 39,806                     | 21,427                                     | 140,256                   | 23,991                     | 225,480    |
| Additions               | -                          | 24,768                                     | 44,136                    | -                          | 68,904     |
| Disposals               | -                          | -  | (26,175)                  | -                          | (26,175)   |
| At 31 December 2022     | 39,806                     | 46,195                                     | 158,217                   | 23,991                     | 268,209    |
| <b>Depreciation</b>     |                            |  |                           |                            |            |
| At 1 January 2022       | 22,939                     | 14,777                                     | 49,143                    | 20,712                     | 107,571    |
| Charge for the year     | 8,096                      | 4,096                                      | 15,729                    | 882                        | 28,803     |
| Eliminated on disposals | (83)                       | -  | (2,578)                   | -                          | (2,661)    |
| At 31 December 2022     | 30,952                     | 18,873                                     | 62,294                    | 21,594                     | 133,713    |
| <b>Net book value</b>   |                            |  |                           |                            |            |
| At 31 December 2022     | 8,854                      | 27,322                                     | 95,923                    | 2,397                      | 134,496    |
| At 31 December 2021     | 16,867                     | 6,650                                      | 91,113                    | 3,279                      | 117,909    |

11 Investments

| Group                          | 2022<br>£ | 2021<br>£ |
|--------------------------------|-----------|-----------|
| <b>Unlisted investments</b>    |           |           |
| Opening balance                | 56,128    | 49,169    |
| Unrealised (loss) / gain       | (6,578)   | 6,959     |
| Closing balance                | 49,550    | 56,128    |
| Historical cost of investments | 33,593    | 33,593    |

The unlisted investments comprise 2,400 shares in the Central Board of Finance of the Church of England Investment Fund.

**THE PALACE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

11 Investments (continued)

| <b>Charity</b>   | <b>2022</b>  | <b>2021</b>  |
|--|--------------|--------------|
|  | <b>£</b>     | <b>£</b>     |
| <b>Unlisted investments</b>                              |              |              |
| Opening balance  | 56,128       | 49,169       |
| Unrealised (loss) / gain                                 | (6,578)      | 6,959        |
|  | <hr/>        | <hr/>        |
| Closing balance  | 49,550       | 56,128       |
|  | <hr/> <hr/>  | <hr/> <hr/>  |
| Historical cost of investments                           | 33,593       | 33,593       |
|  | <hr/> <hr/>  | <hr/> <hr/>  |
| <br><b>Charity investments at market value comprise:</b> |              |              |
|  | <b>Total</b> | <b>Total</b> |
|  | <b>2022</b>  | <b>2021</b>  |
|  | <b>£</b>     | <b>£</b>     |
| Shares in unlisted investments                           | 49,550       | 56,128       |
| Shareholding in Palace Enterprises (Wells) Limited       |              |              |
| Ordinary shares of £1 each                               | 1            | 1            |
|  | <hr/>        | <hr/>        |
|  | 49,551       | 56,129       |
|  | <hr/> <hr/>  | <hr/> <hr/>  |

Palace Enterprises (Wells) Limited (company no 03013064) was incorporated on 23 January 1995 and is a wholly owned trading subsidiary of The Palace Trust. The parent Charity holds 100% of the issued share capital and 100% of the voting rights of the subsidiary trading company.

The principal activities of the company are to provide a fully catered venue for wedding receptions and other events, together with a catering service in the Bishop's Table Restaurant. The registered office is the same as that of the Trust, detailed on page 1. The subsidiary gift aids some of its taxable profits to The Palace Trust, paying corporation tax on any profits retained, and files audited accounts with the Registrar of Companies.

**THE PALACE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

11 Investments (continued)

A summary of the trading results is shown below:

|   | <b>2022</b> | <b>2021</b> |
|---|-------------|-------------|
|   | <b>£</b>    | <b>£</b>    |
| Turnover  | 609,663     | 647,267     |
| Cost of sales                                     | (479,045)   | (426,363)   |
|   | <hr/>       | <hr/>       |
| Gross profit                                      | 130,618     | 220,904     |
| Administrative expenses                           | (150,637)   | (132,675)   |
|   | <hr/>       | <hr/>       |
| Operating profit                                  | (20,019)    | 88,229      |
| Investment income                                 | -           | -           |
|   | <hr/>       | <hr/>       |
| Profit before tax & profit for the financial year | (20,019)    | 88,229      |
| Retained earnings brought forward in subsidiary   | 135,917     | 47,688      |
| Gift aid to The Palace Trust                      | (61,481)    | -           |
|   | <hr/>       | <hr/>       |
| Retained earnings carried forward in subsidiary   | 54,417      | 135,917     |
|   | <hr/>       | <hr/>       |
| The assets and liabilities were:                  |             |             |
| Fixed assets                                      | 61,385      | 63,274      |
| Current assets                                    | 122,595     | 175,533     |
| Current liabilities                               | (129,562)   | (102,889)   |
|   | <hr/>       | <hr/>       |
| Total net assets                                  | 54,418      | 135,918     |
|   | <hr/>       | <hr/>       |
| Called up share capital                           | 1           | 1           |
| Profit and loss reserve                           | 54,417      | 135,917     |
|   | <hr/>       | <hr/>       |
|   | 54,418      | 135,918     |
|   | <hr/>       | <hr/>       |

**THE PALACE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

12 Stocks

|                  | 2022<br>Group<br>£ | 2022<br>Charity<br>£ | 2021<br>Group<br>£ | 2021<br>Charity<br>£ |
|------------------|--------------------|----------------------|--------------------|----------------------|
| Goods for resale | 8,209              | 246                  | 7,256              | 246                  |

13 Debtors

|                                    | 2022<br>Group<br>£ | 2022<br>Charity<br>£ | 2021<br>Group<br>£ | 2021<br>Charity<br>£ |
|------------------------------------|--------------------|----------------------|--------------------|----------------------|
| Trade debtors                      | 14,589             | 441                  | 4,086              | 2,693                |
| Prepayments and accrued income     | 42,218             | 39,091               | 25,189             | 23,997               |
| Amounts owed by group undertakings | -                  | 70,728               | -                  | 77,945               |
|                                    | <u>56,807</u>      | <u>110,260</u>       | <u>29,275</u>      | <u>104,635</u>       |

**THE PALACE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

14 Creditors: Amounts falling due within one year

|                              | <b>2022</b>    | <b>2022</b>    | <b>2021</b>    | <b>2021</b>    |
|------------------------------|----------------|----------------|----------------|----------------|
|                              | <b>Group</b>   | <b>Charity</b> | <b>Group</b>   | <b>Charity</b> |
|                              | <b>£</b>       | <b>£</b>       | <b>£</b>       | <b>£</b>       |
| Trade creditors              | 38,305         | 31,263         | 71,156         | 64,382         |
| Other creditors              | 5,038          | 5,039          | 8,408          | 8,408          |
| Accruals and deferred income | 45,947         | 18,746         | 29,417         | 13,225         |
| Taxation and social security | 38,207         | 13,615         | 16,309         | 14,331         |
|                              | <u>127,497</u> | <u>68,663</u>  | <u>125,290</u> | <u>100,346</u> |

**Deferred Income**

|                                     | <b>2022</b>   | <b>2022</b>    | <b>2021</b>   | <b>2021</b>    |
|-------------------------------------|---------------|----------------|---------------|----------------|
|                                     | <b>Group</b>  | <b>Charity</b> | <b>Group</b>  | <b>Charity</b> |
|                                     | <b>£</b>      | <b>£</b>       | <b>£</b>      | <b>£</b>       |
| Deferred income at 1 January 2022   | 17,017        | 6,325          | 29,201        | 8,485          |
| Released from previous years        | (17,017)      | (6,325)        | (29,201)      | (8,485)        |
| Resources deferred in the year      | 30,637        | 9,187          | 17,017        | 6,325          |
| Deferred income at 31 December 2022 | <u>30,637</u> | <u>9,187</u>   | <u>17,017</u> | <u>6,325</u>   |

At the balance sheet date the trust was holding funds received in advance for events to be held in 2023.

**THE PALACE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

15 Summary of movement in funds - Group

|                                   | Opening<br>balance<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>& gains<br>£ | Closing<br>balance<br>£ |
|-----------------------------------|-------------------------|------------------|--------------------|---------------------------|-------------------------|
| <b>Unrestricted funds - Group</b> |                         |                  |                    |                           |                         |
| General                           | 642,636                 | 1,458,301        | (1,517,147)        | (286,821)                 | 296,969                 |
| <b>Designated funds - Group</b>   |                         |                  |                    |                           |                         |
| Palace interpretation             | 653,000                 | -                | -                  | (300,805)                 | 352,195                 |
| Trust reserve                     | -                       | -                | -                  | 450,000                   | 450,000                 |
| Fixed assets                      | 117,909                 | -                | (53,076)           | 131,048                   | 195,881                 |
| <b>Total designated funds</b>     | <b>770,909</b>          | <b>-</b>         | <b>(53,076)</b>    | <b>280,243</b>            | <b>998,076</b>          |
| <b>Total funds</b>                | <b>1,413,545</b>        | <b>1,458,301</b> | <b>(1,570,223)</b> | <b>(6,578)</b>            | <b>1,295,045</b>        |

Summary of movement in funds- Charity

|                                     | Opening<br>balance<br>£ | Income<br>£    | Expenditure<br>£   | Transfers<br>& gains<br>£ | Closing<br>balance<br>£ |
|-------------------------------------|-------------------------|----------------|--------------------|---------------------------|-------------------------|
| <b>Unrestricted funds - Charity</b> |                         |                |                    |                           |                         |
| General                             | 506,719                 | 983,538        | (984,093)          | (202,227)                 | 303,937                 |
| <b>Designated funds - Charity</b>   |                         |                |                    |                           |                         |
| Palace interpretation               | 653,000                 | -              | -                  | (300,805)                 | 352,195                 |
| Trust reserve                       | -                       | -              | -                  | 450,000                   | 450,000                 |
| Fixed assets                        | 117,909                 | -              | (29,867)           | 46,454                    | 134,496                 |
| <b>Total designated funds</b>       | <b>770,909</b>          | <b>-</b>       | <b>(29,867)</b>    | <b>195,649</b>            | <b>936,691</b>          |
| <b>Total funds</b>                  | <b>1,277,628</b>        | <b>983,538</b> | <b>(1,013,960)</b> | <b>(6,578)</b>            | <b>1,240,628</b>        |

**THE PALACE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

Summary of movement in funds – Group (2021)

|                                   | Opening<br>balance<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>& gains<br>£ | Closing<br>balance<br>£ |
|-----------------------------------|-------------------------|------------------|--------------------|---------------------------|-------------------------|
| <b>Unrestricted funds - Group</b> |                         |                  |                    |                           |                         |
| General                           | 800,415                 | 1,876,655        | (1,396,889)        | (637,545)                 | 642,636                 |
| <b>Designated funds - Group</b>   |                         |                  |                    |                           |                         |
| Palace interpretation             | 24,140                  | -                | -                  | 628,860                   | 653,000                 |
| Fixed assets                      | 122,904                 | -                | (20,639)           | 15,644                    | 117,909                 |
| Cultural Recovery Fund            | 32,274                  | -                | (32,274)           | -                         | -                       |
| <b>Total designated funds</b>     | <b>179,318</b>          | <b>-</b>         | <b>(52,913)</b>    | <b>644,504</b>            | <b>770,909</b>          |
| <b>Total funds</b>                | <b>979,733</b>          | <b>1,876,655</b> | <b>(1,449,802)</b> | <b>6,959</b>              | <b>1,413,545</b>        |

Summary of movement in funds – Charity- 2021

|                                     | Opening<br>balance<br>£ | Income<br>£      | Expenditure<br>£ | Transfers<br>& gains<br>£ | Closing<br>balance<br>£ |
|-------------------------------------|-------------------------|------------------|------------------|---------------------------|-------------------------|
| <b>Unrestricted funds - Charity</b> |                         |                  |                  |                           |                         |
| General                             | 752,727                 | 1,294,994        | (903,457)        | (637,545)                 | 506,719                 |
| <b>Designated funds - Charity</b>   |                         |                  |                  |                           |                         |
| Palace interpretation               | 24,140                  | -                | -                | 628,860                   | 653,000                 |
| Fixed assets                        | 122,904                 | -                | (20,639)         | 15,644                    | 117,909                 |
| Cultural Recovery Fund              | 32,274                  | -                | (32,274)         | -                         | -                       |
| <b>Total designated funds</b>       | <b>179,318</b>          | <b>-</b>         | <b>(52,913)</b>  | <b>644,504</b>            | <b>770,909</b>          |
| <b>Total funds</b>                  | <b>932,045</b>          | <b>1,294,994</b> | <b>(956,370)</b> | <b>6,959</b>              | <b>1,277,628</b>        |

**THE PALACE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

Summary of movement in funds (continued)

Purpose of material funds:

- Designated funds
- The Palace interpretation fund relates to a large development project currently in the planning phase which aims to enhance the visitor experience in the Palace building.
- The fixed assets funds represent the net book value of the assets held.
- The cultural recovery fund represents designated funds to support the Charity through the COVID-19 pandemic.

16 Analysis of assets between funds – Group

|                               | Tangible<br>fixed<br>assets<br>£ | Cash at<br>bank and<br>in hand<br>£ | Other net<br>current<br>assets/<br>(liabilities)<br>£ | Creditors<br>more than<br>one year<br>£ | Total<br>£       |
|-------------------------------|----------------------------------|-------------------------------------|---|---|------------------|
| Unrestricted funds            | 49,550                           | 309,900                             | (62,481)  | -                                       | 296,969          |
| Designated funds              | 195,881                          | 802,195                             | -   | -                                       | 998,076          |
| Restricted funds              | -                                | -                                   | -   | -                                       | -                |
| <b>As at 31 December 2022</b> | <b>245,431</b>                   | <b>1,112,095</b>                    | <b>(62,481)</b>                                       | <b>-</b>                                | <b>1,295,045</b> |

Analysis of assets between funds – Charity

|                               | Tangible<br>fixed<br>assets<br>£ | Cash at<br>bank and<br>in hand<br>£ | Other net<br>current<br>assets/<br>(liabilities)<br>£ | Creditors<br>more than<br>one year<br>£ | Total<br>£       |
|-------------------------------|----------------------------------|-------------------------------------|---|---|------------------|
| Unrestricted funds            | 49,551                           | 212,543                             | 41,843  | -                                       | 303,937          |
| Designated funds              | 134,496                          | 802,195                             | -   | -                                       | 936,691          |
| Restricted funds              | -                                | -                                   | -   | -                                       | -                |
| <b>As at 31 December 2022</b> | <b>184,047</b>                   | <b>1,014,738</b>                    | <b>41,843</b>   | <b>-</b>                                | <b>1,240,628</b> |

**THE PALACE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

Analysis of assets between funds – Group - 2021

|                               | <b>Tangible<br/>fixed<br/>assets<br/>£</b> | <b>Cash at<br/>bank and<br/>in hand<br/>£</b> | <b>Other net<br/>current<br/>assets/<br/>(liabilities)<br/>£</b> | <b>Creditors<br/>more than<br/>one year<br/>£</b> | <b>Total<br/>£</b> |
|-------------------------------|--|---|--|---|--------------------|
| Unrestricted funds            | 56,128                                     | 675,267                                       | (88,759)   | -   | 642,636            |
| Designated funds              | 181,183                                    | 589,726                                       | -  | -   | 770,909            |
| Restricted funds              | -  | -   | -  | -   | -                  |
| <b>As at 31 December 2021</b> | <b>237,311</b>                             | <b>1,264,993</b>                              | <b>(88,759)</b>  | <b>-</b>  | <b>1,413,545</b>   |

Analysis of assets between funds – Charity – 2021

|                               | <b>Tangible<br/>fixed<br/>assets<br/>£</b> | <b>Cash at<br/>bank and<br/>in hand<br/>£</b> | <b>Other net<br/>current<br/>assets/<br/>(liabilities)<br/>£</b> | <b>Creditors<br/>more than<br/>one year<br/>£</b> | <b>Total<br/>£</b> |
|-------------------------------|--|---|--|---|--------------------|
| Unrestricted funds            | 56,129                                     | 446,055                                       | 4,535  | -   | 506,719            |
| Designated funds              | 117,909                                    | 653,000                                       | -  | -   | 770,909            |
| Restricted funds              | -  | -   | -  | -   | -                  |
| <b>As at 31 December 2021</b> | <b>174,038</b>                             | <b>1,099,055</b>                              | <b>4,535</b>   | <b>-</b>  | <b>1,277,628</b>   |

**THE PALACE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

17 Income and expenditure account of the Trust

The company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own Income and Expenditure Account or separate Statement of Financial Activities.

Prior to gift aid amounts received from the subsidiary, The Palace Trust has net expenditure for the year of £98,481 (2021 - income £345,583) based on income of £848,638 (2021 - £1,294,994). Gift aid distributions from trading subsidiary of £61,481 (2021: £nil) were received in the year, in which the amount relates to the prior year trading profits plus an additional distribution during the year.

18 Obligations under leases

Operating leases

The total future minimum rentals payable under non-cancellable operating leases funded by unrestricted funds are as follows:

|                           | 2022<br>£   | 2021<br>£   |
|---------------------------|-------------|-------------|
| <b>Other</b>              |             |             |
| Expiry date:              |             |             |
| Within one year           | 1,570       | 1,570       |
| Within two and five years | 4,709       | 6,278       |
|                           | <hr/>       | <hr/>       |
|                           | 6,279       | 7,848       |
|                           | <hr/> <hr/> | <hr/> <hr/> |

In addition to the above, the Trust has a non-exclusive licence (by way of a management agreement) to occupy the Palace and the gardens with the Church Commissioners to the end of 2025.

19 Related party transactions

The Charity has taken advantage of the exemption in FRS 102 “Related Party Disclosures” from disclosing transactions with other members of the group.

The chief executive was charged £1,030 (2021: £nil) in rent for the use of the Gatehouse during the year. A balance of £nil (2021: £nil) was outstanding at the year end. This is considered to be a market rent.

**THE PALACE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

20 Financial instruments

|   | 2022<br>Group<br>£ | 2022<br>Charity<br>£ | 2021<br>Group<br>£ | 2021<br>Charity<br>£ |
|---|--------------------|----------------------|--------------------|----------------------|
| Financial assets that are fair value through income & expenditure account | 49,550             | 49,550               | 56,128             | 56,128               |
| Financial assets that are debt instruments measured at amortised cost     | 1,153,801          | 1,113,025            | 1,287,443          | 1,198,058            |
|   | <u>1,203,351</u>   | <u>1,162,575</u>     | <u>1,343,571</u>   | <u>1,254,186</u>     |
| Financial liabilities measured at amortised cost                          | 58,653             | 45,861               | 91,964             | 79,690               |
|   | <u>58,653</u>      | <u>45,861</u>        | <u>91,964</u>      | <u>79,690</u>        |

**Items of Income, expenditure, gain and loss (group and charity)**

|   | Income<br>£ | Expense<br>£ | Net gains<br>£ | Net losses<br>£ |
|---|-------------|--------------|----------------|-----------------|
| <b>2022</b>   |             |              |                |                 |
| Financial assets that are fair value through income & expenditure account | -           | -            | -              | 6,579           |
| Financial assets measured at amortised cost                               | -           | -            | -              | -               |
| Financial liabilities measured at amortised cost                          | -           | -            | -              | -               |
|   | <u>-</u>    | <u>-</u>     | <u>-</u>       | <u>6,579</u>    |
| <b>2021</b>   |             |              |                |                 |
| Financial assets that are fair value through income & expenditure account | -           | -            | 6,959          | -               |
| Financial assets measured at amortised cost                               | -           | -            | -              | -               |
| Financial liabilities measured at amortised cost                          | -           | -            | -              | -               |
|   | <u>-</u>    | <u>-</u>     | <u>6,959</u>   | <u>-</u>        |

**THE PALACE TRUST**

England & Wales - Charity number 1160830

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# Accounts

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The Bishop's Palace

WELLS • SOMERSET

**THE PALACE TRUST, A COMPANY LIMITED BY GUARANTEE**

**COMPANY NO. 09404519**

**REGISTERED CHARITY NO. 1160830 (ENGLAND & WALES)**

**CHARITY & GROUP CONSOLIDATED FINANCIAL STATEMENTS WITH**

**GROUP ANNUAL DIRECTORS REPORT**

**YEAR ENDED 31 DECEMBER 2021**

# THE PALACE TRUST

## CHARITY & GROUP CONSOLIDATED FINANCIAL STATEMENTS WITH GROUP ANNUAL DIRECTORS REPORT

YEAR ENDED 31 DECEMBER 2021

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# THE PALACE TRUST

## REFERENCE & ADMINISTRATIVE INFORMATION

YEAR ENDED 31 DECEMBER 2021

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|                                  |  |                                      |
|----------------------------------|--|--------------------------------------|
| <b>Chair</b>                     | <i>Rear Admiral D Wood</i>   |                                      |
| <b>Vice Chair</b>                | <i>Mr P Stickland</i>  |                                      |
| <b>Trustees/Directors</b>        | <i>Mr M Blandford</i>  | <i>(resigned 18 November 2021)</i>   |
|                                  | <i>Ms M Boylan</i>   |                                      |
|                                  | <i>Very Revd Dr J Davies</i>   |                                      |
|                                  | <i>Mr N Denison</i>  |                                      |
|                                  | <i>Mr P Dickinson</i>  | <i>(appointed 1 October 2021)</i>    |
|                                  | <i>Lady E Gass</i>   |                                      |
|                                  | <i>Mr R Hawes</i>  | <i>(appointed 1 December 2021)</i>   |
|                                  | <i>Mr Michael Minta</i>  |                                      |
|                                  | <i>Mrs C Reed</i>  | <i>(appointed 1 December 2021)</i>   |
|                                  | <i>Mr B Roberts-Wray</i>   |                                      |
|                                  | <i>Mr P Stickland</i>  |                                      |
|                                  | <i>Rt Revd T Willmott</i>  | <i>(appointed 14 September 2021)</i> |
|                                  | <i>Mrs J Wills</i>   |                                      |
|                                  | <i>Rt Revd R Worsley</i>   | <i>(appointed 25 May 2021)</i>       |
| <b>Company No.</b>               | <i>09404519</i>  |                                      |
| <b>Charity Registered Number</b> | <i>1160830</i>   |                                      |
| <b>Registered Office</b>         | <i>The Bishop's Palace</i><br><i>Wells</i><br><i>Somerset</i><br><i>BA5 2PD</i>  |                                      |
| <b>Company Secretary</b>         | <i>Mrs R Martin</i>  | <i>(resigned 15 October 2021)</i>    |
|                                  | <i>Mrs N Lansdown</i>  | <i>(appointed 1 December 2021)</i>   |
| <b>Treasurer</b>                 | <i>Mr N Denison</i>  |                                      |
| <b>Auditor</b>                   | <i>Burton Sweet Limited</i><br><i>The Clock Tower</i><br><i>5 Farleigh Court</i><br><i>Old Weston Road</i><br><i>Flax Bourton</i><br><i>Bristol</i><br><i>BS48 1UR</i> |                                      |
| <b>Bankers</b>                   | <i>National Westminster Bank plc</i><br><i>7 High Street</i><br><i>Wells</i><br><i>Somerset</i><br><i>BA5 2AD</i>  |                                      |

# THE PALACE TRUST

## TRUSTEES' ANNUAL REPORT

### YEAR ENDED 31 DECEMBER 2021

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The Trustees present their report and financial statements for the 12 month period ended 31 December 2021. The financial statements have been prepared in accordance with the Financial Reporting Standard (FRS102) and the Charities SORP (FRS102) based thereon. The Trustees who served from 1 January to 31 December 2021 are listed on the previous page.

#### Strategic Aims

The charitable purposes of The Palace Trust are to preserve for the benefit of the public the fabric of The Bishop's Palace and to promote such charitable purposes as will advance the religious and other charitable work of the Church of England.

Today, The Palace Trust seeks to conserve and share the Palace and its story as a place of enjoyment and reflection for the benefit of all. The charity fulfils its purpose by taking forward detailed actions that meet five strategic objectives covering:

#### 1. Reach more and a wider range of people

Our ambition is to welcome 160,000 visitors to the Palace by 2025. The ambition is based on three approaches. First, the development of the visitor offer, with significantly improved interpretation around the built heritage of the site. Second, a broader, more dynamic public events programme. Third, making our heritage accessible to those who will benefit from it the most, who do not currently have the means to engage.

#### 2. Be a national beacon for community engagement and wellbeing

We want the Palace to be a best practice model of community engagement. We are moving to a new way of working where people will always come first. We will start with our staff, volunteers and visitors and extend out beyond our moat to become the beating heart of our local community, welcoming supporting and engaging all who can benefit from our incredible resource. We will actively champion our gardens and programming as a resource for peoples on-going wellbeing.

#### 3. Realise the next phase of The Bishop's Palace development

By 2025 The Palace Trust will have transformed the visitor experience of the Palace buildings. New interpretation will be engaging, immersive and will transform people's understanding and enjoyment of The Bishop's Palace.

#### 4. Invest in a sustainable future

A sustainable future hangs on three key areas, sustainability in terms of environmental impact, financial and social sustainability as we re-engage people who may be fearful of reintegration into society following the pandemic. The Palace Trust will have made substantial progress towards a net zero carbon footprint by 2025 and will have rebuilt reserves depleted during the coronavirus pandemic.

#### 5. Become a centre of excellence in the field of horticulture

The Gardens are the Palace's (as a heritage attraction) primary asset. The next step in furthering the work that has been done in previous years to make them a centre for inspiring and training the next generation of gardeners.

#### Public Benefit

In setting The Palace Trust's preceding aims and following objectives and activities, the Trustees have given careful consideration to the Charity Commission's guidance on public benefit and continue to preserve and

# THE PALACE TRUST

## TRUSTEES' ANNUAL REPORT

### YEAR ENDED 31 DECEMBER 2021

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make accessible The Bishop's Palace and its fourteen acres of gardens to the public, as a place of historic, architectural and landscape interest.

The Palace Trust achieves its purpose by opening the site to the public throughout the year, aiming to engage a diverse audience through a programme of public events, activities, exhibitions, its commercial activities and community engagement programme. The Bishop's Palace is central to the experience and enjoyment of Wells and will remain so as The Palace Trust continues to grow and expand its public offer, in particular with the introduction of community engagement measures designed to reach out to those most in need for little or no cost to them. The Palace Trust undertakes an annual plan of conservation and repair works ensuring The Bishop's Palace remains in the public domain for future generations.

#### **Objectives and Activities**

##### **Objectives**

The Palace Trust continued to carry out the objectives for which it was established, namely, to preserve and make accessible The Bishop's Palace and its fourteen acres of gardens to the public, as a place of historic, architectural and landscape interest

##### **Activities**

2021 was again impacted by Covid although less severely than in 2020. Although the Gardens remained open throughout the year, however ability to trade was hit by restrictions inside the Palace buildings, and in particular, in the café. On 17<sup>th</sup> May, indoor hospitality and tourism reopened along with hotels. On 19<sup>th</sup> July (nearly a month later than originally expected) most other restrictions were removed. Visitor sales did not recover fully until June, but the Gardens were popular with locals throughout the lockdown period.

Access to the Gardens provided peace and mental and physical health benefits to a widening audience. Those in the local area continued to appreciate the yearly 'People's Ticket' and Membership sales also increased. The Community Garden was enhanced by the appointment of a Community Gardener with a focus on encouraging groups to benefit from this resource. The ever-popular Antiques Roadshow was filmed at the Palace among a busy programme of popular events including outdoor theatre, and new events such as outdoor exercise and wellness classes, and folk singing, bringing a sense of normality to members and visitors in abnormal times, along with other perennial events such as the Garden Festival, Christmas Markets and Christmas Lights and Decorations.

Projects were begun to develop the site and how visitors enjoy it, to create a new Visitor Reception, and to begin working towards carbon net zero.

##### **Achievements and Performance**

In 2021 the Palace achieved the Visit England Gold Standard Award in recognition for the excellent standards in our facilities and visitor welcome.

The year was extremely successful, despite the difficult operating environment, in that the Palace welcomed the highest ever number of visitors to the site, with 140,000 paying visitors and over 500,000 in the Free Area. This represented a 40% increase in Visitor numbers from 2020, and exceeded the objectives set by almost 20%.

The People's Ticket, introduced in May 2020, continues to support our charitable aims by allowing local people to visit as many times as they like for a 12-month period. Feedback from local people has continued to show great appreciation for this, and for allowing them to feel a sense of ownership of this historic site, and that it isn't "just for tourists and the wealthy".

# THE PALACE TRUST

## TRUSTEES' ANNUAL REPORT

### YEAR ENDED 31 DECEMBER 2021

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A further success was in maintaining excellent levels of Palace Memberships, which was retargeted towards supporters who wished to engage more with the Trust (as a cost of double the People's Ticket). New open evenings, talks and tours were conceived to give added benefit, along with advance booking options for popular events. Performance is significantly above both expectations and objectives set for the year and is a good indicator of the level of support for the Palace and its aims amongst the local community.

Our Community Engagement programme grew further, and a Community Engagement Assistant was appointed in autumn 2021 to enable more work to be done in this area.

A Community Membership scheme was devised and implemented, and 50 free group memberships were given out to community groups in order to enable access for those who were least likely to be able to visit previously. These include Mental Health groups, school groups, vulnerable adults groups, groups from the food bank centre and many more. Their ability to visit has allowed them to experience something new and discover this stunning site on their doorstep.

Community Engagement work involved a total of 68 organisations throughout the year and the impact upon many of these groups has been substantial in terms of delivering joy and opportunities in a very difficult period. Other schemes focused on widening access for groups to be able to meet safely, using the resources of the Palace for free. These included weekly and monthly meet ups in our Education Room, Gardens and Café for several groups who would otherwise have struggled to maintain their meetings.

An initiative to give out a small percentage of free tickets for events for those who would not otherwise be able to experience them was begun. These included free Father Christmas tickets for a children's hospice, and for those on Pupil Premium. Also 40 People's Tickets were donated to Wells Food Bank, and weekly collections of vegetables grown on site were made to them.

Our education and learning objectives were fully met via our apprentice and intern schemes, with a Digital Marketing Apprentice in association with Strode College and interns from Bristol University. We also had a successful Kickstart Scheme placement in our Gardens who went on to find other work subsequently. A team from Bristol University also came to carry out an environmental project at the Palace. We held a sculpture trail in association with Wells Cathedral and Wells and Mendip Museum, and 7 school groups were able to visit at a reduced rate to engage with this.

We also offered free school visits to the 70 schools nearest to the Palace, of which around 10% took up the offer. This was a lower than anticipated number due to the effects on school trips of the pandemic. A new scheme to offer 10 free places every week to local parishes from Bath & Wells Diocese was also agreed in 2021.

In line with the Trust's sustainability aims, consultations were held to direct the best path towards reaching net zero, and the first stage of a metering and monitoring system for energy usage was installed. A 10 point charter was created to map out 10 points towards reducing the Palace's negative impact on the environment.

### **Volunteering Opportunities**

The number of volunteering opportunities returned to pre-Covid levels as restrictions eased and confidence grew, and a group of around 150 volunteers assisted the staff to run the site in 2021.

The Trust is extremely grateful for the loyalty and contribution of its volunteers without which it could not function effectively as a site, and is delighted that so many of its volunteers have returned, along with new volunteers, in 2021.

### **Plans for Future Periods**

2021 was the first year of the five-year strategy. The Senior Management Team welcomed the clarity and vision of the strategy. The Chief Executive and the Senior Management Team were closely involved with

# THE PALACE TRUST

## TRUSTEES' ANNUAL REPORT

### YEAR ENDED 31 DECEMBER 2021

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Trustees in the creation of the Plan. There was a real sense of ownership and all have a strong commitment to implementation over the next five years. Several factors were impacted by the pandemic, but the 5 year plan is still expected to be achieved by 2025.

Plans for a new Visitor Reception to be built in 2022 are well underway, along with the use of the Medieval Gatehouse to house the growing staff team, and a consultant has been appointed to assist with exploration of themes for future reinterpretation of the Palace Buildings.

#### Financial Review

The Palace Trust's financial position improved over the year. At year end, the Trust had unrestricted net assets (excluding the trading subsidiary), of £1,277,628, £653,000 of which is designated and £117,909 is Tangible fixed assets. This position reflects our ability to innovate and act quickly in a crisis, attract grant funding, and continue as a location for filming. It is the charity's policy not to commit The Palace Trust to any new major programme of work until sufficient funds are accumulated in reserves to satisfy existing obligations.

#### Risk Policy

The Trustees undertook a comprehensive review of risks during the past year and maintain a register of those risks which would affect the reputation and financial status of The Palace Trust. This register is maintained by the Trustees and includes a ranking of risk that takes account of likelihood and severity of impact. Risks that could have a material impact on The Palace Trust are singled out for particular attention.

- A prolonged period of inclement weather. Wet weather can lead to a drop in footfall and thus visitor income. This is mitigated by steps taken to increase footfall in the shoulder months thereby reducing the reliance on summer months, and in the long term to develop the site as an all-weather attraction.
- Long term conservation and use of the site. The Bishop's Palace and gardens is owned by the Church Commissioners and the long-term conservation and use of the site is governed by a Management Agreement between The Palace Trust and Church Commissioners. Regular communication in combination with a regularly reviewed agreement ensures continuity and preservation of the 800-year-old Palace.
- The pandemic recovery plan is unsuccessful and further restrictions are enforced during the year, reducing visitor income. We will continue to adapt the visitor offer to the current measures, make use of government assistance, seek grant funding where possible and increase our reserves requirement.

#### Reserves Policy

The Charity hold totals funds of £1,277,628 at the end of the financial year. Free reserves available for the use by the Charity are deemed to be those that are readily realisable, less funds whose uses are restricted or else designated for particular purposes. The calculation therefore excluded £117,909 tangible fixed assets that will continue to be used in the day-to-day running and restricted funds of £nil. It also excludes other designated funds of £653,000, which exists to fund various projects to conserve and enhance the Bishops Palace.

As a matter of policy, each year the Trustees review the level of free reserves. The Board considers the exposure to major risks in terms of their likely impact on its income sources and planned expenditure in the medium term. The policy for unrestricted general reserves at the year-end to be of sufficient size to cover the period from January to March where The Palace Trust runs a deficit

# THE PALACE TRUST

## TRUSTEES' ANNUAL REPORT

### YEAR ENDED 31 DECEMBER 2021

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At present the target range for free reserves is £239k to £478k which equates to between 3 and 6 months of reported expenditure.

At the year end, the actual free reserves were £507k, The Trustees recognise this is slightly above their target range by £29k however, re-investment into the Trust is anticipated with environmental and interpretation projects planned.

#### **Structure, Governance and Management**

##### **Constitution of The Palace Trust**

The Palace Trust was set up in 1968 by Trust Deed in order to preserve The Bishop's Palace in Wells for: inspection by the public as a place of historic and architectural interest; and the advancement of charitable worth of the Church of England in a manner chosen from time to time by the Trustees and approved by the Church Commissioners. The Palace Trust Memorandum and Articles were incorporated in January 2015 and the charitable aims are to preserve for the benefit of the public the fabric of The Bishop's Palace (as a place of historic and architectural interest) in order to facilitate access to The Bishop's Palace by the public for their education and interest, and to promote such charitable purposes as will advance the religious and other charitable work of the Church of England in such manner as the Trustees shall from time to time decide and are approved by the Church Commissioners.<sup>1</sup>

Today, The Palace Trust continues to work towards these charitable aims, by opening The Bishop's Palace and its fourteen acres of gardens up to the public and running it as a heritage site, visitor attraction and registered charity.

##### **Organisational Structure and Management**

The Board of Trustees meet six times a year to discuss organisational progress and to agree major decisions around strategy and budget. The Chief Executive is responsible for implementing the organisational strategy and for devising and implementing the business plan. The Chief Executive Rosie Martin Resigned in October 2021 and was replaced on Interim basis by Merryn Kidd and James Cross until December 2021. Jan Wallwork Clarke appointed in November 2021 as Chief Executive with start date of January 2022. Department heads are responsible for the day to day running of The Bishop's Palace including Director of Development and Transformation, visitor services, catering, Finance & HR, marketing, venue hire, volunteer management, gardening, property, and collections.

A total of 49 staff were employed by the Trust and its subsidiary during the 12-month period ended 31 December 2021 with 42 in post at 31 December 2021 Volunteering returned to nearer normal levels in 2021.

##### **Recruitment, induction and training of Trustees**

Trustees are appointed according to the skills and experience required to deliver a successful operation. New Trustees are recruited via advertisement and application. Interviews are carried out by a Trustee panel before a decision on whether to appoint is made. The introduction of fixed term appointments and succession planning framework will be drawn up by the proposed new Staffing Committee. This and other specific sub committees to the Board are expected to be formed in the first part of 2022 to deliver support in targeted areas such as Governance, EDI, Finance and Fundraising as well as in the areas of Conservation and Curation of the Built Historic heritage assets.

New Trustees are provided with an induction pack and associated papers, which include a copy of the Governing Documents, previous audited accounts, recent Trustees' meeting minutes, dates of forthcoming

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<sup>1</sup> The Bishop's Palace is owned by The Church Commissioners, with control of the land and buildings delegated to The Palace Trust, as outlined in a Management Agreement.

# THE PALACE TRUST

## TRUSTEES' ANNUAL REPORT

### YEAR ENDED 31 DECEMBER 2021

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meetings, plus information on the history of The Bishop's Palace and the objects and organisational structure of The Palace Trust. A detailed induction programme is in place involving the Chair of Trustees and key members of staff.

#### **Relationship with other entities**

The management of catering, events (both corporate and private) and filming is undertaken by Palace Enterprises (Wells) Ltd ('PEL'), which is a wholly owned subsidiary of The Palace Trust. Income generated by this subsidiary may be donated to the charity by way of an annual Gift Aid donation if available from distributable profits.

#### **Statement of Trustees' Responsibilities**

The Trustees are responsible for preparing the Report of the Board of Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the group and of the incoming resources and application of resources, including income and expenditure, of the group for the year. In preparing those financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011 and the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Provision of Information to Auditor**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware and that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditor are aware of that information.

#### **Appointment of Auditor**

The Trustees / Directors have appointed Burton Sweet for the audit of the 2021 financial statements.

This report was approved by the Board on 19 May 2022 and signed on its behalf by:

Rear Admiral David Wood - Chair  
The Palace Trust  
The Bishop's Palace  
Wells, Somerset BA5 2PD

## THE PALACE TRUST

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PALACE TRUST

YEAR ENDED 31 DECEMBER 2021

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#### Opinion

We have audited the financial statements of The Palace Trust (the "the parent Charity") and its subsidiary, Palace Enterprises (Wells) Limited (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's members those matters we are required to state in 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's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the Charity's affairs as at 31 December 2021 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

## THE PALACE TRUST

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PALACE TRUST

YEAR ENDED 31 DECEMBER 2021

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

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity, the group and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report (incorporating the director's report). We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, 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 they 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 the 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 its subsidiary or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

## THE PALACE TRUST

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PALACE TRUST

#### YEAR ENDED 31 DECEMBER 2021

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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.

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the parent charity and its subsidiary through discussions with directors and other management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements of the operations of the parent charity and its subsidiary, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance through the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the parent charity and its subsidiary's remuneration policies.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the parent charity and subsidiary's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

**THE PALACE TRUST**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PALACE TRUST**

**YEAR ENDED 31 DECEMBER 2021**

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Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm) This description forms part of our auditor's report.

**Joshua Kingston ACA (Senior Statutory Auditor)**

For and on behalf of Burton Sweet Limited  
Statutory Auditor  
The Clock Tower  
5 Farleigh Court  
Old Weston Road  
Flax Bourton  
Bristol BS48 1UR

Date: .....

# THE PALACE TRUST

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including Income & Expenditure Account)

YEAR ENDED 31 DECEMBER 2021

|  | Note      | Unrestricted<br>General<br>Funds<br>£ | Unrestricted<br>Designated<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>Funds<br>2021<br>£ | Total<br>Funds<br>2020<br>£ |
|--|-----------|---------------------------------------|--|--------------------------|-----------------------------|-----------------------------|
| <b>Income from:</b>                          |           |                                       |  |                          |                             |                             |
| Donations and legacies                       | 2         | 576,575                               | -  | -                        | 576,575                     | 758,635                     |
| Charitable activities                        | 3         | 609,890                               | -  | -                        | 609,890                     | 410,029                     |
| Other trading activities                     | 4         | 688,374                               | -  | -                        | 688,374                     | 447,492                     |
| Investments                                  | 5         | 1,816                                 | -  | -                        | 1,816                       | 2,667                       |
| <b>Total income</b>                          |           | <b>1,876,655</b>                      | <b>-</b>                                 | <b>-</b>                 | <b>1,876,655</b>            | <b>1,618,823</b>            |
| <b>Expenditure on:</b>                       |           |                                       |  |                          |                             |                             |
| Raising funds                                | 6         | 572,361                               | -  | -                        | 572,361                     | 485,939                     |
| Charitable activities                        | 8         | 824,528                               | 52,913                                   | -                        | 877,441                     | 724,385                     |
| <b>Total expenditure</b>                     |           | <b>1,396,889</b>                      | <b>52,913</b>                            | <b>-</b>                 | <b>1,449,802</b>            | <b>1,210,324</b>            |
| Gains/(losses) on investments                | 16        | 6,959                                 | -  | -                        | 6,959                       | 3,164                       |
| <b>Net income/(expenditure)</b>              | <b>10</b> | <b>486,725</b>                        | <b>(52,913)</b>                          | <b>-</b>                 | <b>433,812</b>              | <b>411,663</b>              |
| Transfers between funds                      | 22        | (644,504)                             | 644,504                                  | -                        | -                           | -                           |
| <b>Net movement in funds before taxation</b> |           | <b>(157,779)</b>                      | <b>591,591</b>                           | <b>-</b>                 | <b>433,812</b>              | <b>411,663</b>              |
| Tax on profit/loss of ordinary activities    | 17        | -                                     | -  | -                        | -                           | -                           |
| <b>Net movement in funds</b>                 |           | <b>(157,779)</b>                      | <b>591,591</b>                           | <b>-</b>                 | <b>433,812</b>              | <b>411,663</b>              |
| <b>Total funds at 1 January</b>              | <b>22</b> | <b>800,415</b>                        | <b>179,318</b>                           | <b>-</b>                 | <b>979,733</b>              | <b>568,070</b>              |
| <b>Total funds at 31 December</b>            | <b>22</b> | <b>642,636</b>                        | <b>770,909</b>                           | <b>-</b>                 | <b>1,413,545</b>            | <b>979,733</b>              |

The group has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the group are classed as continuing

The notes on pages 16 to 29 form part of these financial statements  
See note 13 for fund-accounting comparative figures

# THE PALACE TRUST

## CHARITY STATEMENT OF FINANCIAL ACTIVITIES (Including Income & Expenditure Account)

YEAR ENDED 31 DECEMBER 2021

|                                   | Note      | Unrestricted<br>General<br>Funds<br>£ | Unrestricted<br>Designated<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>Funds<br>2021<br>£ | Total<br>Funds<br>2020<br>£ |
|-----------------------------------|-----------|---------------------------------------|--|--------------------------|-----------------------------|-----------------------------|
| <b>Income from:</b>               |           |                                       |  |                          |                             |                             |
| Donations and legacies            | 2         | 541,330                               | -  | -                        | 541,330                     | 684,272                     |
| Charitable activities             | 3         | 609,890                               | -  | -                        | 609,890                     | 410,029                     |
| Other trading activities          | 4         | 141,958                               | -  | -                        | 141,958                     | 104,561                     |
| Investments                       | 5         | 1,816                                 | -  | -                        | 1,816                       | 2,667                       |
| <b>Total income</b>               |           | <b>1,294,994</b>                      | <b>-</b>                                 | <b>-</b>                 | <b>1,294,994</b>            | <b>1,201,529</b>            |
| <b>Expenditure on:</b>            |           |                                       |  |                          |                             |                             |
| Raising funds                     | 6         | 78,929                                | -  | -                        | 78,929                      | 45,304                      |
| Charitable activities             | 8         | 824,528                               | 52,913                                   | -                        | 877,441                     | 724,385                     |
| <b>Total expenditure</b>          |           | <b>903,457</b>                        | <b>52,913</b>                            | <b>-</b>                 | <b>956,370</b>              | <b>769,689</b>              |
| Gains/(losses) on investments     | 16        | 6,959                                 | -  | -                        | 6,959                       | 3,164                       |
| <b>Net income/(expenditure)</b>   | <b>10</b> | <b>398,496</b>                        | <b>(52,913)</b>                          | <b>-</b>                 | <b>345,583</b>              | <b>435,004</b>              |
| Transfers between funds           | 22        | (644,504)                             | 644,504                                  | -                        | -                           | -                           |
| <b>Net movement in funds</b>      |           | <b>(246,008)</b>                      | <b>591,591</b>                           | <b>-</b>                 | <b>345,583</b>              | <b>435,004</b>              |
| <b>Total funds at 1 January</b>   | <b>22</b> | <b>752,727</b>                        | <b>179,318</b>                           | <b>-</b>                 | <b>932,045</b>              | <b>497,041</b>              |
| <b>Total funds at 31 December</b> | <b>22</b> | <b>506,719</b>                        | <b>770,909</b>                           | <b>-</b>                 | <b>1,277,628</b>            | <b>932,045</b>              |

The group has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the group are classed as continuing

The notes on pages 16 to 29 form part of these financial statements  
See note 14 for fund-accounting comparative figures

# THE PALACE TRUST

## BALANCE SHEET

AS AT 31 DECEMBER 2021

Company Number: 09404519

|  | Note | Group<br>2021<br>£ | Charity<br>2021<br>£ | Group<br>2020<br>£ | Charity<br>2020<br>£ |
|--|------|--------------------|----------------------|--------------------|----------------------|
| <b>Fixed assets</b>  |      |                    |                      |                    |                      |
| Tangible assets  | 15   | 181,183            | 117,909              | 177,851            | 122,904              |
| Investments  | 16   | 56,128             | 56,129               | 49,169             | 49,170               |
|  |      | <u>237,311</u>     | <u>174,038</u>       | <u>227,020</u>     | <u>172,074</u>       |
| <b>Current assets</b>  |      |                    |                      |                    |                      |
| Stock  |      | 7,256              | 246                  | 5,317              | -                    |
| Debtors  | 18   | 29,275             | 104,635              | 45,309             | 178,015              |
| Cash at bank and in hand                                       |      | 1,264,993          | 1,099,055            | 876,139            | 667,351              |
|  |      | <u>1,301,524</u>   | <u>1,203,936</u>     | <u>926,765</u>     | <u>845,366</u>       |
| <b>Creditors: amounts falling due within one year</b>          | 19   | <u>(125,290)</u>   | <u>(100,346)</u>     | <u>(124,052)</u>   | <u>(85,395)</u>      |
| <b>Net current assets</b>                                      |      | 1,176,234          | 1,103,590            | 802,713            | 759,971              |
| <b>Total assets less current liabilities</b>                   |      |                    |                      |                    |                      |
|  |      | 1,413,545          | 1,277,628            | 1,029,733          | 932,045              |
| <b>Creditors: amounts falling due after more than one year</b> | 19   | -                  | -                    | (50,000)           | -                    |
| <b>Net assets</b>  |      | <u>1,413,545</u>   | <u>1,277,628</u>     | <u>979,733</u>     | <u>932,045</u>       |
| <b>Funds</b>   |      |                    |                      |                    |                      |
| <b>Unrestricted funds</b>                                      |      |                    |                      |                    |                      |
| General funds  | 23   | 506,719            | 506,719              | 752,727            | 752,727              |
| Non-charitable trading funds                                   | 23   | 135,917            | -                    | 47,688             | -                    |
| Designated funds   | 23   | 770,909            | 770,909              | 179,318            | 179,318              |
| <b>Restricted funds</b>  | 23   | -                  | -                    | -                  | -                    |
| <b>Total funds</b>   |      | <u>1,413,545</u>   | <u>1,277,628</u>     | <u>979,733</u>     | <u>932,045</u>       |

The Trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

These financial statements were approved by the Trustees on ..... 2022 and are signed on their behalf by:

.....  
Rear Admiral David Wood  
Chair

The notes on pages 16 to 29 form part of these financial statements

# THE PALACE TRUST

## CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2021

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|  | Notes     | 2021<br>£    | 2021<br>£       | 2020<br>£       |
|--|-----------|--------------|-----------------|-----------------|
| <b>Net cash inflow from operating activities</b> | <b>20</b> |              | 433,270         | 518,989         |
| <b>Non-operational cash flows</b>                |           |              |                 |                 |
| <b>Investing activities</b>                      |           |              |                 |                 |
| Payments for tangible fixed assets               |           | (46,232)     |                 | (62,396)        |
| Investment income                                |           | <u>1,816</u> |                 | <u>2,667</u>    |
|  |           |              | <u>(44,416)</u> | <u>(59,729)</u> |
| Net cash inflow for the year                     | <b>21</b> |              | <u>388,854</u>  | <u>459,260</u>  |

### Cashflow restrictions

Charity law prohibits the use of net cash inflows on any endowed or other restricted fund to offset net cash outflows on any fund outside its own Objects, except on special authority. In practice, this restriction has not had any effect on group cash flows for the year.

The notes on pages 16 to 29 form part of these financial statements

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

#### Basis of preparing the financial statements

The accounts (financial statements) have been prepared in accordance with the 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 in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

The charity is a public benefit entity as defined under FRS102.

There are no material uncertainties about the charity's ability to continue as a going concern, despite the significant uncertainty being caused by the worldwide COVID-19 crisis. Whilst the Trustees expect there to be a significant impact on the charity's operations and reserves in the coming months and years, the charity has sufficient reserves to be able to meet these challenges.

#### Basis of consolidation

The Consolidated Statement of Financial Activities (SOFA), Consolidated Balance Sheet and Consolidated Cash Flow Statement consolidate the financial statements of the Charity and its subsidiary, Palace Enterprises (Wells) Limited. The results of the subsidiary are consolidated on a line by line basis.

#### Fund accounting

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

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

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

#### Income

All income is included in the Statement of Finance Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Income such as life membership income is deferred where the conditions for receipt are not met at the end of the accounting period.

Income represents the total income receivable during the period, including gate receipts, shop sales, interest and dividends received, and gift aid receipts. Lifetime membership income is considered donated income and recognised upon receipt.

Gifts donated for resale are included as income when they are sold. No amounts are included in the financial statements for service donated by volunteers.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

#### Expenditure

All expenditure is accounted for on an accruals basis inclusive of any VAT which cannot be recovered and has been included under expense categories that aggregate all costs for allocation to activities.

Expenditure on raising funds includes those incurred in trading activities.

Charitable activities include expenditure on maintaining The Bishop's Palace and includes both direct costs and support costs relating to those activities.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements. Governance costs are included within charitable activity support costs.

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies (continued)

#### Tangible fixed assets

Tangible fixed assets are classified as such when they have a value over £100 and a useful life of over one year. They are stated at cost less depreciation, which is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives.

#### Tangible fixed assets - Depreciation

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

|                                |                          |
|--------------------------------|--------------------------|
| Computer hardware and software | 3-5 years straight line  |
| Fixtures and Fittings          | 20% straight line        |
| Outdoor equipment              | 2-15 years straight line |
| Catering equipment             | 20% straight line        |

Assets transferred from the old Palace Trust (Charity No. 256356) were transferred at the net book value on 1 May 2015 and are depreciated on a straight line basis with the duration based on how many months they had remaining on the former Palace Trust before declining to a nil value rounded to the nearest year.

#### Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

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

#### Stocks

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

#### Taxation

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

#### Winding up or dissolution of the charity

represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

### 2 Donations and legacies Group & Charity

|  | Unrestricted<br>General<br>Funds<br>£ | Unrestricted<br>Designated<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total Funds<br>2021<br>£ | Total Funds<br>2020<br>£ |
|--|---------------------------------------|--|--------------------------|--------------------------|--------------------------|
| Donations  | 21,346                                | -  | -                        | 21,346                   | 35,884                   |
| Gift Aid Donation from subsidiary Palace Enterprises (Wells) Ltd | -                                     | -  | -                        | -                        | 24,518                   |
| Grants   |                                       |  |                          |                          |                          |
| Church Commissioners   | 63,975                                | -  | -                        | 63,975                   | 89,500                   |
| Job Retention Scheme   | 2,572                                 | -  | -                        | 2,572                    | 49,993                   |
| NLHF Heritage Emergency Fund                                     | -                                     | -  | -                        | -                        | 250,000                  |
| NLHF Cultural Recovery Fund                                      | 352,450                               | -  | -                        | 352,450                  | 182,450                  |
| Other small grants   | 4,898                                 | -  | -                        | 4,898                    | -                        |
| Refunded tax   | 96,089                                | -  | -                        | 96,089                   | 51,927                   |
| <b>Charity sub-total</b>   | <b>541,330</b>                        | <b>-</b>                                 | <b>-</b>                 | <b>541,330</b>           | <b>684,272</b>           |
| Job Retention Scheme   | 10,745                                | -  | -                        | 10,745                   | 56,232                   |
| Other government grants  | 24,500                                | -  | -                        | 24,500                   | 15,649                   |
| Business Rates Relief  | -                                     | -  | -                        | -                        | 27,000                   |
| Inter-group eliminations   | -                                     | -  | -                        | -                        | (24,518)                 |
| <b>Group donations and legacies</b>                              | <b>576,575</b>                        | <b>-</b>                                 | <b>-</b>                 | <b>576,575</b>           | <b>758,635</b>           |

Income from donations and legacies in the prior year has been classed as unrestricted general funds.

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

### 3 Income from charitable activities Group & Charity

|                   | Unrestricted<br>General<br>Funds<br>£ | Unrestricted<br>Designated<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total Funds<br>2021<br>£ | Total Funds<br>2020<br>£ |
|-------------------|---------------------------------------|--|--------------------------|--------------------------|--------------------------|
| Entrance fee      | 501,212                               | -  | -                        | 501,212                  | 334,083                  |
| Membership income | 108,678                               | -  | -                        | 108,678                  | 75,946                   |
|                   | <u>609,890</u>                        | <u>-</u>                                 | <u>-</u>                 | <u>609,890</u>           | <u>410,029</u>           |

Income from charitable activities in the prior year has been classed as unrestricted general funds.

### 4 Income from: Other trading activities Group & Charity

|   | Unrestricted<br>General<br>Funds<br>£ | Unrestricted<br>Designated<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total Funds<br>2021<br>£ | Total Funds<br>2020<br>£ |
|---|---------------------------------------|--|--------------------------|--------------------------|--------------------------|
| Shop income   | 16,680                                | -  | -                        | 16,680                   | 1,567                    |
| Management fee income - Palace<br>Enterprises (Wells) Limited | 65,606                                | -  | -                        | 65,606                   | 74,080                   |
| Event income  | 55,787                                | -  | -                        | 55,787                   | 17,994                   |
| Solar panel income  | 1,973                                 | -  | -                        | 1,973                    | 2,136                    |
| Rental income   | 1,912                                 | -  | -                        | 1,912                    | 8,784                    |
| <b>Charity sub-total</b>                                      | <u>141,958</u>                        | <u>-</u>                                 | <u>-</u>                 | <u>141,958</u>           | <u>104,561</u>           |
| Restaurant income   | 543,012                               | -  | -                        | 543,012                  | 322,013                  |
| Event catering  | 7,822                                 | -  | -                        | 7,822                    | 3,035                    |
| Event site hire   | 39,200                                | -  | -                        | 39,200                   | (8)                      |
| Retail income   | -                                     | -  | -                        | -                        | 20,197                   |
| Film income   | 21,879                                | -  | -                        | 21,879                   | 63,466                   |
| Other income  | 109                                   | -  | -                        | 109                      | 8,308                    |
| <b>Subsidiary sub-total</b>                                   | <u>612,022</u>                        | <u>-</u>                                 | <u>-</u>                 | <u>612,022</u>           | <u>417,011</u>           |
| Inter-group eliminations                                      | (65,606)                              | -  | -                        | (65,606)                 | (74,080)                 |
| <b>Group income from other trading activities</b>             | <u>688,374</u>                        | <u>-</u>                                 | <u>-</u>                 | <u>688,374</u>           | <u>447,492</u>           |

Income from other trading activities in the prior year has been classed as unrestricted general funds.

### 5 Investment Income Group & Charity

|                                 | Unrestricted<br>General<br>Funds<br>£ | Unrestricted<br>Designated<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total Funds<br>2021<br>£ | Total Funds<br>2020<br>£ |
|---------------------------------|---------------------------------------|--|--------------------------|--------------------------|--------------------------|
| Dividends and interest received | 1,816                                 | -  | -                        | 1,816                    | 2,667                    |

Investment income in the prior year has been classed as unrestricted general funds.

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

| 6 Expenditure on: Raising funds<br>Group & Charity | Unrestricted<br>General<br>Funds<br>£ | Unrestricted<br>Designated<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total Funds<br>2021<br>£ | Total Funds<br>2020<br>£ |
|--|---------------------------------------|--|--------------------------|--------------------------|--------------------------|
| <i>Direct costs</i>                                |                                       |  |                          |                          |                          |
| Cost of goods sold                                 | 495                                   | -  | -                        | 495                      | -                        |
| Event costs  | 56,867                                | -  | -                        | 56,867                   | 27,347                   |
| Commission sales expense                           | 13,071                                | -  | -                        | 13,071                   | 8,459                    |
| Support costs (note 9)                             | 8,496                                 | -  | -                        | 8,496                    | 9,498                    |
| <b>Charity sub-total</b>                           | <b>78,929</b>                         | <b>-</b>                                 | <b>-</b>                 | <b>78,929</b>            | <b>45,304</b>            |
| <i>Direct costs - subsidiary</i>                   |                                       |  |                          |                          |                          |
| Cost of goods sold                                 | 135,698                               | -  | -                        | 135,698                  | 109,891                  |
| Other direct costs                                 | 33,905                                | -  | -                        | 33,905                   | 24,046                   |
| Wages, salaries and agency staff                   | 256,761                               | -  | -                        | 256,761                  | 255,015                  |
| Overheads - subsidiary                             | 67,068                                | -  | -                        | 67,068                   | 51,683                   |
| Management charge                                  | 65,606                                | -  | -                        | 65,606                   | 74,080                   |
| Donation to parent                                 | -                                     | -  | -                        | -                        | 24,518                   |
| <b>Subsidiary sub-total</b>                        | <b>559,038</b>                        | <b>-</b>                                 | <b>-</b>                 | <b>559,038</b>           | <b>539,233</b>           |
| Inter-group eliminations                           | (65,606)                              | -  | -                        | (65,606)                 | (98,598)                 |
| <b>Group expenditure on raising funds</b>          | <b>572,361</b>                        | <b>-</b>                                 | <b>-</b>                 | <b>572,361</b>           | <b>485,939</b>           |

Expenditure on raising funds in the prior year has been classed as unrestricted general funds.

### 7 Calculation of net income / (expenditure) from trading activities

|   | Unrestricted<br>General<br>Funds<br>£ | Unrestricted<br>Designated<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total Funds<br>2021<br>£ | Total Funds<br>2020<br>£ |
|---|---------------------------------------|--|--------------------------|--------------------------|--------------------------|
| Charity   | 63,029                                | -  | -                        | 63,029                   | 59,257                   |
| Subsidiary  | 88,229                                | -  | -                        | 88,229                   | (23,341)                 |
| Inter-group eliminations  | -                                     | -  | -                        | -                        | 24,518                   |
| <b>Group net income / (expenditure) from trading activities</b> | <b>151,258</b>                        | <b>-</b>                                 | <b>-</b>                 | <b>151,258</b>           | <b>60,434</b>            |

Net income/(expenditure) from trading activities in the prior year has been classed as unrestricted general funds.

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

### 8 Expenditure on: Charitable activities Group & Charity

|  | Direct<br>Costs<br>£ | Support<br>Costs<br>(Note 9)<br>£ | Total<br>2021<br>£ |
|--|----------------------|-----------------------------------|--------------------|
| Preserve the fabric of the Palace and Grounds: |                      |                                   |                    |
| Maintenance costs                              | 151,573              | 13,737                            | 165,310            |
| Garden maintenance                             | 21,381               | 77,851                            | 99,232             |
| Public access and education                    | 5,254                | 607,645                           | 612,899            |
|  | <u>178,208</u>       | <u>699,233</u>                    | <u>877,441</u>     |

#### Prior year comparative

|  | Direct<br>Costs<br>£ | Support<br>Costs<br>(Note 9)<br>£ | Total<br>2020<br>£ |
|--|----------------------|-----------------------------------|--------------------|
| Preserve the fabric of the Palace and Grounds: |                      |                                   |                    |
| Maintenance costs                              | 82,047               | 6,668                             | 88,715             |
| Garden maintenance                             | 29,110               | 48,190                            | 77,300             |
| Public access and education                    | 2,996                | 555,374                           | 558,370            |
|  | <u>114,153</u>       | <u>610,232</u>                    | <u>724,385</u>     |

### 9 Support costs Group & Charity

|                                   | Raising<br>funds<br>£ | Charitable<br>activities<br>£ | Total<br>2021<br>£ |
|-----------------------------------|-----------------------|-------------------------------|--------------------|
| Rent, rates, light and heat       | -                     | 49,904                        | 49,904             |
| Cleaning costs                    | -                     | 21,704                        | 21,704             |
| Advertising                       | 3,213                 | 28,921                        | 32,134             |
| Office costs                      | -                     | 51,949                        | 51,949             |
| Subscriptions                     | -                     | 4,508                         | 4,508              |
| Legal fees                        | -                     | 11,775                        | 11,775             |
| Professional fees                 | -                     | 32,055                        | 32,055             |
| Accountancy                       | -                     | 14,082                        | 14,082             |
| Bank charges                      | -                     | 1,280                         | 1,280              |
| Staff training and recruitment    | -                     | 50,254                        | 50,254             |
| Travel and entertainment          | -                     | 9,806                         | 9,806              |
| Wages and salaries                | 5,283                 | 395,456                       | 400,739            |
| Depreciation                      | -                     | 20,639                        | 20,639             |
| <b>Governance costs - charity</b> |                       |                               |                    |
| Auditors fees - audit             | -                     | 5,830                         | 5,830              |
| Auditors fees - accountancy       | -                     | 1,070                         | 1,070              |
|                                   | <u>8,496</u>          | <u>699,233</u>                | <u>707,729</u>     |

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

### 9 Support costs (continued)

#### Prior year comparative

|                                   | Raising<br>funds<br>£ | Charitable<br>activities<br>£ | Total<br>2020<br>£ |
|-----------------------------------|-----------------------|-------------------------------|--------------------|
| Rent, rates, light and heat       | -                     | 38,974                        | 38,974             |
| Cleaning costs                    | -                     | 26,326                        | 26,326             |
| Advertising                       | 2,844                 | 25,593                        | 28,437             |
| Office costs                      | -                     | 48,593                        | 48,593             |
| Subscriptions                     | -                     | 3,395                         | 3,395              |
| Legal fees                        | -                     | 4,350                         | 4,350              |
| Professional fees                 | -                     | 28,099                        | 28,099             |
| Accountancy                       | -                     | 18,394                        | 18,394             |
| Bank charges                      | -                     | 1,041                         | 1,041              |
| Staff training and recruitment    | -                     | 1,917                         | 1,917              |
| Travel and entertainment          | -                     | 3,379                         | 3,379              |
| Wages and salaries                | 6,654                 | 388,493                       | 395,147            |
| Depreciation                      | -                     | 15,443                        | 15,443             |
| <b>Governance costs - charity</b> |                       |                               |                    |
| Auditors fees - audit             | -                     | 5,500                         | 5,500              |
| Auditors fees - accountancy       | -                     | 735                           | 735                |
|                                   | <u>9,498</u>          | <u>610,232</u>                | <u>619,730</u>     |

Support costs are split between fundraising costs and charitable activity costs based upon usage.

Only expenditure in the charity is considered to be support costs and able to be allocated between charitable activities and fundraising costs.

### 10 Net income/ (expenditure)

This is stated after charging:

|                                       | Group<br>2021<br>£ | Charity<br>2021<br>£ | Group<br>2020<br>£ | Charity<br>2020<br>£ |
|---------------------------------------|--------------------|----------------------|--------------------|----------------------|
| Depreciation of tangible fixed assets | 42,375             | 20,639               | 31,954             | 15,441               |
| Auditors fees - audit                 | 10,530             | 5,830                | 9,900              | 5,500                |
| Auditors fees - accountancy           | 1,870              | 1,070                | 1,155              | 735                  |

There were no Trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the period ended 31 December 2020.

The total Trustees' expenses paid during the year ended 31 December 2021 to two trustees for travel expenses were £1,385 (2020: £1,558).

The total Trustee, key management personnel and other related party donations in the year were £nil (2020: £nil).

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

### 11 Staff costs and numbers

|                                   | <b>Group<br/>2021</b> | <b>Charity<br/>2021</b> | <b>Group<br/>2020</b> | <b>Charity<br/>2020</b> |
|-----------------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
|                                   | <b>£</b>              | <b>£</b>                | <b>£</b>              | <b>£</b>                |
| The aggregate payroll costs were: |                       |                         |                       |                         |
| Wages and salaries                | 601,765               | 361,503                 | 593,033               | 361,267                 |
| Social security costs             | 32,951                | 21,649                  | 36,064                | 20,529                  |
| Employers pension                 | 24,807                | 17,587                  | 17,850                | 11,411                  |
| Redundancy costs                  | -                     | -                       | 1,940                 | 1,940                   |
|                                   | <u>659,523</u>        | <u>400,739</u>          | <u>648,887</u>        | <u>395,147</u>          |

The average weekly number of employees during the year, calculated on the basis of average headcount, was as follows:

|                               | <b>Group<br/>2021</b> | <b>Charity<br/>2021</b> | <b>Group<br/>2020</b> | <b>Charity<br/>2020</b> |
|-------------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
|                               | <b>No.</b>            | <b>No.</b>              | <b>No.</b>            | <b>No.</b>              |
| Management and administration | 10                    | 8                       | 12                    | 9                       |
| Other staff                   | 32                    | 15                      | 27                    | 15                      |
|                               | <u>42</u>             | <u>23</u>               | <u>39</u>             | <u>24</u>               |

The average weekly number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

|                               | <b>Group<br/>2021</b> | <b>Charity<br/>2021</b> | <b>Group<br/>2020</b> | <b>Charity<br/>2020</b> |
|-------------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
|                               | <b>No.</b>            | <b>No.</b>              | <b>No.</b>            | <b>No.</b>              |
| Management and administration | 8                     | 6                       | 8                     | 6                       |
| Other staff                   | 17                    | 9                       | 16                    | 8                       |
|                               | <u>25</u>             | <u>15</u>               | <u>24</u>             | <u>14</u>               |

No employee received emoluments of more than £60,000.

The key management personnel for 2021 (which consists of the Trustees, the Chief Executive and Joint Interim Chief Executives) employee benefits totalled £112,039 for the Group & Charity.

The key management personnel for 2020 (which consisted of the Trustees, the Chief Executive, Development Project Manager and Head Gardener) employee benefits totalled £106,633 for the Group & Charity.

### 12 Taxation

The charity is exempt from corporation tax as all its income is charitable and applied for charitable purposes. The charity's trading subsidiary, Palace Enterprises (Wells) Limited, attracts corporation tax only to the extent that profits remain within it to grow its activities. Further available profits are donated responsibly to the charity.

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

### 13 Consolidated fund-analysis comparative figures

| Group  | Unrestricted<br>General<br>Funds<br>£ | Unrestricted<br>Designated<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>Funds<br>2020<br>£ |
|--|---------------------------------------|--|--------------------------|-----------------------------|
| <b>Income from:</b>                          |                                       |  |                          |                             |
| Donations and legacies                       | 758,635                               | -  | -                        | 758,635                     |
| Charitable activities                        | 410,029                               | -  | -                        | 410,029                     |
| Other trading activities                     | 447,492                               | -  | -                        | 447,492                     |
| Investments                                  | 2,667                                 | -  | -                        | 2,667                       |
| <b>Total income</b>                          | <b>1,618,823</b>                      | <b>-</b>                                 | <b>-</b>                 | <b>1,618,823</b>            |
| <b>Expenditure on:</b>                       |                                       |  |                          |                             |
| Raising funds                                | 485,939                               | -  | -                        | 485,939                     |
| Charitable activities                        | 697,542                               | 15,443                                   | 11,400                   | 724,385                     |
| <b>Total expenditure</b>                     | <b>1,183,481</b>                      | <b>15,443</b>                            | <b>11,400</b>            | <b>1,210,324</b>            |
| Gains/(losses) on investments                | 3,164                                 | -  | -                        | 3,164                       |
| <b>Net income/(expenditure)</b>              | <b>438,506</b>                        | <b>(15,443)</b>                          | <b>(11,400)</b>          | <b>411,663</b>              |
| Transfers between funds                      | (60,274)                              | 60,274                                   | -                        | -                           |
| <b>Net movement in funds before taxation</b> | <b>378,232</b>                        | <b>44,831</b>                            | <b>(11,400)</b>          | <b>411,663</b>              |
| Tax on profit of ordinary activities         | -                                     | -  | -                        | -                           |
| <b>Net movement in funds</b>                 | <b>378,232</b>                        | <b>44,831</b>                            | <b>(11,400)</b>          | <b>411,663</b>              |
| <b>Total funds at 1 January 2020</b>         | <b>422,183</b>                        | <b>134,487</b>                           | <b>11,400</b>            | <b>568,070</b>              |
| <b>Total funds at 31 December 2020</b>       | <b>800,415</b>                        | <b>179,318</b>                           | <b>-</b>                 | <b>979,733</b>              |

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

### 14 Consolidated fund-analysis comparative figures

#### Charity

|  | Unrestricted<br>General<br>Funds<br>£ | Unrestricted<br>Designated<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>Funds<br>2020<br>£ |
|--|---------------------------------------|--|--------------------------|-----------------------------|
| <b>Income from:</b>                    |                                       |  |                          |                             |
| Donations and legacies                 | 684,272                               | -  | -                        | 684,272                     |
| Charitable activities                  | 410,029                               | -  | -                        | 410,029                     |
| Other trading activities               | 104,561                               | -  | -                        | 104,561                     |
| Investments                            | 2,667                                 | -  | -                        | 2,667                       |
| <b>Total income</b>                    | <b>1,201,529</b>                      | <b>-</b>                                 | <b>-</b>                 | <b>1,201,529</b>            |
| <b>Expenditure on:</b>                 |                                       |  |                          |                             |
| Raising funds                          | 45,304                                | -  | -                        | 45,304                      |
| Charitable activities                  | 697,542                               | 15,443                                   | 11,400                   | 724,385                     |
| <b>Total expenditure</b>               | <b>742,846</b>                        | <b>15,443</b>                            | <b>11,400</b>            | <b>769,689</b>              |
| Gains/(losses) on investments          | 3,164                                 | -  | -                        | 3,164                       |
| <b>Net income/(expenditure)</b>        | <b>461,847</b>                        | <b>(15,443)</b>                          | <b>(11,400)</b>          | <b>435,004</b>              |
| Transfers between funds                | (60,274)                              | 60,274                                   | -                        | -                           |
| <b>Net movement in funds</b>           | <b>401,573</b>                        | <b>44,831</b>                            | <b>(11,400)</b>          | <b>435,004</b>              |
| <b>Total funds at 1 January 2020</b>   | <b>351,154</b>                        | <b>134,487</b>                           | <b>11,400</b>            | <b>497,041</b>              |
| <b>Total funds at 31 December 2020</b> | <b>752,727</b>                        | <b>179,318</b>                           | <b>-</b>                 | <b>932,045</b>              |

### 15 Tangible fixed assets

#### Group

|                       | Computer<br>equipment<br>£ | Furniture,<br>fittings and<br>equipment<br>£ | Outdoor<br>equipment<br>£ | Catering<br>equipment<br>£ | Totals<br>£    |
|-----------------------|----------------------------|--|---------------------------|----------------------------|----------------|
| <b>Cost</b>           |                            |  |                           |                            |                |
| At 1 January 2021     | 31,457                     | 16,295                                       | 139,238                   | 125,880                    | 312,870        |
| Additions             | 9,172                      | 5,312  | 1,018                     | 30,730                     | 46,232         |
| Disposals             | (823)                      | (180)  | -                         | (14,226)                   | (15,229)       |
| At 31 December 2021   | <b>39,806</b>              | <b>21,427</b>                                | <b>140,256</b>            | <b>142,384</b>             | <b>343,873</b> |
| <b>Depreciation</b>   |                            |  |                           |                            |                |
| At 1 January 2021     | 16,917                     | 13,496                                       | 37,591                    | 67,015                     | 135,019        |
| Charge for the year   | 6,725                      | 1,492  | 11,552                    | 22,606                     | 42,375         |
| Elim on disposal      | (703)                      | (211)  | -                         | (13,790)                   | (14,704)       |
| At 31 December 2021   | <b>22,939</b>              | <b>14,777</b>                                | <b>49,143</b>             | <b>75,831</b>              | <b>162,690</b> |
| <b>Net book value</b> |                            |  |                           |                            |                |
| At 31 December 2021   | <b>16,867</b>              | <b>6,650</b>                                 | <b>91,113</b>             | <b>66,553</b>              | <b>181,183</b> |
| At 31 December 2020   | <b>14,540</b>              | <b>2,799</b>                                 | <b>101,647</b>            | <b>58,865</b>              | <b>177,851</b> |

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

### 15 Tangible fixed assets (*continued*)

#### Charity

|                       | Computer<br>equipment<br>£ | Furniture,<br>fittings and<br>equipment<br>£ | Outdoor<br>equipment<br>£ | Catering<br>equipment<br>£ | Totals<br>£ |
|-----------------------|----------------------------|--|---------------------------|----------------------------|-------------|
| <b>Cost</b>           |                            |  |                           |                            |             |
| At 1 January 2021     | 31,457                     | 16,295                                       | 139,238                   | 23,760                     | 210,750     |
| Additions             | 9,172                      | 5,312  | 1,018                     | 231                        | 15,733      |
| Disposals             | (823)                      | (180)  | -                         | -                          | (1,003)     |
| At 31 December 2021   | 39,806                     | 21,427                                       | 140,256                   | 23,991                     | 225,480     |
| <b>Depreciation</b>   |                            |  |                           |                            |             |
| At 1 January 2021     | 16,917                     | 13,496                                       | 37,591                    | 19,842                     | 87,846      |
| Charge for the year   | 6,725                      | 1,492  | 11,552                    | 870                        | 20,639      |
| Elim on disposal      | (703)                      | (211)  | -                         | -                          | (914)       |
| At 31 December 2021   | 22,939                     | 14,777                                       | 49,143                    | 20,712                     | 107,571     |
| <b>Net book value</b> |                            |  |                           |                            |             |
| At 31 December 2021   | 16,867                     | 6,650  | 91,113                    | 3,279                      | 117,909     |
| At 31 December 2020   | 14,540                     | 2,799  | 101,647                   | 3,918                      | 122,904     |

### 16 Fixed asset investments

#### Group

|                                | Unlisted<br>securities<br>£ | Total<br>2021<br>£          | Total<br>2020<br>£          |
|--------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Opening balance                | 49,169                      | 49,169                      | 46,005                      |
| Unrealised gains/(losses)      | 6,959                       | 6,959                       | 3,164                       |
|                                | 56,128                      | 56,128                      | 49,169                      |
|                                |                             | <b>Total<br/>2021<br/>£</b> | <b>Total<br/>2020<br/>£</b> |
| Historical cost of investments |                             | 33,593                      | 33,593                      |

The unlisted investments comprise 2,400 shares in the Central Board of Finance of the Church of England Investment Fund. All investments are held in the UK.

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

### 16 Fixed asset investments (*continued*)

| Charity                        | Unlisted securities<br>£ | Total<br>2021<br>£ | Total<br>2020<br>£ |
|--------------------------------|--------------------------|--------------------|--------------------|
| Opening balance                | 49,170                   | 49,170             | 46,006             |
| Unrealised gains/(losses)      | 6,959                    | 6,959              | 3,164              |
|                                | <u>56,129</u>            | <u>56,129</u>      | <u>49,170</u>      |
|                                |                          | Total<br>2021<br>£ | Total<br>2020<br>£ |
| Historical cost of investments |                          | <u>33,594</u>      | <u>33,594</u>      |

#### Charity investments at market value comprise:

|   | Total<br>2021<br>£ | Total<br>2020<br>£ |
|---|--------------------|--------------------|
| Shares in the Central Board of Finance of the Church of England Investment Fund | 56,128             | 49,169             |
| Shareholding in Palace Enterprises (Wells) Limited                              | 1                  | 1                  |
|   | <u>56,129</u>      | <u>49,170</u>      |

All the fixed asset investments are held in the United Kingdom. Palace Enterprises (Wells) Limited (Company No. 03013064) is a wholly owned subsidiary of The Palace Trust, a company limited by guarantee (Company No. 09404519). A summary of the trading results for the subsidiary is set out in note 17.

### 17 Principal subsidiaries

| Company name                       | Country           | Percentage shareholding | Principal activity             |
|------------------------------------|-------------------|-------------------------|--------------------------------|
| Palace Enterprises (Wells) Limited | England and Wales | 100%                    | Provision of catering services |

#### Palace Enterprises (Wells)

|   | Year ended<br>31 December<br>2021<br>£ | Year ended<br>31 December<br>2020<br>£ |
|---|--|--|
| Turnover  | 647,267                                | 515,892                                |
| Cost of sales   | (426,363)                              | (388,952)                              |
| <b>Gross profit</b>   | <u>220,904</u>                         | <u>126,940</u>                         |
| Administrative expenses                                     | (132,675)                              | (125,763)                              |
| <b>Profit/(loss) on ordinary activities before taxation</b> | <u>88,229</u>                          | <u>1,177</u>                           |
| Tax on profit/loss on ordinary activities                   | -                                      | -                                      |
| <b>Profit/(loss) for the period</b>                         | <u>88,229</u>                          | <u>1,177</u>                           |
| Shareholders funds/(deficit) brought forward                | 47,688                                 | 71,029                                 |
| Profit/(loss) for the period                                | <u>88,229</u>                          | <u>1,177</u>                           |
|   | <u>135,917</u>                         | <u>72,206</u>                          |
| Charitable donation (profit gift-aided to Trust)            | -                                      | (24,518)                               |
| Shareholders funds/(deficit) carried forward                | <u><b>135,917</b></u>                  | <u><b>47,688</b></u>                   |

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

### 18 Debtors

|                                   | <b>Group<br/>2021<br/>£</b> | <b>Charity<br/>2021<br/>£</b> | Group<br>2020<br>£ | Charity<br>2020<br>£ |
|-----------------------------------|-----------------------------|-------------------------------|--------------------|----------------------|
| Trade debtors                     | 4,086                       | 2,693                         | 16,868             | 16,942               |
| Amount owed by group undertakings | -                           | 77,945                        | -                  | 127,922              |
| Prepayments and accrued income    | 25,189                      | 23,997                        | 25,001             | 24,933               |
| Other debtors                     | -                           | -                             | 3,440              | 8,218                |
|                                   | <u>29,275</u>               | <u>104,635</u>                | <u>45,309</u>      | <u>178,015</u>       |

### 19 Creditors: amounts falling due within one year

|  | <b>Group<br/>2021<br/>£</b> | <b>Charity<br/>2021<br/>£</b> | Group<br>2020<br>£ | Charity<br>2020<br>£ |
|--|-----------------------------|-------------------------------|--------------------|----------------------|
| <b>Amounts falling due within one year</b> |                             |                               |                    |                      |
| Trade creditors                            | 71,156                      | 64,382                        | 39,659             | 35,014               |
| Social security, pensions and other taxes  | 16,309                      | 14,331                        | 17,884             | 9,408                |
| Other creditors                            | 8,408                       | 8,408                         | 488                | 488                  |
| Accruals and deferred income               | 29,417                      | 13,225                        | 66,021             | 40,485               |
|  | <u>125,290</u>              | <u>100,346</u>                | <u>124,052</u>     | <u>85,395</u>        |

#### Amounts falling due after more than one year

|   |   |        |   |
|---|---|--------|---|
| - | - | 50,000 | - |
|---|---|--------|---|

### 20 Reconciliation of net movement in funds to net cash inflow from operating activities

|  | <b>2021<br/>£</b> | 2020<br>£      |
|--|-------------------|----------------|
| Statement of Financial Activities: Net movement in funds         | 433,812           | 411,663        |
| Investment income  | (1,816)           | (2,667)        |
| Depreciation   | 42,375            | 31,954         |
| Unrealised net (gain) / loss on investments                      | (6,959)           | (3,164)        |
| (Profit) / loss on disposal of fixed assets                      | 525               | -              |
| (Decrease) / increase in creditors: Due within one year          | 1,238             | (40,088)       |
| (Decrease) / increase in creditors: Due after more than one year | (50,000)          | 50,000         |
| (Increase) / decrease in debtors                                 | 16,034            | 64,961         |
| (Increase) in stock  | (1,939)           | 6,330          |
| <b>Net cash inflow from operating activities</b>                 | <u>433,270</u>    | <u>518,989</u> |

### 21 Analysis of changes in cash flow during the year

|                          | <b>2021<br/>£</b> | 2020<br>£      | Change         |
|--------------------------|-------------------|----------------|----------------|
| Cash at bank and in hand | <u>1,264,993</u>  | <u>876,139</u> | <u>388,854</u> |
|                          | <b>2020<br/>£</b> | 2019<br>£      | Change         |
| Cash at bank and in hand | <u>876,139</u>    | <u>416,879</u> | <u>459,260</u> |

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

| 22 Movement in funds Group         | At<br>1 Jan<br>2021<br>£ | Income<br>£ | Expenditure<br>£ | Transfers<br>£ | Gains /<br>(losses)<br>£ | At<br>31 Dec<br>2021<br>£ |
|------------------------------------|--------------------------|-------------|------------------|----------------|--------------------------|---------------------------|
| <b>Unrestricted funds</b>          |                          |             |                  |                |                          |                           |
| <b>Designated funds</b>            |                          |             |                  |                |                          |                           |
| Palace interpretation              | 24,140                   | -           | -                | 628,860        | -                        | 653,000                   |
| Fixed assets                       | 122,904                  | -           | (20,639)         | 15,644         | -                        | 117,909                   |
| Cultural Recovery Fund             | 32,274                   | -           | (32,274)         | -              | -                        | -                         |
| <b>General funds</b>               |                          |             |                  |                |                          |                           |
| General fund                       | 752,727                  | 1,294,994   | (903,457)        | (644,504)      | 6,959                    | 506,719                   |
| Unrestricted funds subtotal        | 932,045                  | 1,294,994   | (956,370)        | -              | 6,959                    | 1,277,628                 |
| <b>Charity funds</b>               | 932,045                  | 1,294,994   | (956,370)        | -              | 6,959                    | 1,277,628                 |
| Palace Enterprises (Wells) Limited | 47,689                   | 647,267     | (559,038)        | -              | -                        | 135,918                   |
| Inter-group eliminations           | (1)                      | (65,606)    | 65,606           | -              | -                        | (1)                       |
|                                    | 47,688                   | 581,661     | (493,432)        | -              | -                        | 135,917                   |
| <b>Total funds (Group)</b>         | 979,733                  | 1,876,655   | (1,449,802)      | -              | 6,959                    | 1,413,545                 |
| <b>Previous year</b>               |                          |             |                  |                |                          |                           |
| <b>Group</b>                       | At<br>1 Jan<br>2020<br>£ | Income<br>£ | Expenditure<br>£ | Transfers<br>£ | Gains /<br>(losses)<br>£ | At<br>31 Dec<br>2020<br>£ |
| <b>Restricted Funds</b>            |                          |             |                  |                |                          |                           |
| Great Hall                         | 11,400                   | -           | (11,400)         | -              | -                        | -                         |
|                                    | 11,400                   | -           | (11,400)         | -              | -                        | -                         |
| <b>Unrestricted funds</b>          |                          |             |                  |                |                          |                           |
| <b>Designated funds</b>            |                          |             |                  |                |                          |                           |
| Palace interpretation              | 24,140                   | -           | -                | -              | -                        | 24,140                    |
| Fixed assets                       | 110,347                  | -           | (15,443)         | 28,000         | -                        | 122,904                   |
| Cultural Recovery Fund             | -                        | -           | -                | 32,274         | -                        | 32,274                    |
| <b>General funds</b>               |                          |             |                  |                |                          |                           |
| General fund                       | 351,154                  | 1,201,529   | (742,846)        | (60,274)       | 3,164                    | 752,727                   |
| Unrestricted funds subtotal        | 485,641                  | 1,201,529   | (758,289)        | -              | 3,164                    | 932,045                   |
| <b>Charity funds</b>               | 497,041                  | 1,201,529   | (769,689)        | -              | 3,164                    | 932,045                   |
| Palace Enterprises (Wells) Limited | 71,030                   | 515,892     | (539,233)        | -              | -                        | 47,689                    |
| Inter-group eliminations           | (1)                      | (98,598)    | 98,598           | -              | -                        | (1)                       |
|                                    | 71,029                   | 417,294     | (440,635)        | -              | -                        | 47,688                    |
| <b>Total funds (Group)</b>         | 568,070                  | 1,618,823   | (1,210,324)      | -              | 3,164                    | 979,733                   |

### Designated funds

The Palace interpretation fund relates to a large development project currently in the planning phase and fresh interpretation in the Palace building.

The fixed assets fund represents the net book value of the assets held by the charity.

The cultural recovery fund represents funds designated to support the charity through the COVID-19 pandemic.

### Restricted funds

The Great Hall fund relates to the conservation and development of the Great Hall ruin.

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

### 22 Movement in funds (continued)

#### Inter-group eliminations

A donation to the Trust from Palace Enterprises of £nil (2020: £24,518) and a management charge of £65,606 (2020: £74,080) was charged to Palace Enterprises by the Trust during the year. The management charge was for overhead costs including staff time, advertising and heat and light. These items have been removed from the consolidated SOFA and are included in the Inter-group eliminations along with the elimination of Enterprise's share capital upon consolidation.

### 23 Analysis of net assets between funds

|                                    | Restricted funds        | Designated funds        | Unrestricted funds        | 2021 Total        |
|------------------------------------|-------------------------|-------------------------|---------------------------|-------------------|
|                                    | £                       | £                       | £                         | £                 |
| Tangible fixed assets              | -                       | 117,909                 | -                         | 117,909           |
| Fixed asset investments            | -                       | -                       | 56,129                    | 56,129            |
| Cash at bank and in hand           | -                       | -                       | 1,099,055                 | 1,099,055         |
| Other current assets               | -                       | 653,000                 | (648,465)                 | 4,535             |
| <b>Charity</b>                     | -                       | 770,909                 | 506,719                   | 1,277,628         |
| Palace Enterprises (Wells) Limited | -                       | -                       | 135,918                   | 135,918           |
| Inter-group eliminations           | -                       | -                       | (1)                       | (1)               |
| <b>Group</b>                       | -                       | 770,909                 | 642,636                   | 1,413,545         |
| <b>Previous year</b>               | <b>Restricted funds</b> | <b>Designated funds</b> | <b>Unrestricted funds</b> | <b>2020 Total</b> |
|                                    | £                       | £                       | £                         | £                 |
| Tangible fixed assets              | -                       | 122,904                 | -                         | 122,904           |
| Fixed asset investments            | -                       | -                       | 49,170                    | 49,170            |
| Cash at bank and in hand           | -                       | -                       | 667,351                   | 667,351           |
| Other current assets               | -                       | 56,414                  | 36,206                    | 92,620            |
| <b>Charity</b>                     | -                       | 179,318                 | 752,727                   | 932,045           |
| Palace Enterprises (Wells) Limited | -                       | -                       | 47,689                    | 47,689            |
| Inter-group eliminations           | -                       | -                       | (1)                       | (1)               |
| <b>Group</b>                       | -                       | 179,318                 | 800,415                   | 979,733           |

### 24 Related party transactions

Nicola Nuttall was a trustee in the year and was charged £Nil (2020: £6,300) in rent for the use of the Gatehouse. A balance of £Nil (2020: £nil) was outstanding at the year-end. This is considered to be a market rent.

**THE PALACE TRUST**

**MANAGEMENT INFORMATION**

**YEAR ENDED 31 DECEMBER 2021**

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The following pages do not form part of the statutory financial statements  
which are the subject of the auditor's report on pages 8 to 10

# THE PALACE TRUST

## CHARITY DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2021

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|  | <b>Total Funds</b>      | Total Funds             |
|--|-------------------------|-------------------------|
|  | <b>2021</b>             | 2020                    |
|  | £                       | £                       |
| <b>Income From:</b>  |                         |                         |
| <i>Donations and legacies</i>                                    |                         |                         |
| Gift Aid Donation from subsidiary Palace Enterprises (Wells) Ltd | -                       | 24,518                  |
| Donations  | 21,346                  | 35,884                  |
| Grants   |                         |                         |
| Church Commissioners   | 63,975                  | 89,500                  |
| Job Retention Scheme   | 2,572                   | 49,993                  |
| NLHF Heritage Emergency Fund                                     | -                       | 250,000                 |
| NLHF Cultural Recovery Fund                                      | 352,450                 | 182,450                 |
| Other small grants   | 4,898                   | -                       |
| Refunded tax   | 96,089                  | 51,927                  |
|  | <u>541,330</u>          | <u>684,272</u>          |
| <i>Investment income</i>   |                         |                         |
| Dividends and interest received                                  | 1,816                   | 2,667                   |
| Gain on investments  | 6,959                   | 3,164                   |
|  | <u>8,775</u>            | <u>5,831</u>            |
| <i>Charitable activities</i>                                     |                         |                         |
| Entrance fee   | 501,212                 | 334,083                 |
| Membership income  | 108,678                 | 75,946                  |
|  | <u>609,890</u>          | <u>410,029</u>          |
| <i>Other trading activities</i>                                  |                         |                         |
| Shop income  | 16,680                  | 1,567                   |
| Management fee income - Palace Enterprises (Wells) Limited       | 65,606                  | 74,080                  |
| Event income   | 55,787                  | 17,994                  |
| Solar panel income   | 1,973                   | 2,136                   |
| Rental income  | 1,912                   | 8,784                   |
|  | <u>141,958</u>          | <u>104,561</u>          |
| <b>Total income</b>  | <u><u>1,301,953</u></u> | <u><u>1,204,693</u></u> |

# THE PALACE TRUST

## CHARITY DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2021

|  | <b>Total Funds<br/>2021<br/>£</b> | Total Funds<br>2020<br>£ |
|--|-----------------------------------|--------------------------|
| <b>Expenditure on:</b>                         |                                   |                          |
| <i>Direct Raising Funds Costs</i>              |                                   |                          |
| Cost of goods sold                             | 495                               | -                        |
| Event costs                                    | 56,867                            | 27,347                   |
| Commission sales expense                       | 13,071                            | 8,459                    |
|  | <u>70,433</u>                     | <u>35,806</u>            |
| <i>Direct Charitable Activities Costs</i>      |                                   |                          |
| Preserve the fabric of the Palace and Grounds: |                                   |                          |
| Maintenance costs                              | 151,573                           | 82,047                   |
| Garden maintenance                             | 21,381                            | 29,110                   |
| Public access and education                    | 5,254                             | 2,996                    |
|  | <u>178,208</u>                    | <u>114,153</u>           |
| <i>Support Costs</i>                           |                                   |                          |
| Rent, rates, light and heat                    | 49,904                            | 38,974                   |
| Cleaning costs                                 | 21,704                            | 26,326                   |
| Advertising                                    | 32,134                            | 28,437                   |
| Office costs                                   | 51,949                            | 48,593                   |
| Subscriptions                                  | 4,508                             | 3,395                    |
| Legal fees                                     | 11,775                            | 4,350                    |
| Professional fees                              | 32,055                            | 28,099                   |
| Accountancy                                    | 14,082                            | 18,394                   |
| Bank charges                                   | 1,280                             | 1,041                    |
| Staff training and recruitment                 | 50,254                            | 1,917                    |
| Travel and entertainment                       | 9,806                             | 3,379                    |
| Wages and salaries                             | 400,739                           | 395,147                  |
| Depreciation                                   | 20,639                            | 15,443                   |
| <b>Governance costs</b>                        |                                   |                          |
| Auditors fees - audit                          | 5,830                             | 5,500                    |
| Auditors fees - accountancy                    | 1,070                             | 735                      |
|  | <u>707,729</u>                    | <u>619,730</u>           |
| <b>Total expenditure</b>                       | <u>956,370</u>                    | <u>769,689</u>           |
| <b>Net (expenditure)/income</b>                | <u>345,583</u>                    | <u>435,004</u>           |

**THE PALACE TRUST**

England & Wales - Charity number 1160830

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# Accounts

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The Bishop's Palace

WELLS • SOMERSET

**THE PALACE TRUST, A COMPANY LIMITED BY GUARANTEE**

**COMPANY NO. 09404519**

**REGISTERED CHARITY NO. 1160830 (ENGLAND & WALES)**

**CHARITY & GROUP CONSOLIDATED FINANCIAL STATEMENTS WITH**

**GROUP ANNUAL DIRECTORS REPORT**

**YEAR ENDED 31 DECEMBER 2020**

# THE PALACE TRUST

## CHARITY & GROUP CONSOLIDATED FINANCIAL STATEMENTS WITH GROUP ANNUAL DIRECTORS REPORT

YEAR ENDED 31 DECEMBER 2020

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# THE PALACE TRUST

## REFERENCE & ADMINISTRATIVE INFORMATION

YEAR ENDED 31 DECEMBER 2020

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| <b>Chair</b>                     | <i>Rear Admiral D Wood</i>   |
| <b>Vice Chair</b>                | <i>Mr P Stickland</i>  |
| <b>Trustees/Directors</b>        | <i>Mr M Blandford</i><br><i>Ms M Boylan</i><br><i>Dr K Brown</i> (resigned 14 February 2021)<br><i>Very Revd Dr J Davies</i><br><i>Mr N Denison</i><br><i>Lady E Gass</i><br><i>Ms R Gofton</i> (resigned 15 October 2020)<br><i>Rt Revd P Hancock</i> (resigned 12 May 2021)<br><i>Mr Michael Minta</i> (appointed 18 February 2021)<br><i>Ms G Nayler</i> (resigned 15 October 2020)<br><i>Mrs N Nuttall</i> (resigned 15 October 2020)<br><i>Mr B Roberts-Wray</i><br><i>Mr P Stickland</i><br><i>Mrs J Wills</i> (appointed 3 March 2020)<br><i>Ms N Watts</i> (From 27 April 2020 to 15 October 2020)<br><i>Rear Admiral D Wood</i> |
| <b>Company No.</b>               | <i>09404519</i>  |
| <b>Charity Registered Number</b> | <i>1160830</i>   |
| <b>Registered Office</b>         | <i>The Bishop's Palace</i><br><i>Wells</i><br><i>Somerset</i><br><i>BA5 2PD</i>  |
| <b>Company Secretary</b>         | <i>Mrs R Martin</i>  |
| <b>Treasurer</b>                 | <i>Mr N Denison</i>  |
| <b>Auditor</b>                   | <i>Burton Sweet</i><br><i>The Clock Tower</i><br><i>5 Farleigh Court</i><br><i>Old Weston Road</i><br><i>Flax Bourton</i><br><i>Bristol BS48 1UR</i>   |
| <b>Bankers</b>                   | <i>National Westminster Bank plc</i><br><i>7 High Street</i><br><i>Wells</i><br><i>Somerset</i><br><i>BA5 2AD</i>  |

# THE PALACE TRUST

## TRUSTEES' ANNUAL REPORT

### YEAR ENDED 31 DECEMBER 2020

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The Trustees present their report and financial statements for the 12 month period ended 31 December 2020. The financial statements have been prepared in accordance with the Financial Reporting Standard (FRS102) and the Charities SORP (FRS102) based thereon. The Trustees who served from 1 January to 31 December 2020 are listed on the previous page.

#### Strategic Aims

The charitable purposes of The Palace Trust are to preserve for the benefit of the public the fabric of The Bishop's Palace and to promote such charitable purposes as will advance the religious and other charitable work of the Church of England.

Today, The Palace Trust seeks to conserve The Bishop's Palace for future generations: welcoming all who seek a place of beauty, reflection and enjoyment. The charity fulfils its purpose by taking forward detailed actions that meet five strategic objectives covering:

**1. Reach more and a wider range of people**

Our ambition is to welcome 160,000 visitors to the Palace by 2025. The ambition is based on three approaches. First, the development of the visitor offer, with significantly improved interpretation around the built heritage of the site. Second, a broader, more dynamic public events programme. Third, making our heritage accessible to those who will benefit from it the most, who do not currently have the means to engage.

**2. Be a national beacon for community engagement and wellbeing**

We want the Palace to be a best practice model of community engagement. We are moving to a new way of working where people will always come first. We will start with our staff, volunteers and visitors and extend out beyond our moat to become the beating heart of our local community, welcoming supporting and engaging all who can benefit from our incredible resource. We will actively champion our gardens and programming as a resource for peoples on-going wellbeing.

**3. Realise the next phase of The Bishop's Palace development**

By 2025 The Palace Trust will have transformed the visitor experience of the Palace buildings. New interpretation will be engaging, immersive and will transform people's understanding and enjoyment of The Bishop's Palace.

**4. Invest in a sustainable future**

A sustainable future hangs on three key areas, sustainability in terms of environmental impact, financial and social sustainability as we re-engage people who may be fearful of reintegration into society following the pandemic. The Palace Trust will have a net zero carbon footprint by 2025 and will have rebuilt reserves depleted during the coronavirus pandemic.

**5. Become a centre of excellence in the field of horticulture**

The Gardens are the Palace's (as a heritage attraction) primary asset. The next step in furthering the work that has been done in the last twelve years is to make them a centre for training the next generation of gardeners.

#### Public Benefit

In setting The Palace Trust's preceding aims and following objectives and activities, the Trustees have given careful consideration to the Charity Commission's guidance on public benefit and continue to preserve and make accessible The Bishop's Palace and its fourteen acres of gardens to the public, as a place of historic, architectural and landscape interest.

The Palace Trust achieves its purpose by opening the site to the public throughout the year, aiming to engage a diverse audience through a programme of public events, activities, exhibitions, it's commercial activities and

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## TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2020

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community engagement programme. The Bishop's Palace is central to the experience and enjoyment of Wells and will remain so as The Palace Trust continues to grow and expand its public offer. The Palace Trust undertakes an annual plan of conservation and repair works ensuring The Bishop's Palace remains in the public domain for future generations.

### Objectives and Activities

#### Objectives

The Palace Trust continued to carry out the objectives for which it was established, namely, to preserve and make accessible The Bishop's Palace and its fourteen acres of gardens to the public, as a place of historic, architectural and landscape interest

#### Activities

The Palace and gardens had a difficult year in the face of the pandemic, closing its doors to the public for two months between March and May during Lockdown 1. The Palace building and café interior remained closed for much of the year, opening and closing according to the government regulations at the time. With green space at a premium, we were pleased to be able to keep the gardens open for the rest of the year for people's relaxation and wellbeing. All private events such as wedding receptions were cancelled but some public events and activities were able to go ahead in an adapted programme, such as outdoor theatre, adult and children's trails, a medieval weekend, and a Christmas programme of activities, namely "Christmas at the Palace". Community engagement activities grew throughout the year, as we worked closely with partners to assist the local community through the crisis, becoming an integral part of Wells Coronavirus Network – a coordinated response to assist those in need. We launched the "People's Ticket" giving visitors annual access to The Bishop's Palace for a £15 entrance ticket, replacing the £10 day ticket: this proved popular with local residents, and contributed to people's wellbeing.

#### Achievements and Performance

The Palace experienced an excellent first quarter, opening, through Wells Heritage Partners, a new Tourist Information Centre and employing a member of staff as manager, with the objective of improving the visitor experience to the City. Excellent income was generated through site hire as a film venue in both January and February. This successful first quarter assisted financially as visitor numbers began to drop off in the second half of March.

In many respects, 2020, was a successful year for the Palace, despite the pandemic and the uncertain operating environment. Given the emphasis on outdoor activity and wellbeing, we received over 101,000 visitors to the site as they took advantage of the COVID safe environment of the gardens. We expected the People's Ticket to have a detrimental effect on membership sales, reducing it to up to 80% of 2019 figures. However, this was not the case, and sales remained robust at 75%. The People's Ticket had a positive effect on gift aid, increasing it by 20% in the second half of the year in comparison to 2019.

In some respects, the pandemic accelerated plans for greater community engagement and involvement. The Trust became an integral part of the community response to the pandemic, working with local community groups that formed the Wells Coronavirus Network assisting residents where needed. A short survey of visitors towards the end of the year provided evidence we were meeting our objective and were attracting audiences that had not previously visited the Palace. We worked hard to become a place of wellbeing, for example, by: installing "chatty benches" (sitting indicates you would appreciate a conversation); becoming the meeting place for Mendip Health Connections to hold their "Talking Cafes"; conducting a dementia audit and following up on its recommendations; conducting staff training on hidden disabilities and the provision of the Sunflower Lanyard that indicates a person has a hidden disability; and by taking out a joint lease with the Cathedral for carpark places and seeking planning permission for a gate directly into the Community Garden for people with disabilities. We were able to deliver an expanded "Christmas at the Palace" event with the objective of bringing

## THE PALACE TRUST

### TRUSTEES' ANNUAL REPORT

#### YEAR ENDED 31 DECEMBER 2020

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joy to individuals and families at a time when people were most missing their loved ones and unable to spend time with them and which attracted record breaking numbers for a December. Our efforts were well rewarded, receiving our highest ever total score from VisitEngland as part of their Quality Assurance scheme and being invited as one of eight organisations to be a case study for innovation in the tourist industry during a challenging year.

The provision of volunteering opportunities at the Palace reduced during the year, especially as we tend to attract an older demographic. However, volunteering continued through Wells Coronavirus Network (WCN) and with funding from the Heritage Emergency Fund, we set up a new platform in conjunction with WCN, Lets Do It Wells, through Volunteer Makers. This allowed organisations across Wells and beyond to post volunteering opportunities that required a few minutes, a few hours, a day, or long term.

We received substantial funds from HMRC through the furlough system and other small grants. We took advantage of the decrease in VAT and Eat Out to Help Out. We received £250,000 grant through the Heritage Emergency Fund provided by the National Lottery Heritage Fund that assisted in both running and development costs to help us re-open and become a more resilient organisation. We are grateful to the Cultural Recovery Fund for their grant of £364,000 that paid for operational costs November 2020 to March 2021. These grants allowed us to; complete an exhibition celebrating 800 years of the Bishop's Palace; complete a Governance, Staffing and Activity Review; undertake an IT assessment and audit; buy new equipment for safe opening, including PPE and signage, and IT equipment for homeworking; and provide job security to all staff with the payment of all staff costs for over seven months.

#### Plans for Future Periods

The pandemic inevitably delayed development plans. However, a new five year strategy was developed that puts community engagement at the heart of all that we do. A renewed focus on community engagement and access and inclusion of vulnerable groups will ensure more people benefit from the Bishop's Palace. It is the Palace's ambition to substantially reduce its carbon footprint over the coming years, to increase its biodiversity, and to offer courses in horticulture. Whilst plans for renewed interpretation of the Palace building were delayed during 2020, we expect to accelerate those plans from 2021 onwards.

#### Financial Review

The Palace Trust's financial position improved over the year. At year end, the Trust had unrestricted net assets (excluding the trading subsidiary), of £932,045, £179,318 of which is designated. This position reflects our ability to innovate and act quickly in a crisis, attract grant funding, and continue as a location for filming. It is the charity's policy not to commit The Palace Trust to any new major programme of work until sufficient funds are accumulated in reserves to satisfy existing obligations.

The Trust held £49,170 as investments. It is the Trust's policy to place surplus funds into the CBF Investment Fund if they are not likely to be required in the short term.

#### Risk Policy

The Trustees undertook a comprehensive review of risks during the past year and maintain a register of those risks which would affect the reputation and financial status of The Palace Trust. This register is maintained by the Trustees and includes a ranking of risk that takes account of likelihood and severity of impact. Risks that could have a material impact on The Palace Trust are singled out for particular attention.

- A prolonged period of inclement weather. Wet weather can lead to a drop in footfall and thus visitor income. This is mitigated by steps taken to increase footfall in the shoulder months thereby reducing the reliance on summer months, and in the long term to develop the site as an all-weather attraction.

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## TRUSTEES' ANNUAL REPORT

### YEAR ENDED 31 DECEMBER 2020

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- Long term conservation and use of the site. The Bishop's Palace and gardens is owned by the Church Commissioners and the long-term conservation and use of the site is governed by a Management Agreement between The Palace Trust and Church Commissioners. Regular communication in combination with a regularly reviewed agreement ensures continuity and preservation of the 800 year old Palace.
- The pandemic recovery plan is unsuccessful and further restrictions are enforced during the year, reducing visitor income. We will continue to adapt the visitor offer to the current measures, make use of government assistance, seek grant funding where possible and increase our reserves requirement.

#### Reserves Policy

At 31 December 2020, total reserves were £979,733 of which £nil was restricted and £179,318 was designated. Up to £300,000 is expected to be spent in progressing long term development projects in 2021.

It is the Trustees / directors' policy for unrestricted general reserves at the year-end to be of sufficient size to cover the period from January to March where The Palace Trust runs a deficit prior to the summer peak in income based on the budget for the year. Some adjustments are made based on cash flow and contingencies for 25% reduction in income over the first quarter. Due to emergency grant income, losses are expected to be minimal going into 2021. However, the risk of business interruption over the winter of 2021/2022 is such that with a reduced visitor income of 50%, the necessary reserves are calculated to be £300,000 at 31 December 2021.

Unrestricted general reserves were £800,415 at 31 December 2020. The reserves were around £500,000 above the targeted amount and the Trustees are pleased that The Palace Trust is able to withstand a pandemic.

#### Structure, Governance and Management

##### Constitution of The Palace Trust

The Palace Trust was set up in 1968 by Trust Deed in order to preserve The Bishop's Palace in Wells for: inspection by the public as a place of historic and architectural interest; and the advancement of charitable worth of the Church of England in a manner chosen from time to time by the Trustees and approved by the Church Commissioners.<sup>1</sup>

Today, The Palace Trust continues to work towards these charitable aims, by opening The Bishop's Palace and its fourteen acres of gardens up to the public and running it as a heritage site, visitor attraction and registered charity.

##### Organisational Structure and Management

The Board of Trustees meet on a monthly basis to discuss organisational progress and to agree major decisions around strategy and budget. The Chief Executive is responsible for implementing the organisational strategy and for devising and implementing the business plan. Department heads are responsible for the day to day running of The Bishop's Palace including visitor services, catering, marketing, venue hire, volunteer management, gardening, property, and collections.

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<sup>1</sup> The Bishop's Palace is owned by The Church Commissioners, with control of the land and buildings delegated to The Palace Trust, as outlined in a Management Agreement.

# THE PALACE TRUST

## TRUSTEES' ANNUAL REPORT

### YEAR ENDED 31 DECEMBER 2020

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A total of 41 staff (27 full time equivalents) were employed by the Trust and its subsidiary during the 12 month period ended 31 December 2020 with 33 in post at 31 December 2020 (21 full time equivalents). Whilst volunteering inevitably reduced over the year, we are confident it will return to a more normal levels in 2021.

#### **Recruitment, induction and training of Trustees**

Trustees are appointed according to the skills and experience required to deliver a successful operation. New Trustees are recruited via advertisement and application. Interviews are carried out by a Trustee panel before a decision on whether to appoint is made. There is currently no minimum or maximum length of service for a Trustee, but following the Governance review, this is expected to change. New Trustees are provided with an induction pack and associated papers, which include a copy of the Governing Documents, previous audited accounts, recent Trustees' meeting minutes, dates of forthcoming meetings, plus information on the history of The Bishop's Palace and the objects and organisational structure of The Palace Trust. A detailed induction programme is in place involving the Chair of Trustees and key members of staff.

#### **Relationship with other entities**

The management of catering, events (both corporate and private) and filming is undertaken by Palace Enterprises (Wells) Ltd ('PEL'), which is a wholly owned subsidiary of The Palace Trust. Income generated by this subsidiary may be donated to the charity by way of an annual Gift Aid donation if available from distributable profits.

#### **Statement of Trustees' Responsibilities**

The Trustees are responsible for preparing the Report of the Board of Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the group and of the incoming resources and application of resources, including income and expenditure, of the group for the year. In preparing those financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011 and the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# THE PALACE TRUST

## TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2020

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### **Provision of Information to Auditor**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware and that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditor are aware of that information.

### **Appointment of Auditor**

The Trustees / Directors have appointed Burton Sweet for the audit of the 2020 financial statements.

This report was approved by the Board on 20<sup>th</sup> May 2021 and signed on its behalf by:

Rear Admiral David Wood  
Chair

The Palace Trust  
The Bishop's Palace  
Wells, Somerset BA5 2PD

# THE PALACE TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PALACE TRUST

YEAR ENDED 31 DECEMBER 2020

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### Opinion

We have audited the financial statements of The Palace Trust (the "the parent Charity") and its subsidiary, Palace Enterprises (Wells) Limited (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's members those matters we are required to state in 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's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the Charity's affairs as at 31 December 2020 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with international Standards in 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 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 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial

## THE PALACE TRUST

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PALACE TRUST

#### YEAR ENDED 31 DECEMBER 2020

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

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity, the group and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report (incorporating the director's report). We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, 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 they 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 the 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 its subsidiary or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of

**THE PALACE TRUST**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PALACE TRUST**

**YEAR ENDED 31 DECEMBER 2020**

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irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our understanding of the nature, sector, laws and regulations, control environment and enquiry into the current events and activities of the Charity and Group reduces the risk of non-detection.

Our response to the risk of irregularities included reviews of minutes, analytical procedures, the enquiry of management, consideration of provisions, sample testing, journal testing and the assessment of accounting policies and judgements.

The experience and scepticism of our team to irregularities informed our process. Due to the nature of irregularities, our ability to detect them reduces where such transactions are deliberately hidden, not material or appear to be in-line with expectations.

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/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm) This description forms part of our auditor's report.

**Joshua Kingston ACA (Senior Statutory Auditor)**

For and on behalf of Burton Sweet Chartered Accountants and Statutory Auditor

The Clock Tower  
5 Farleigh Court  
Old Weston Road  
Flax Bourton  
Bristol BS48 1UR

Date: .....

# THE PALACE TRUST

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Including Income & Expenditure Account)

YEAR ENDED 31 DECEMBER 2020

|  | Note      | Unrestricted<br>General<br>Funds<br>£ | Unrestricted<br>Designated<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>Funds<br>2020<br>£ | Total<br>Funds<br>2019<br>£ |
|--|-----------|---------------------------------------|--|--------------------------|-----------------------------|-----------------------------|
| <b>Income from:</b>                          |           |                                       |  |                          |                             |                             |
| Donations and legacies                       | 2         | 758,635                               | -  | -                        | 758,635                     | 164,587                     |
| Charitable activities                        | 3         | 410,029                               | -  | -                        | 410,029                     | 434,642                     |
| Other trading activities                     | 4         | 447,492                               | -  | -                        | 447,492                     | 851,563                     |
| Investments                                  | 7         | 2,667                                 | -  | -                        | 2,667                       | 2,957                       |
| <b>Total income</b>                          |           | <b>1,618,823</b>                      | <b>-</b>                                 | <b>-</b>                 | <b>1,618,823</b>            | <b>1,453,749</b>            |
| <b>Expenditure on:</b>                       |           |                                       |  |                          |                             |                             |
| Raising funds                                | 5         | 485,939                               | -  | -                        | 485,939                     | 641,598                     |
| Charitable activities                        | 8         | 697,542                               | 15,443                                   | 11,400                   | 724,385                     | 694,677                     |
| <b>Total expenditure</b>                     |           | <b>1,183,481</b>                      | <b>15,443</b>                            | <b>11,400</b>            | <b>1,210,324</b>            | <b>1,336,275</b>            |
| Gains/(losses) on investments                | 16        | 3,164                                 | -  | -                        | 3,164                       | 7,249                       |
| <b>Net income/(expenditure)</b>              | <b>10</b> | <b>438,506</b>                        | <b>(15,443)</b>                          | <b>(11,400)</b>          | <b>411,663</b>              | <b>124,723</b>              |
| Transfers between funds                      | 22        | (60,274)                              | 60,274                                   | -                        | -                           | -                           |
| <b>Net movement in funds before taxation</b> |           | <b>378,232</b>                        | <b>44,831</b>                            | <b>(11,400)</b>          | <b>411,663</b>              | <b>124,723</b>              |
| Tax on profit/loss of ordinary activities    | 17        | -                                     | -  | -                        | -                           | 11                          |
| <b>Net movement in funds</b>                 |           | <b>378,232</b>                        | <b>44,831</b>                            | <b>(11,400)</b>          | <b>411,663</b>              | <b>124,734</b>              |
| <b>Total funds at 1 January</b>              | <b>22</b> | <b>422,183</b>                        | <b>134,487</b>                           | <b>11,400</b>            | <b>568,070</b>              | <b>443,336</b>              |
| <b>Total funds at 31 December</b>            | <b>22</b> | <b>800,415</b>                        | <b>179,318</b>                           | <b>-</b>                 | <b>979,733</b>              | <b>568,070</b>              |

The group has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the group are classed as continuing

The notes on pages 15 to 29 form part of these financial statements  
See note 13 for fund-accounting comparative figures

# THE PALACE TRUST

## CHARITY STATEMENT OF FINANCIAL ACTIVITIES (Including Income & Expenditure Account)

YEAR ENDED 31 DECEMBER 2020

|                                   | Note      | Unrestricted<br>General<br>Funds<br>£ | Unrestricted<br>Designated<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>Funds<br>2020<br>£ | Total<br>Funds<br>2019<br>£ |
|-----------------------------------|-----------|---------------------------------------|--|--------------------------|-----------------------------|-----------------------------|
| <b>Income from:</b>               |           |                                       |  |                          |                             |                             |
| Donations and legacies            | 2         | 684,272                               | -  | -                        | 684,272                     | 165,736                     |
| Charitable activities             | 3         | 410,029                               | -  | -                        | 410,029                     | 434,642                     |
| Other trading activities          | 4         | 104,561                               | -  | -                        | 104,561                     | 219,426                     |
| Investments                       | 7         | 2,667                                 | -  | -                        | 2,667                       | 2,957                       |
| <b>Total income</b>               |           | <b>1,201,529</b>                      | <b>-</b>                                 | <b>-</b>                 | <b>1,201,529</b>            | <b>822,761</b>              |
| <b>Expenditure on:</b>            |           |                                       |  |                          |                             |                             |
| Raising funds                     | 5         | 45,304                                | -  | -                        | 45,304                      | 41,275                      |
| Charitable activities             | 8         | 697,542                               | 15,443                                   | 11,400                   | 724,385                     | 694,677                     |
| <b>Total expenditure</b>          |           | <b>742,846</b>                        | <b>15,443</b>                            | <b>11,400</b>            | <b>769,689</b>              | <b>735,952</b>              |
| Gains/(losses) on investments     | 16        | 3,164                                 | -  | -                        | 3,164                       | 7,249                       |
| <b>Net income/(expenditure)</b>   | <b>10</b> | <b>461,847</b>                        | <b>(15,443)</b>                          | <b>(11,400)</b>          | <b>435,004</b>              | <b>94,058</b>               |
| Transfers between funds           | 22        | (60,274)                              | 60,274                                   | -                        | -                           | -                           |
| <b>Net movement in funds</b>      |           | <b>401,573</b>                        | <b>44,831</b>                            | <b>(11,400)</b>          | <b>435,004</b>              | <b>94,058</b>               |
| <b>Total funds at 1 January</b>   | <b>22</b> | <b>351,154</b>                        | <b>134,487</b>                           | <b>11,400</b>            | <b>497,041</b>              | <b>402,983</b>              |
| <b>Total funds at 31 December</b> | <b>22</b> | <b>752,727</b>                        | <b>179,318</b>                           | <b>-</b>                 | <b>932,045</b>              | <b>497,041</b>              |

The group has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the group are classed as continuing

The notes on pages 15 to 29 form part of these financial statements  
See note 14 for fund-accounting comparative figures

# THE PALACE TRUST

## BALANCE SHEET

AS AT 31 DECEMBER 2020

Company Number: 09404519

|  | Note | Group<br>2020<br>£ | Charity<br>2020<br>£ | Group<br>2019<br>£ | Charity<br>2019<br>£ |
|--|------|--------------------|----------------------|--------------------|----------------------|
| <b>Fixed assets</b>  |      |                    |                      |                    |                      |
| Tangible assets  | 15   | 177,851            | 122,904              | 147,409            | 110,347              |
| Investments  | 16   | 49,169             | 49,170               | 46,005             | 46,006               |
|  |      | <u>227,020</u>     | <u>172,074</u>       | <u>193,414</u>     | <u>156,353</u>       |
| <b>Current assets</b>  |      |                    |                      |                    |                      |
| Stock  |      | 5,317              | -                    | 11,647             | -                    |
| Debtors  | 18   | 45,309             | 178,015              | 110,270            | 122,452              |
| Cash at bank and in hand                                       |      | 876,139            | 667,351              | 416,879            | 335,504              |
|  |      | <u>926,765</u>     | <u>845,366</u>       | <u>538,796</u>     | <u>457,956</u>       |
| <b>Creditors: amounts falling due within one year</b>          | 19   | <u>(124,052)</u>   | <u>(85,395)</u>      | <u>(164,140)</u>   | <u>(117,268)</u>     |
| <b>Net current assets</b>                                      |      | <u>802,713</u>     | <u>759,971</u>       | <u>374,656</u>     | <u>340,688</u>       |
| <b>Total assets less current liabilities</b>                   |      | <u>1,029,733</u>   | <u>932,045</u>       | <u>568,070</u>     | <u>497,041</u>       |
| <b>Creditors: amounts falling due after more than one year</b> | 19   | <u>(50,000)</u>    | <u>-</u>             | <u>-</u>           | <u>-</u>             |
| <b>Net assets</b>  |      | <u>979,733</u>     | <u>932,045</u>       | <u>568,070</u>     | <u>497,041</u>       |
| <b>Funds</b>   |      |                    |                      |                    |                      |
| <b>Unrestricted funds</b>                                      |      |                    |                      |                    |                      |
| General funds  | 23   | 752,727            | 752,727              | 351,154            | 351,154              |
| Non-charitable trading funds                                   | 23   | 47,688             | -                    | 71,029             | -                    |
| Designated funds   | 23   | 179,318            | 179,318              | 134,487            | 134,487              |
| <b>Restricted funds</b>  | 23   | <u>-</u>           | <u>-</u>             | <u>11,400</u>      | <u>11,400</u>        |
| <b>Total funds</b>   |      | <u>979,733</u>     | <u>932,045</u>       | <u>568,070</u>     | <u>497,041</u>       |

The Trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

These financial statements were approved by the Trustees on ..... and are signed on their behalf by:

.....  
Rear Admiral David Wood  
Chair

The notes on pages 15 to 29 form part of these financial statements

# THE PALACE TRUST

## CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2020

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|  | Notes     | 2020<br>£    | 2020<br>£      | 2019<br>£     |
|--|-----------|--------------|----------------|---------------|
| <b>Net cash inflow from operating activities</b> | <b>20</b> |              | 518,989        | 125,953       |
| <b>Non-operational cash flows</b>                |           |              |                |               |
| <b><i>Investing activities</i></b>               |           |              |                |               |
| Payments for tangible fixed assets               |           | (62,396)     |                | (30,007)      |
| Investment income                                |           | <u>2,667</u> |                | <u>2,957</u>  |
|  |           |              | (59,729)       | (27,050)      |
| Net cash inflow for the year                     | <b>21</b> |              | <u>459,260</u> | <u>98,903</u> |

### **Cashflow restrictions**

Charity law prohibits the use of net cash inflows on any endowed or other restricted fund to offset net cash outflows on any fund outside its own Objects, except on special authority. In practice, this restriction has not had any effect on group cash flows for the year.

The notes on pages 15 to 29 form part of these financial statements

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

#### Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention, with the exception of listed investments which are included at market value. The financial statements have been prepared under the 'small companies' provisions of the Companies Act 2006 and in accordance with the Financial Reporting Standard FRS102 and the Charities Statement of Recommended Practice (SORP FRS102) based thereon.

The charity is a public benefit entity as defined under FRS102.

There are no material uncertainties about the charity's ability to continue as a going concern, despite the significant uncertainty being caused by the worldwide COVID-19 crisis. Whilst the Trustees expect there to be a significant impact on the charity's operations and reserves in the coming months and years, the charity has sufficient reserves to be able to meet these challenges.

#### Basis of consolidation

The Consolidated Statement of Financial Activities (SOFA), Consolidated Balance Sheet and Consolidated Cash Flow Statement consolidate the financial statements of the Charity and its subsidiary, Palace Enterprises (Wells) Limited. The results of the subsidiary are consolidated on a line by line basis.

#### Fund accounting

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

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

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

#### Income

All income is included in the Statement of Finance Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Income such as life membership income is deferred where the conditions for receipt are not met at the end of the accounting period.

Income represents the total income receivable during the period, including gate receipts, shop sales, interest and dividends received, and gift aid receipts. Lifetime membership income is considered donated income and recognised upon receipt.

Gifts donated for resale are included as income when they are sold. No amounts are included in the financial statements for service donated by volunteers.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

#### Expenditure

All expenditure is accounted for on an accruals basis inclusive of any VAT which cannot be recovered and has been included under expense categories that aggregate all costs for allocation to activities.

Expenditure on raising funds includes those incurred in trading activities.

Charitable activities include expenditure on maintaining The Bishop's Palace and includes both direct costs and support costs relating to those activities.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements. Governance costs are included within charitable activity support costs.

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies (continued)

#### Tangible fixed assets

Tangible fixed assets are classified as such when they have a value over £100 and a useful life of over one year. They are stated at cost less depreciation, which is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives.

#### Tangible fixed assets - Depreciation

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

|                                |                          |
|--------------------------------|--------------------------|
| Computer hardware and software | 3-5 years straight line  |
| Fixtures and Fittings          | 20% straight line        |
| Outdoor equipment              | 2-15 years straight line |
| Catering equipment             | 20% straight line        |

Assets transferred from the old Palace Trust (Charity No. 256356) were transferred at the net book value on 1 May 2015 and are depreciated on a straight line basis with the duration based on how many months they had remaining on the former Palace Trust before declining to a nil value rounded to the nearest year.

#### Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

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

#### Stocks

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

#### Taxation

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

#### Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

### 2 Donations and legacies

#### Group & Charity

|  | Unrestricted<br>General<br>Funds<br>£ | Unrestricted<br>Designated<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total Funds<br>2020<br>£ | Total Funds<br>2019<br>£ |
|--|---------------------------------------|--|--------------------------|--------------------------|--------------------------|
| Donations  | 35,884                                | -  | -                        | 35,884                   | 21,261                   |
| Gift Aid Donation from subsidiary Palace Enterprises (Wells) Ltd | 24,518                                | -  | -                        | 24,518                   | 1,149                    |
| Grants   |                                       |  |                          |                          |                          |
| Church Commissioners   | 89,500                                | -  | -                        | 89,500                   | 85,112                   |
| Job Retention Scheme   | 49,993                                | -  | -                        | 49,993                   | -                        |
| NLHF Heritage Emergency Fund                                     | 250,000                               | -  | -                        | 250,000                  | -                        |
| NLHF Cultural Recovery Fund                                      | 182,450                               | -  | -                        | 182,450                  | -                        |
| Refunded tax   | 51,927                                | -  | -                        | 51,927                   | 58,214                   |
| <b>Charity sub-total</b>   | <b>684,272</b>                        | <b>-</b>                                 | <b>-</b>                 | <b>684,272</b>           | <b>165,736</b>           |
| Job Retention Scheme   | 56,232                                | -  | -                        | 56,232                   | -                        |
| Eat Out to Help Out  | 15,649                                | -  | -                        | 15,649                   | -                        |
| Business Rates Relief  | 27,000                                | -  | -                        | 27,000                   | -                        |
| Inter-group eliminations   | (24,518)                              | -  | -                        | (24,518)                 | (1,149)                  |
| <b>Group donations and legacies</b>                              | <b>758,635</b>                        | <b>-</b>                                 | <b>-</b>                 | <b>758,635</b>           | <b>164,587</b>           |

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

### 2 Donations and legacies (*continued*)

| Prior year comparative   | Unrestricted<br>General<br>Funds<br>£ | Unrestricted<br>Designated<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total Funds<br>2019<br>£ |
|--|---------------------------------------|--|--------------------------|--------------------------|
| Donations  | 20,361                                | -  | 900                      | 21,261                   |
| Gift Aid Donation from subsidiary Palace Enterprises (Wells) Ltd | 1,149                                 | -  | -                        | 1,149                    |
| Grants   |                                       |  |                          |                          |
| Church Commissioners   | 85,112                                | -  | -                        | 85,112                   |
| Refunded tax   | 58,214                                | -  | -                        | 58,214                   |
| <b>Charity sub-total</b>   | <b>164,836</b>                        | <b>-</b>                                 | <b>900</b>               | <b>165,736</b>           |
| Inter-group eliminations   | (1,149)                               | -  | -                        | (1,149)                  |
| <b>Group donations and legacies</b>                              | <b>163,687</b>                        | <b>-</b>                                 | <b>900</b>               | <b>164,587</b>           |

### 3 Income from charitable activities Group & Charity

|                   | Unrestricted<br>General<br>Funds<br>£ | Unrestricted<br>Designated<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total Funds<br>2020<br>£ | Total Funds<br>2019<br>£ |
|-------------------|---------------------------------------|--|--------------------------|--------------------------|--------------------------|
| Entrance fee      | 334,083                               | -  | -                        | 334,083                  | 334,167                  |
| Membership income | 75,946                                | -  | -                        | 75,946                   | 100,475                  |
|                   | <b>410,029</b>                        | <b>-</b>                                 | <b>-</b>                 | <b>410,029</b>           | <b>434,642</b>           |

Income from charitable activities in the prior year has been classed as unrestricted general funds.

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

### 4 Income from: Other trading activities

| Group & Charity  | Unrestricted   | Unrestricted | Restricted | Total Funds    | Total Funds    |
|--|----------------|--------------|------------|----------------|----------------|
|  | General        | Designated   |            |                |                |
|  | Funds          | Funds        | Funds      | 2020           | 2019           |
|  | £              | £            | £          | £              | £              |
| Shop income  | 1,567          | -            | -          | 1,567          | 13,640         |
| Event sponsorship  | -              | -            | -          | -              | 1,500          |
| Management fee income - Palace Enterprises (Wells) Limited | 74,080         | -            | -          | 74,080         | 137,529        |
| Event income   | 17,994         | -            | -          | 17,994         | 54,499         |
| Solar panel income   | 2,136          | -            | -          | 2,136          | 1,458          |
| Rental income  | 8,784          | -            | -          | 8,784          | 10,800         |
| <b>Charity sub-total</b>                                   | <b>104,561</b> | <b>-</b>     | <b>-</b>   | <b>104,561</b> | <b>219,426</b> |
| Restaurant income  | 322,013        | -            | -          | 322,013        | 514,269        |
| Event catering   | 3,035          | -            | -          | 3,035          | 100,409        |
| Event site hire  | (8)            | -            | -          | (8)            | 56,621         |
| Retail income  | 20,197         | -            | -          | 20,197         | 59,442         |
| Film income  | 63,466         | -            | -          | 63,466         | 38,171         |
| Other income   | 8,308          | -            | -          | 8,308          | 754            |
| <b>Subsidiary sub-total</b>                                | <b>417,011</b> | <b>-</b>     | <b>-</b>   | <b>417,011</b> | <b>769,666</b> |
| Inter-group eliminations                                   | (74,080)       | -            | -          | (74,080)       | (137,529)      |
| <b>Group income from other trading activities</b>          | <b>447,492</b> | <b>-</b>     | <b>-</b>   | <b>447,492</b> | <b>851,563</b> |

Income from other trading activities in the prior year has been classed as unrestricted general funds.

### 5 Expenditure on: Raising funds

| Group & Charity                           | Unrestricted   | Unrestricted | Restricted | Total Funds    | Total Funds    |
|---|----------------|--------------|------------|----------------|----------------|
|   | General        | Designated   |            |                |                |
|   | Funds          | Funds        | Funds      | 2020           | 2019           |
|   | £              | £            | £          | £              | £              |
| <i>Direct costs</i>                       |                |              |            |                |                |
| Event costs                               | 27,347         | -            | -          | 27,347         | 22,575         |
| Commission sales expense                  | 8,459          | -            | -          | 8,459          | 9,355          |
| Support costs (note 9)                    | 9,498          | -            | -          | 9,498          | 9,345          |
| <b>Charity sub-total</b>                  | <b>45,304</b>  | <b>-</b>     | <b>-</b>   | <b>45,304</b>  | <b>41,275</b>  |
| <i>Direct costs - subsidiary</i>          |                |              |            |                |                |
| Cost of goods sold                        | 109,891        | -            | -          | 109,891        | 228,869        |
| Other direct costs                        | 24,046         | -            | -          | 24,046         | 26,156         |
| Wages, salaries and agency staff          | 255,015        | -            | -          | 255,015        | 289,456        |
| Overheads - subsidiary                    | 51,683         | -            | -          | 51,683         | 55,842         |
| Management charge                         | 74,080         | -            | -          | 74,080         | 137,529        |
| Donation to parent                        | 24,518         | -            | -          | 24,518         | 1,149          |
| <b>Subsidiary sub-total</b>               | <b>539,233</b> | <b>-</b>     | <b>-</b>   | <b>539,233</b> | <b>739,001</b> |
| Inter-group eliminations                  | (98,598)       | -            | -          | (98,598)       | (138,678)      |
| <b>Group expenditure on raising funds</b> | <b>485,939</b> | <b>-</b>     | <b>-</b>   | <b>485,939</b> | <b>641,598</b> |

Expenditure on raising funds in the prior year has been classed as unrestricted general funds.

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

### 6 Calculation of net income / (expenditure) from trading activities

|  | Unrestricted<br>General<br>Funds<br>£ | Unrestricted<br>Designated<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total Funds<br>2020<br>£ | Total Funds<br>2019<br>£ |
|--|---------------------------------------|--|--------------------------|--------------------------|--------------------------|
| Charity  | 59,257                                | -  | -                        | 59,257                   | 178,151                  |
| Subsidiary   | (23,341)                              | -  | -                        | (23,341)                 | 30,665                   |
| Inter-group eliminations                                 | 24,518                                | -  | -                        | 24,518                   | 1,149                    |
| Group net income / (expenditure) from trading activities | <u>60,434</u>                         | <u>-</u>                                 | <u>-</u>                 | <u>60,434</u>            | <u>209,965</u>           |

Net income/(expenditure) from trading activities in the prior year has been classed as unrestricted general funds.

### 7 Investment Income Group & Charity

|                                 | Unrestricted<br>General<br>Funds<br>£ | Unrestricted<br>Designated<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total Funds<br>2020<br>£ | Total Funds<br>2019<br>£ |
|---------------------------------|---------------------------------------|--|--------------------------|--------------------------|--------------------------|
| Dividends and interest received | <u>2,667</u>                          | <u>-</u>                                 | <u>-</u>                 | <u>2,667</u>             | <u>2,957</u>             |

Investment income in the prior year has been classed as unrestricted general funds.

### 8 Expenditure on: Charitable activities Group & Charity

|  | Direct<br>Costs<br>£ | (Note 9)<br>Support<br>Costs<br>£ | Total<br>2020<br>£ |
|--|----------------------|-----------------------------------|--------------------|
| Preserve the fabric of the Palace and Grounds: |                      |                                   |                    |
| Maintenance costs                              | 82,047               | 6,668                             | 88,715             |
| Garden maintenance                             | 29,110               | 48,190                            | 77,300             |
| Public access and education                    | 2,996                | 555,374                           | 558,370            |
|  | <u>114,153</u>       | <u>610,232</u>                    | <u>724,385</u>     |

#### Prior year comparative

|  | Direct<br>Costs<br>£ | (Note 9)<br>Support<br>Costs<br>£ | Total<br>2019<br>£ |
|--|----------------------|-----------------------------------|--------------------|
| Preserve the fabric of the Palace and Grounds: |                      |                                   |                    |
| Maintenance costs                              | 64,125               | 9,360                             | 73,485             |
| Garden maintenance                             | 19,719               | 37,882                            | 57,601             |
| Public access and education                    | 7,704                | 555,887                           | 563,591            |
|  | <u>91,548</u>        | <u>603,129</u>                    | <u>694,677</u>     |

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

### 9 Support costs Group & Charity

|                                   | Expenditure<br>on:<br>Raising<br>funds | Expenditure<br>on:<br>Charitable<br>activities | Total<br>2020  | Total<br>2019  |
|-----------------------------------|--|--|----------------|----------------|
|                                   | £                                      | £  | £              | £              |
| Rent, rates, light and heat       | -                                      | 38,974   | 38,974         | 40,500         |
| Cleaning costs                    | -                                      | 26,326   | 26,326         | 18,268         |
| Advertising                       | 2,844                                  | 25,593   | 28,437         | 42,125         |
| Office costs                      | -                                      | 48,593   | 48,593         | 43,532         |
| Subscriptions                     | -                                      | 3,395  | 3,395          | 2,954          |
| Legal fees                        | -                                      | 4,350  | 4,350          | -              |
| Professional fees                 | -                                      | 28,099   | 28,099         | 12,039         |
| Accountancy                       | -                                      | 18,394   | 18,394         | 14,657         |
| Bank charges                      | -                                      | 1,041  | 1,041          | 1,935          |
| Staff training and recruitment    | -                                      | 1,917  | 1,917          | 7,645          |
| Travel and entertainment          | -                                      | 3,379  | 3,379          | 12,981         |
| Wages and salaries                | 6,654                                  | 388,493  | 395,147        | 392,713        |
| Depreciation                      | -                                      | 15,443   | 15,443         | 17,185         |
| <b>Governance costs - charity</b> |  |  |                |                |
| Auditors fees - audit             | -                                      | 5,500  | 5,500          | 5,375          |
| Auditors fees - accountancy       | -                                      | 735  | 735            | 565            |
|                                   | <u>9,498</u>                           | <u>610,232</u>                                 | <u>619,730</u> | <u>612,474</u> |

### Prior year comparative

|                                   | Expenditure<br>on:<br>Raising<br>funds | Expenditure<br>on:<br>Charitable<br>activities | Total<br>2019  |
|-----------------------------------|--|--|----------------|
|                                   | £                                      | £  | £              |
| Rent, rates, light and heat       | -                                      | 40,500   | 40,500         |
| Cleaning costs                    | -                                      | 18,268   | 18,268         |
| Advertising                       | 4,213                                  | 37,912   | 42,125         |
| Office costs                      | -                                      | 43,532   | 43,532         |
| Subscriptions                     | -                                      | 2,954  | 2,954          |
| Professional fees                 | -                                      | 12,039   | 12,039         |
| Accountancy                       | -                                      | 14,657   | 14,657         |
| Bank charges                      | -                                      | 1,935  | 1,935          |
| Staff training and recruitment    | -                                      | 7,645  | 7,645          |
| Travel and entertainment          | -                                      | 12,981   | 12,981         |
| Wages and salaries                | 5,132                                  | 387,581  | 392,713        |
| Depreciation                      | -                                      | 17,185   | 17,185         |
| <b>Governance costs - charity</b> |  |  |                |
| Auditors fees - audit             | -                                      | 5,375  | 5,375          |
| Auditors fees - accountancy       | -                                      | 565  | 565            |
|                                   | <u>9,345</u>                           | <u>603,129</u>                                 | <u>612,474</u> |

Support costs are split between fundraising costs and charitable activity costs based upon usage. Only expenditure in the charity is considered to be support costs and able to be allocated between charitable activities and fundraising costs.

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

### 10 Net income

This is stated after charging:

|                                       | <b>Group<br/>2020</b> | <b>Charity<br/>2020</b> | <b>Group<br/>2019</b> | <b>Charity<br/>2019</b> |
|---------------------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
|                                       | <b>£</b>              | <b>£</b>                | <b>£</b>              | <b>£</b>                |
| Depreciation of tangible fixed assets | 31,954                | 15,441                  | 28,367                | 17,163                  |
| Auditors fees - audit                 | 9,900                 | 5,500                   | 9,240                 | 5,375                   |
| Auditors fees - accountancy           | 1,155                 | 735                     | 725                   | 565                     |

There were no Trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the period ended 31 December 2019.

The total Trustees' expenses paid during the year ended 31 December 2020 to one trustee for travel expenses were £1,558 (2019: £1,708).

The total Trustee, key management personnel and other related party donations in the year were £nil (2019: £1,400).

### 11 Staff costs and numbers

|                                   | <b>Group<br/>2020</b> | <b>Charity<br/>2020</b> | <b>Group<br/>2019</b> | <b>Charity<br/>2019</b> |
|-----------------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
|                                   | <b>£</b>              | <b>£</b>                | <b>£</b>              | <b>£</b>                |
| The aggregate payroll costs were: |                       |                         |                       |                         |
| Wages and salaries                | 593,033               | 361,267                 | 606,409               | 345,235                 |
| Social security costs             | 36,064                | 20,529                  | 33,824                | 19,658                  |
| Employers pension                 | 17,850                | 11,411                  | 14,612                | 10,431                  |
| Redundancy costs                  | 1,940                 | 1,940                   | -                     | -                       |
|                                   | <u>648,887</u>        | <u>395,147</u>          | <u>654,845</u>        | <u>375,324</u>          |

The average weekly number of employees during the year, calculated on the basis of average headcount, was as follows:

|                               | <b>Group<br/>2020</b> | <b>Charity<br/>2020</b> | <b>Group<br/>2019</b> | <b>Charity<br/>2019</b> |
|-------------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
|                               | <b>No.</b>            | <b>No.</b>              | <b>No.</b>            | <b>No.</b>              |
| Management and administration | 12                    | 9                       | 15                    | 11                      |
| Other staff                   | 27                    | 15                      | 34                    | 15                      |
|                               | <u>39</u>             | <u>24</u>               | <u>49</u>             | <u>26</u>               |

The average weekly number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

|                               | <b>Group<br/>2020</b> | <b>Charity<br/>2020</b> | <b>Group<br/>2019</b> | <b>Charity<br/>2019</b> |
|-------------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
|                               | <b>No.</b>            | <b>No.</b>              | <b>No.</b>            | <b>No.</b>              |
| Management and administration | 8                     | 6                       | 11                    | 7                       |
| Other staff                   | 16                    | 8                       | 18                    | 8                       |
|                               | <u>24</u>             | <u>14</u>               | <u>29</u>             | <u>15</u>               |

No employee received emoluments of more than £60,000.

The key management personnel (which consists of the Trustees, the Chief Executive, Development Project Manager and Head Gardener) employee benefits totalled £106,633 (2019: £86,304) for the Group & Charity.

### 12 Taxation

The charity is exempt from corporation tax as all its income is charitable and applied for charitable purposes. The charity's trading subsidiary, Palace Enterprises (Wells) Limited, attracts corporation tax only to the extent that profits remain within it to grow its activities. Further available profits are donated responsibly to the charity.

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

### 13 Consolidated fund-analysis comparative figures

| Group  | Unrestricted<br>General<br>Funds<br>£ | Unrestricted<br>Designated<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>Funds<br>2019<br>£ |
|--|---------------------------------------|--|--------------------------|-----------------------------|
| <b>Income from:</b>                          |                                       |  |                          |                             |
| Donations and legacies                       | 163,687                               | -  | 900                      | 164,587                     |
| Charitable activities                        | 434,642                               | -  | -                        | 434,642                     |
| Other trading activities                     | 851,563                               | -  | -                        | 851,563                     |
| Investments                                  | 2,957                                 | -  | -                        | 2,957                       |
| <b>Total income</b>                          | <b>1,452,849</b>                      | <b>-</b>                                 | <b>900</b>               | <b>1,453,749</b>            |
| <b>Expenditure on:</b>                       |                                       |  |                          |                             |
| Raising funds                                | 641,598                               | -  | -                        | 641,598                     |
| Charitable activities                        | 667,370                               | 19,445                                   | 7,862                    | 694,677                     |
| <b>Total expenditure</b>                     | <b>1,308,968</b>                      | <b>19,445</b>                            | <b>7,862</b>             | <b>1,336,275</b>            |
| Gains/(losses) on investments                | 7,249                                 | -  | -                        | 7,249                       |
| <b>Net income/(expenditure)</b>              | <b>151,130</b>                        | <b>(19,445)</b>                          | <b>(6,962)</b>           | <b>124,723</b>              |
| Transfers between funds                      | (13,825)                              | 13,825                                   | -                        | -                           |
| <b>Net movement in funds before taxation</b> | <b>137,305</b>                        | <b>(5,620)</b>                           | <b>(6,962)</b>           | <b>124,723</b>              |
| <b>Tax on profit of ordinary activities</b>  | <b>11</b>                             | <b>-</b>                                 | <b>-</b>                 | <b>11</b>                   |
| <b>Net movement in funds</b>                 | <b>137,316</b>                        | <b>(5,620)</b>                           | <b>(6,962)</b>           | <b>124,734</b>              |
| <b>Total funds at 1 January 2019</b>         | <b>284,867</b>                        | <b>140,107</b>                           | <b>18,362</b>            | <b>443,336</b>              |
| <b>Total funds at 31 December 2019</b>       | <b>422,183</b>                        | <b>134,487</b>                           | <b>11,400</b>            | <b>568,070</b>              |

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

### 14 Consolidated fund-analysis comparative figures

#### Charity

|  | Unrestricted<br>General<br>Funds<br>£ | Unrestricted<br>Designated<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>Funds<br>2019<br>£ |
|--|---------------------------------------|--|--------------------------|-----------------------------|
| <b>Income from:</b>                    |                                       |  |                          |                             |
| Donations and legacies                 | 164,836                               | -  | 900                      | 165,736                     |
| Charitable activities                  | 434,642                               | -  | -                        | 434,642                     |
| Other trading activities               | 219,426                               | -  | -                        | 219,426                     |
| Investments                            | 2,957                                 | -  | -                        | 2,957                       |
| <b>Total income</b>                    | <b>821,861</b>                        | <b>-</b>                                 | <b>900</b>               | <b>822,761</b>              |
| <b>Expenditure on:</b>                 |                                       |  |                          |                             |
| Raising funds                          | 41,275                                | -  | -                        | 41,275                      |
| Charitable activities                  | 667,370                               | 19,445                                   | 7,862                    | 694,677                     |
| <b>Total expenditure</b>               | <b>708,645</b>                        | <b>19,445</b>                            | <b>7,862</b>             | <b>735,952</b>              |
| Gains/(losses) on investments          | 7,249                                 | -  | -                        | 7,249                       |
| <b>Net income/(expenditure)</b>        | <b>120,465</b>                        | <b>(19,445)</b>                          | <b>(6,962)</b>           | <b>94,058</b>               |
| Transfers between funds                | (13,825)                              | 13,825                                   | -                        | -                           |
| <b>Net movement in funds</b>           | <b>106,640</b>                        | <b>(5,620)</b>                           | <b>(6,962)</b>           | <b>94,058</b>               |
| <b>Total funds at 1 January 2019</b>   | <b>244,514</b>                        | <b>140,107</b>                           | <b>18,362</b>            | <b>402,983</b>              |
| <b>Total funds at 31 December 2019</b> | <b>351,154</b>                        | <b>134,487</b>                           | <b>11,400</b>            | <b>497,041</b>              |

### 15 Tangible fixed assets

#### Group

|                       | Computer<br>equipment<br>£ | Furniture,<br>fittings and<br>equipment<br>£ | Outdoor<br>equipment<br>£ | Catering<br>equipment<br>£ | Totals<br>£    |
|-----------------------|----------------------------|--|---------------------------|----------------------------|----------------|
| <b>Cost</b>           |                            |  |                           |                            |                |
| At 1 January 2020     | 22,511                     | 14,090                                       | 126,408                   | 87,465                     | 250,474        |
| Additions             | 8,946                      | 2,205  | 12,830                    | 38,415                     | 62,396         |
| At 31 December 2020   | <b>31,457</b>              | <b>16,295</b>                                | <b>139,238</b>            | <b>125,880</b>             | <b>312,870</b> |
| <b>Depreciation</b>   |                            |  |                           |                            |                |
| At 1 January 2020     | 12,353                     | 12,372                                       | 28,070                    | 50,270                     | 103,065        |
| Charge for the year   | 4,564                      | 1,124  | 9,521                     | 16,745                     | 31,954         |
| At 31 December 2020   | <b>16,917</b>              | <b>13,496</b>                                | <b>37,591</b>             | <b>67,015</b>              | <b>135,019</b> |
| <b>Net book value</b> |                            |  |                           |                            |                |
| At 31 December 2020   | <b>14,540</b>              | <b>2,799</b>                                 | <b>101,647</b>            | <b>58,865</b>              | <b>177,851</b> |
| At 31 December 2019   | <b>10,158</b>              | <b>1,718</b>                                 | <b>98,338</b>             | <b>37,195</b>              | <b>147,409</b> |

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

### 15 Tangible fixed assets (*continued*)

#### Charity

|                       | Computer<br>equipment<br>£ | Furniture,<br>fittings and<br>equipment<br>£ | Outdoor<br>equipment<br>£ | Catering<br>equipment<br>£ | Totals<br>£    |
|-----------------------|----------------------------|--|---------------------------|----------------------------|----------------|
| <b>Cost</b>           |                            |  |                           |                            |                |
| At 1 January 2020     | 22,511                     | 14,090                                       | 126,408                   | 19,743                     | 182,752        |
| Additions             | 8,946                      | 2,205  | 12,830                    | 4,017                      | 27,998         |
| At 31 December 2020   | <u>31,457</u>              | <u>16,295</u>                                | <u>139,238</u>            | <u>23,760</u>              | <u>210,750</u> |
| <b>Depreciation</b>   |                            |  |                           |                            |                |
| At 1 January 2020     | 12,353                     | 12,372                                       | 28,070                    | 19,610                     | 72,405         |
| Charge for the year   | 4,564                      | 1,124  | 9,521                     | 232                        | 15,441         |
| At 31 December 2020   | <u>16,917</u>              | <u>13,496</u>                                | <u>37,591</u>             | <u>19,842</u>              | <u>87,846</u>  |
| <b>Net book value</b> |                            |  |                           |                            |                |
| At 31 December 2020   | <u>14,540</u>              | <u>2,799</u>                                 | <u>101,647</u>            | <u>3,918</u>               | <u>122,904</u> |
| At 31 December 2019   | <u>10,158</u>              | <u>1,718</u>                                 | <u>98,338</u>             | <u>133</u>                 | <u>110,347</u> |

### 16 Fixed asset investments

#### Group

|                                | Unlisted<br>securities<br>£ | Total<br>2020<br>£          | Total<br>2019<br>£          |
|--------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Opening balance                | 46,005                      | 46,005                      | 38,756                      |
| Unrealised gains/(losses)      | 3,164                       | 3,164                       | 7,249                       |
|                                | <u>49,169</u>               | <u>49,169</u>               | <u>46,005</u>               |
|                                |                             | <b>Total<br/>2020<br/>£</b> | <b>Total<br/>2019<br/>£</b> |
| Historical cost of investments |                             | <u>33,593</u>               | <u>33,593</u>               |

The unlisted investments comprise 2,400 shares in the Central Board of Finance of the Church of England Investment Fund. All investments are held in the UK.

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

### 16 Fixed asset investments (*continued*)

| Charity   | Unlisted securities<br>£ | Total<br>2020<br>£          | Total<br>2019<br>£          |
|---|--------------------------|-----------------------------|-----------------------------|
| Opening balance   | 46,006                   | 46,006                      | 38,757                      |
| Unrealised gains/(losses)   | 3,164                    | 3,164                       | 7,249                       |
|   | <u>49,170</u>            | <u>49,170</u>               | <u>46,006</u>               |
|   |                          | <b>Total<br/>2020<br/>£</b> | <b>Total<br/>2019<br/>£</b> |
| Historical cost of investments  |                          | <u>33,594</u>               | <u>33,594</u>               |
| <b>Charity investments at market value comprise:</b>                            |                          |                             |                             |
|   |                          | <b>Total<br/>2020<br/>£</b> | <b>Total<br/>2019<br/>£</b> |
| Shares in the Central Board of Finance of the Church of England Investment Fund |                          | 49,169                      | 46,005                      |
| Shareholding in Palace Enterprises (Wells) Limited                              |                          | 1                           | 1                           |
|   |                          | <u>49,170</u>               | <u>46,006</u>               |

All the fixed asset investments are held in the United Kingdom. Palace Enterprises (Wells) Limited (Company No. 03013064) is a wholly owned subsidiary of The Palace Trust, a company limited by guarantee (Company No. 09404519). A summary of the trading results for the subsidiary is set out in note 17.

### 17 Principal subsidiaries

| Company name                       | Country           | Percentage shareholding | Principal activity             |
|------------------------------------|-------------------|-------------------------|--------------------------------|
| Palace Enterprises (Wells) Limited | England and Wales | 100%                    | Provision of catering services |

#### Palace Enterprises (Wells)

|   | Year ended<br>31 December<br>2020<br>£ | Year ended<br>31 December<br>2019<br>£ |
|---|--|--|
| Turnover  | 515,892                                | 769,666                                |
| Cost of sales   | <u>(388,952)</u>                       | <u>(544,481)</u>                       |
| <b>Gross profit</b>   | 126,940                                | 225,185                                |
| Administrative expenses                                     | <u>(125,763)</u>                       | <u>(193,371)</u>                       |
| <b>Profit/(loss) on ordinary activities before taxation</b> | 1,177                                  | 31,814                                 |
| Tax on profit/loss on ordinary activities                   | -                                      | 11                                     |
| <b>Profit/(loss) for the period</b>                         | <u>1,177</u>                           | <u>31,825</u>                          |
| Shareholders funds/(deficit) brought forward                | 71,029                                 | 40,353                                 |
| Profit/(loss) for the period                                | <u>1,177</u>                           | <u>31,825</u>                          |
|   | <u>72,206</u>                          | <u>72,178</u>                          |
| Charitable donation (profit gift-aided to Trust)            | <u>(24,518)</u>                        | <u>(1,149)</u>                         |
| Shareholders funds/(deficit) carried forward                | <u><b>47,688</b></u>                   | <u><b>71,029</b></u>                   |

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

### 18 Debtors

|                                   | <b>Group</b>  | <b>Charity</b> | Group          | Charity        |
|-----------------------------------|---------------|----------------|----------------|----------------|
|                                   | <b>2020</b>   | <b>2020</b>    | 2019           | 2019           |
|                                   | £             | £              | £              | £              |
| Trade debtors                     | 16,868        | 16,942         | 72,713         | 37,206         |
| Amount owed by group undertakings | -             | 127,922        | -              | 50,743         |
| Prepayments and accrued income    | 25,001        | 24,933         | 37,557         | 34,503         |
| Other debtors                     | 3,440         | 8,218          | -              | -              |
|                                   | <u>45,309</u> | <u>178,015</u> | <u>110,270</u> | <u>122,452</u> |

### 19 Creditors: amounts falling due within one year

|  | <b>Group</b>   | <b>Charity</b> | Group          | Charity        |
|--|----------------|----------------|----------------|----------------|
|  | <b>2020</b>    | <b>2020</b>    | 2019           | 2019           |
|  | £              | £              | £              | £              |
| <b>Amounts falling due within one year</b> |                |                |                |                |
| Trade creditors                            | 39,659         | 35,014         | 68,618         | 58,839         |
| Social security, pensions and other taxes  | 17,884         | 9,408          | 14,840         | 8,126          |
| Other creditors                            | 488            | 488            | 180            | 180            |
| VAT  | -              | -              | 26,013         | 15,132         |
| Accruals and deferred income               | 66,021         | 40,485         | 54,489         | 34,991         |
|  | <u>124,052</u> | <u>85,395</u>  | <u>164,140</u> | <u>117,268</u> |

#### Amounts falling due after more than one year

|       |               |          |          |          |
|-------|---------------|----------|----------|----------|
| Loans | <u>50,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
|-------|---------------|----------|----------|----------|

### 20 Reconciliation of net movement in funds to net cash inflow from operating activities

|  | <b>2020</b>    | 2019           |
|--|----------------|----------------|
|  | £              | £              |
| Statement of Financial Activities: Net movement in funds         | 411,663        | 124,734        |
| Investment income  | (2,667)        | (2,957)        |
| Depreciation   | 31,954         | 28,367         |
| Unrealised net (gain) / loss on investments                      | (3,164)        | (7,249)        |
| (Decrease) / increase in creditors: Due within one year          | (40,088)       | 37,430         |
| (Decrease) / increase in creditors: Due after more than one year | 50,000         | -              |
| (Increase) / decrease in debtors                                 | 64,961         | (57,682)       |
| (Increase) in stock  | 6,330          | 3,310          |
| <b>Net cash inflow from operating activities</b>                 | <u>518,989</u> | <u>125,953</u> |

### 21 Analysis of changes in cash flow during the year

|                          | <b>2020</b>    | 2019           | Change         |
|--------------------------|----------------|----------------|----------------|
|                          | £              | £              |                |
| Cash at bank and in hand | <u>876,139</u> | <u>416,879</u> | <u>459,260</u> |
|                          | <b>2019</b>    | 2018           | Change         |
|                          | £              | £              |                |
| Cash at bank and in hand | <u>416,879</u> | <u>317,976</u> | <u>98,903</u>  |

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

| 22 Movement in funds<br>Group      | At<br>1-Jan<br>2020<br>£ | Income<br>£             | Expenditure<br>£          | Transfers<br>£  | Gains /<br>(losses)<br>£ | At<br>31-Dec<br>2020<br>£ |
|------------------------------------|--------------------------|-------------------------|---------------------------|-----------------|--------------------------|---------------------------|
| <b>Restricted Funds</b>            |                          |                         |                           |                 |                          |                           |
| Great Hall                         | 11,400                   | -                       | (11,400)                  | -               | -                        | -                         |
|                                    | <u>11,400</u>            | <u>-</u>                | <u>(11,400)</u>           | <u>-</u>        | <u>-</u>                 | <u>-</u>                  |
| <b>Unrestricted funds</b>          |                          |                         |                           |                 |                          |                           |
| <b>Designated funds</b>            |                          |                         |                           |                 |                          |                           |
| Palace interpretation              | 24,140                   | -                       | -                         | -               | -                        | 24,140                    |
| Fixed assets                       | 110,347                  | -                       | (15,443)                  | 28,000          | -                        | 122,904                   |
| Cultural Recovery Fund             | -                        | -                       | -                         | 32,274          | -                        | 32,274                    |
| <b>General funds</b>               |                          |                         |                           |                 |                          |                           |
| General fund                       | 351,154                  | 1,201,529               | (742,846)                 | (60,274)        | 3,164                    | 752,727                   |
| Unrestricted funds subtotal        | <u>485,641</u>           | <u>1,201,529</u>        | <u>(758,289)</u>          | <u>-</u>        | <u>3,164</u>             | <u>932,045</u>            |
| <b>Charity funds</b>               |                          |                         |                           |                 |                          |                           |
| Palace Enterprises (Wells) Limited | 71,030                   | 515,892                 | (539,233)                 | -               | -                        | 47,689                    |
| Inter-group eliminations           | (1)                      | (98,598)                | 98,598                    | -               | -                        | (1)                       |
|                                    | <u>71,029</u>            | <u>417,294</u>          | <u>(440,635)</u>          | <u>-</u>        | <u>-</u>                 | <u>47,688</u>             |
| <b>Total funds (Group)</b>         | <u><u>568,070</u></u>    | <u><u>1,618,823</u></u> | <u><u>(1,210,324)</u></u> | <u><u>-</u></u> | <u><u>3,164</u></u>      | <u><u>979,733</u></u>     |
| <b>Previous year</b>               |                          |                         |                           |                 |                          |                           |
| Group                              | At<br>1-Jan<br>2019<br>£ | Income<br>£             | Expenditure<br>£          | Transfers<br>£  | Gains /<br>(losses)<br>£ | At<br>31-Dec<br>2019<br>£ |
| <b>Restricted Funds</b>            |                          |                         |                           |                 |                          |                           |
| Dragon's Lair                      | 2,500                    | -                       | (2,500)                   | -               | -                        | -                         |
| Great Hall                         | 14,362                   | -                       | (2,962)                   | -               | -                        | 11,400                    |
| Internship                         | 1,500                    | 900                     | (2,400)                   | -               | -                        | -                         |
|                                    | <u>18,362</u>            | <u>900</u>              | <u>(7,862)</u>            | <u>-</u>        | <u>-</u>                 | <u>11,400</u>             |
| <b>Unrestricted funds</b>          |                          |                         |                           |                 |                          |                           |
| <b>Designated funds</b>            |                          |                         |                           |                 |                          |                           |
| Palace interpretation              | 26,400                   | -                       | (2,260)                   | -               | -                        | 24,140                    |
| Fixed assets                       | 113,707                  | -                       | (17,185)                  | 13,825          | -                        | 110,347                   |
| <b>General funds</b>               |                          |                         |                           |                 |                          |                           |
| General fund                       | 244,514                  | 821,861                 | (708,645)                 | (13,825)        | 7,249                    | 351,154                   |
| Unrestricted funds subtotal        | <u>384,621</u>           | <u>821,861</u>          | <u>(728,090)</u>          | <u>-</u>        | <u>7,249</u>             | <u>485,641</u>            |
| <b>Charity funds</b>               |                          |                         |                           |                 |                          |                           |
| Palace Enterprises (Wells) Limited | 402,983                  | 822,761                 | (735,952)                 | -               | 7,249                    | 497,041                   |
| Palace Enterprises (Wells) Limited | 40,354                   | 769,666                 | (738,990)                 | -               | -                        | 71,030                    |
| Inter-group eliminations           | (1)                      | (138,678)               | 138,678                   | -               | -                        | (1)                       |
|                                    | <u>40,353</u>            | <u>630,988</u>          | <u>(600,312)</u>          | <u>-</u>        | <u>-</u>                 | <u>71,029</u>             |
| <b>Total funds (Group)</b>         | <u><u>443,336</u></u>    | <u><u>1,453,749</u></u> | <u><u>(1,336,264)</u></u> | <u><u>-</u></u> | <u><u>7,249</u></u>      | <u><u>568,070</u></u>     |

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

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### 22 Movement in funds (*continued*)

#### Designated funds

The Palace interpretation fund relates to a large development project currently in the planning phase. This includes a high walkway along the top of the Great Hall ruin and fresh interpretation in the Palace building.

The fixed assets fund represents the net book value of the assets held by the charity.

The cultural recovery fund represents funds designated to support the charity through the COVID-19 pandemic.

#### Restricted funds

The Dragon's Lair fund relates to the interactive interpretation area for children constructed in 2016, with maintenance expenditure in each subsequent year.

The Great Hall fund relates to the conservation and development of the Great Hall ruin.

The Internship fund relates to donations and grants to help pay a modest salary to a summer intern.

#### Inter-group eliminations

A donation to the Trust from Palace Enterprises of £24,518 (2019: £1,149) and a management charge of £74,080 (2019: £137,529) was charged to Palace Enterprises by the Trust during the year. The management charge was for overhead costs including staff time, advertising and heat and light. These items have been removed from the consolidated SOFA and are included in the Inter-group eliminations along with the elimination of Enterprise's share capital upon consolidation.

# THE PALACE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

### 23 Analysis of net assets between funds

|                                    | Restricted funds | Designated funds | Unrestricted funds | Total   |
|------------------------------------|------------------|------------------|--------------------|---------|
|                                    | £                | £                | £                  | £       |
| Tangible fixed assets              | -                | 122,904          | -                  | 122,904 |
| Fixed asset investments            | -                | -                | 49,170             | 49,170  |
| Cash at bank and in hand           | -                | -                | 667,351            | 667,351 |
| Other current assets               | -                | 56,414           | 36,206             | 92,620  |
| <b>Charity</b>                     | -                | 179,318          | 752,727            | 932,045 |
| Palace Enterprises (Wells) Limited | -                | -                | 47,689             | 47,689  |
| Inter-group eliminations           | -                | -                | (1)                | (1)     |
| <b>Group</b>                       | -                | 179,318          | 800,415            | 979,733 |

### Previous year

|                                    | Restricted funds | Designated funds | Unrestricted funds | Total   |
|------------------------------------|------------------|------------------|--------------------|---------|
|                                    | £                | £                | £                  | £       |
| Tangible fixed assets              | -                | 110,347          | -                  | 110,347 |
| Fixed asset investments            | -                | -                | 46,006             | 46,006  |
| Cash at bank and in hand           | 11,400           | -                | 324,104            | 335,504 |
| Other current assets               | -                | 24,140           | (18,956)           | 5,184   |
| <b>Charity</b>                     | 11,400           | 134,487          | 351,154            | 497,041 |
| Palace Enterprises (Wells) Limited | -                | -                | 71,030             | 71,030  |
| Inter-group eliminations           | -                | -                | (1)                | (1)     |
| <b>Group</b>                       | 11,400           | 134,487          | 422,183            | 568,070 |

### 24 Related party transactions

Nicola Nuttall was a trustee in the year and was charged £6,300 (2019: £10,800) in rent for the use of the Gatehouse. A balance of £nil (2019: £nil) was outstanding at the year-end. This is considered to be a market rent.

**THE PALACE TRUST**

**MANAGEMENT INFORMATION**

**YEAR ENDED 31 DECEMBER 2020**

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The following pages do not form part of the statutory financial statements  
which are the subject of the auditor's report on pages 8 to 10

# THE PALACE TRUST

## CHARITY DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2020

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|  | <b>Total Funds</b>      | Total Funds           |
|--|-------------------------|-----------------------|
|  | <b>2020</b>             | 2019                  |
|  | £                       | £                     |
| <b>Income From:</b>  |                         |                       |
| <i>Donations and legacies</i>                                    |                         |                       |
| Gift Aid Donation from subsidiary Palace Enterprises (Wells) Ltd | 24,518                  | 1,149                 |
| Donations  | 35,884                  | 21,261                |
| Grants   |                         |                       |
| Church Commissioners   | 89,500                  | 85,112                |
| Job Retention Scheme   | 49,993                  | -                     |
| NLHF Heritage Emergency Fund                                     | 250,000                 | -                     |
| NLHF Cultural Recovery Fund                                      | 182,450                 | -                     |
| Refunded tax   | <u>51,927</u>           | <u>58,214</u>         |
|  | 684,272                 | 165,736               |
| <i>Investment income</i>   |                         |                       |
| Dividends and interest received                                  | 2,667                   | 2,957                 |
| Gain on investments  | <u>3,164</u>            | <u>7,249</u>          |
|  | 5,831                   | 10,206                |
| <i>Charitable activities</i>                                     |                         |                       |
| Entrance fee   | 334,083                 | 334,167               |
| Membership income  | <u>75,946</u>           | <u>100,475</u>        |
|  | 410,029                 | 434,642               |
| <i>Other trading activities</i>                                  |                         |                       |
| Shop income  | 1,567                   | 13,640                |
| Event sponsorship  | -                       | 1,500                 |
| Management fee income - Palace Enterprises (Wells) Limited       | 74,080                  | 137,529               |
| Event income   | 17,994                  | 54,499                |
| Solar panel income   | 2,136                   | 1,458                 |
| Rental income  | <u>8,784</u>            | <u>10,800</u>         |
|  | 104,561                 | 219,426               |
| <b>Total income</b>  | <u><u>1,204,693</u></u> | <u><u>830,010</u></u> |

# THE PALACE TRUST

## CHARITY DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2020

|  | Total Funds<br>2020<br>£ | Total Funds<br>2019<br>£ |
|--|--------------------------|--------------------------|
| <b>Expenditure on:</b>                         |                          |                          |
| <i>Direct Raising Funds Costs</i>              |                          |                          |
| Event costs                                    | 27,347                   | 22,575                   |
| Commission sales expense                       | 8,459                    | 9,355                    |
|  | <u>35,806</u>            | <u>31,930</u>            |
| <i>Direct Charitable Activities Costs</i>      |                          |                          |
| Preserve the fabric of the Palace and Grounds: |                          |                          |
| Maintenance costs                              | 82,047                   | 64,125                   |
| Garden maintenance                             | 29,110                   | 19,719                   |
| Public access and education                    | 2,996                    | 7,704                    |
|  | <u>114,153</u>           | <u>91,548</u>            |
| <i>Support Costs</i>                           |                          |                          |
| Rent, rates, light and heat                    | 38,974                   | 40,500                   |
| Cleaning costs                                 | 26,326                   | 18,268                   |
| Advertising                                    | 28,437                   | 42,125                   |
| Office costs                                   | 48,593                   | 43,532                   |
| Subscriptions                                  | 3,395                    | 2,954                    |
| Legal fees                                     | 4,350                    | -                        |
| Professional fees                              | 28,099                   | 12,039                   |
| Accountancy                                    | 18,394                   | 14,657                   |
| Bank charges                                   | 1,041                    | 1,935                    |
| Staff training and recruitment                 | 1,917                    | 7,645                    |
| Travel and entertainment                       | 3,379                    | 12,981                   |
| Wages and salaries                             | 395,147                  | 392,713                  |
| Depreciation                                   | 15,443                   | 17,185                   |
| <b>Governance costs</b>                        |                          |                          |
| Auditors fees - audit                          | 5,500                    | 5,375                    |
| Auditors fees - accountancy                    | 735                      | 565                      |
|  | <u>619,730</u>           | <u>612,474</u>           |
| <b>Total expenditure</b>                       | <u><u>769,689</u></u>    | <u><u>735,952</u></u>    |
| <b>Net (expenditure)/income</b>                | <u><u>435,004</u></u>    | <u><u>94,058</u></u>     |