

THE CASTLE HOUSE TRUST

England & Wales · Charity number 1161304

Details

Status	Registered
Legal form	Charitable company
Company number	09345671
Registered	2015-04-16
Register	View on the Charity Commission register

Contact

Address	Castle House Castle Hill Dedham Colchester CO7 6AZ
Phone	01206 322127
Email	enquiries@munningsmuseum.org.uk
Website	www.munningsmuseum.org.uk

Activities

Objects: THE OBJECTS OF THE CHARITY SHALL BE FOR THE PROVISION AND MAINTENANCE OF AN ARTS MUSEUM AT CASTLE HOUSE, DEDHAM, FOR THE BENEFIT OF THE PUBLIC AND TO BE KNOWN AS THE SIR ALFRED MUNNING'S ART MUSEUM FOR THE PURPOSE OF THE PROVISION AND MAINTENANCE OF THE COLLECTION ("THE COLLECTION") OPEN TO THE PUBLIC OF THE WORKS OF ART MADE BY SIR ALFRED MUNNINGS AND, IN ADDITION, THE CONTENTS OF CASTLE HOUSE BEING CHATTELS, FURNITURE, EQUIPMENT AND INVESTMENTS TO BE USED AS THE NUCLEUS OF THE MUSEUM.

Activities: Art Museum open to the public

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Sponsors Or Undertakes Research
- **What:** General Charitable Purposes, Arts/culture/heritage/science
- **Who:** The General Public/mankind

Geography

- Essex

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£186,981	£290,872	-	-
2023-12-31	£303,922	£291,762	-	-
2022-12-31	£258,842	£227,846	-	-
2021-12-31	£0	£0	-	-
2020-12-31	£0	£0	-	-

Trustees

Name	Role	Appointed
Bryony Everard Maynard		2023-02-08
Charles Aldous KC		2023-02-08
Hugo Richard Lamond Parker		2024-05-21
Lady Vanessa Petronel Watson		2024-05-21
Michael John Parker		2023-02-08
ROBERT JAMES CAMPBELL JOHNSTON		2023-02-08

Linked charities

- CASTLE HOUSE TRUST (1161304-1)

THE CASTLE HOUSE TRUST

England & Wales - Charity number 1161304

Accounts

COMPANY REGISTRATION NUMBER: 09345671
CHARITY REGISTRATION NUMBER: 1161304

The Castle House Trust
Company Limited by Guarantee
Unaudited Financial Statements
For the Year Ended
31st December 2024

The Castle House Trust
Company Limited by Guarantee
Financial Statements
Year Ended 31st December 2024

	Page
Trustees' Annual Report (Incorporating the Director's Report)	1
Independent Examiner's Report to the Trustees	5
Statement of Financial Activities (Including Income and Expenditure Account)	6
Statement of Financial Position	7
Notes to the Financial Statements	9

The Castle House Trust
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report)
Year Ended 31st December 2024

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31st December 2024.

Chair's report

The curatorial team again drew on the wealth of material in the museum's archives to create this season's special exhibition 'Making a Picture'. The exhibition used sketches and studies to reveal the creative process through which Munnings composed and created his paintings. Alongside works from the museum's own collection we displayed a second version of the ever-popular 'Tagg's Island'. This second version was lent to us by the Potteries Museum and Art Gallery in Stoke on Trent. This painting is the smaller, earlier work, painted by Munnings 'plein air'. Our version was painted later, on a larger canvas, for exhibition at the Royal Academy. This was the first time that the two versions had been exhibited alongside each other since 1928. The differences between the two, especially in the brushwork, revealed differences in approach between 'plein air' and studio compositions.

Members of the curatorial team gave talks in Norfolk and Suffolk during the year to promote awareness of the museum and to encourage visitors. Once again, the museum also loaned material for a pop-up exhibition at St Mary's Church in Bungay which also opened with a talk on Munnings. In September, a sunny and successful 'Open Day' at Mendham Mill, Munnings' birthplace and childhood home, raised over £5,000 for the museum. Overseas admirers of Munnings' work were not ignored: Dr Bill Teatheredge gave a Zoom presentation address to the American Carriage Association conference. We also arranged an online workshop on painting horses with the Sporting Library and Museum in Middleburg, Virginia. This US-based museum also collaborated on making a short film with us about Munnings' racing pictures for the Association for Art History's festival in September. Several paintings were loaned for exhibition to the National Horseracing Museum in Newmarket and to Penlee House Gallery & Museum.

New joiners at Castle House have boosted volunteer numbers to a good level, reducing the pressure on rota organisers for our room stewards. The friendliness and knowledge of our volunteer room stewards is frequently remarked upon by visitors and add greatly to the visitor experience. Events at the museum during the season included a painting weekend in August, attended by 80 artists, where volunteer models posed for a Tagg's Island-inspired tableau. The Society of Equestrian Artists also spent two days painting in the grounds. Providing the opportunity and location for amateur and professional artists to paint is important. If Munnings courted controversy in his lifetime, it was around the question of how one should paint; what a painting should be. Presenting opportunities for artists to offer their own answers to this today shows how the question remains relevant.

Sir Alfred Munnings asked what art should be. The trustees of his museum have to consider what an art museum should be. The charity faces the prospect of losing around one third of its income upon the expiry of 'artist resale right' in 2029. Trustees believe an enclosed dog exercise area in one of our fields would provide a valuable new source of income. Local support for the plan has been slower to materialise than hoped. The charity owns some 40 acres of land surrounding Castle House. This enhances the setting of the museum, but not all of this is a core asset. The cost of maintaining the land (especially the trees and fencing) is significantly higher than the income it produces. Without new sources of income to replace 'ARR' it is almost inevitable that some non-core assets will be sold. The charity's investment portfolio has met its investment targets and provides a significant source of income. The trustees are investigating ways of adding to the portfolio to increase the income which could be drawn from it in order to offset the anticipated reduction in ARR income ahead of 2029.

The Castle House Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31st December 2024

Reference and Administrative Details

Registered charity name	The Castle House Trust
Charity registration number	1161304
Company registration number	09345671
Principal office and registered office	The Sir Alfred Munnings Art Museum Castle House Dedham Colchester CO7 6AZ

The Trustees

R.J.C. Johnston	
M.J. Parker	
E.A. Tolhurst	
C. Aldous	
B.E. Maynard	
J.M.S. Abel Smith	(Retired 28th February 2024)
H. Parker	(Appointed 21st May 2024)
Lady V. Watson	(Appointed 21st May 2024)

Independent Examiner	Peyton Tyler Mears Middleborough House 16 Middleborough Colchester Essex CO1 1QT
-----------------------------	---

The Castle House Trust
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report) *(continued)*
Year Ended 31st December 2024

Structure, Governance and Management

Legal Status

The Castle House Trust was originally established by Trust Deeds dated 19th July 1966 and the governing instruments of the Trust were:

Voluntary Settlement dated 31st January 1962

Voluntary Settlement dated 19th July 1966

Conveyance dated 19th July 1966

The company was incorporated on 8th December 2014 and the above other than the conveyance dated 19th July 1966 have been superseded by the Articles of Association.

Organisation

The charity is managed by a Board of Trustees. The trustees are not connected charities or companies and no single trustee is in overall control.

The Trust converted to a company limited by guarantee.

Jenny Hand, the full-time Museum Director since 2013 reports to the Trustees. She oversees the day to day management and operation of the Trust and museum which includes other staff and subcontractors and a nine person research and development team along with around 80 room stewards.

Financial Controls

The trustees maintain financial controls over the assets of the Trust and meet regularly to decide strategies as to how to use the resources available in respect of both day to day running of the museum and of refurbishment programmes.

Investment Powers and Restrictions

The investment objective is to provide the maximum total return that is commensurate with moderate risk exposure that the Trustees feel able to accept with our funds and assets.

The returns obtained, together with any admission charges or surplus from other activities are used to pursue the objectives of the trust and, to maintain the Sir Alfred Munnings Art Museum in good repair, conserve its collection and to make it available for public view, together with the provision of such additional services - for example education - as may be appropriate.

The attitude to risk is that while a level of risk is required for any investment, the funds should not be exposed to extraordinary risk. The Trustees will not restrict the investment manager from achieving the investment objectives.

The Castle House Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31st December 2024

Objectives and Activities

The objective of the Trust continues to be the operation of an art museum for the benefit of the public. The museum's premises at Castle House, Dedham, Essex was once the home of artist, Sir Alfred Munnings. The paintings within the collection and on display are predominately by Munnings. Sir Alfred's widow endowed the Trust in the 1960s with the house and surrounding land along with the collection of paintings which form the core of the collection.

Public Benefit

The museum is open to the public from Wednesday to Sunday and Bank Holiday Mondays from 1st April until 30th October and at other times for pre-booked groups and tours.

Achievements and Performance

A review of achievements and performance is included in the chairman's report.

Financial Review

A financial review is included in the Chairman's report.

Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on**15/9/2025**..... and signed on behalf of the board of trustees by:



R.J.C. Johnston
Trustee

The Castle House Trust

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of The Castle House Trust

Year Ended 31st December 2024

I report to the trustees on my examination of the financial statements of The Castle House Trust ('the charity') for the year ended 31st December 2024.

Responsibilities and Basis of Report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent Examiner's Statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Peyton Tyler Mears
Independent Examiner

Middleborough House
16 Middleborough
Colchester
Essex
CO1 1QT

The Castle House Trust
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)
Year Ended 31st December 2024

	Note	2024			Total funds £	2023 Total funds £
		Unrestricted funds £	Restricted funds £	Endowment funds £		
Income and endowments						
Donations and legacies	5	23,738	–	–	23,738	10,805
Charitable activities	6	91,836	–	–	91,836	159,521
Investment income	7	52,149	–	–	52,149	43,559
Other income	8	19,258	–	–	19,258	90,037
Total income		<u>186,981</u>	<u>–</u>	<u>–</u>	<u>186,981</u>	<u>303,922</u>
Expenditure						
Expenditure on raising funds:						
Costs of other trading activities	9	(35,046)	–	–	(35,046)	(39,271)
Investment management costs	10	(14,709)	–	–	(14,709)	(16,420)
Expenditure on charitable activities	11	(241,117)	–	–	(241,117)	(236,071)
Total expenditure		<u>(290,872)</u>	<u>–</u>	<u>–</u>	<u>(290,872)</u>	<u>(291,762)</u>
Net gains on investments	13	129,805	–	–	129,805	50,645
Net income and net movement in funds		<u>25,914</u>	<u>–</u>	<u>–</u>	<u>25,914</u>	<u>62,805</u>
Reconciliation of funds						
Total funds brought forward		2,314,949	456,901	11,284	2,783,134	2,720,329
Total funds carried forward		<u>2,340,863</u>	<u>456,901</u>	<u>11,284</u>	<u>2,809,048</u>	<u>2,783,134</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 9 to 20 form part of these financial statements.

The Castle House Trust
Company Limited by Guarantee
Statement of Financial Position
31st December 2024

	Note	2024 £	2023 £
Fixed Assets			
Tangible fixed assets	18	547,202	552,983
Investments	20	2,031,946	1,941,526
		<u>2,579,148</u>	<u>2,494,509</u>
Current Assets			
Stocks	21	47,191	48,434
Debtors	22	5,972	11,314
Cash at bank and in hand		186,151	242,475
		<u>239,314</u>	<u>302,223</u>
Creditors: amounts falling due within one year	23	9,414	13,598
Net Current Assets		<u>229,900</u>	<u>288,625</u>
Total Assets Less Current Liabilities		<u>2,809,048</u>	<u>2,783,134</u>
Net Assets		<u>2,809,048</u>	<u>2,783,134</u>
Funds of the Charity			
Endowment funds		11,284	11,284
Restricted funds		456,901	456,901
Unrestricted funds		2,340,863	2,314,949
Total charity funds	25	<u>2,809,048</u>	<u>2,783,134</u>

For the year ending 31st December 2024 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

The statement of financial position
continues on the following page.
The notes on pages 9 to 20 form part of these financial statements.

The Castle House Trust
Company Limited by Guarantee
Statement of Financial Position *(continued)*
31st December 2024

These financial statements were approved by the board of trustees and authorised for issue on**15/9/25**....., and are signed on behalf of the board by:



R.J.C. Johnston
Trustee

The notes on pages 9 to 20 form part of these financial statements.

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements
Year Ended 31st December 2024

1. General Information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is The Sir Alfred Munnings Art Museum, Castle House, Dedham, Colchester, CO7 6AZ.

2. Statement of Compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting Policies

Basis of Preparation

The financial statements have been prepared on the historical cost basis.

Going Concern

There are no material uncertainties about the charity's ability to continue.

Disclosure Exemptions

Advantage has been taken of the following disclosure exemptions available:

- (a) No cash flow statement has been presented for the charity.
- (b) Disclosures in respect of financial instruments have not been presented.

Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure or disposal declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2024

3. Accounting Policies *(continued)*

Incoming Resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from sale of goods and museum admissions is recognised at the point of sale.
- other income in the form of copyright fees and investment income is recognised when receipt is probable and entitlement is established.

Resources Expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of museum shop goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

Tangible Assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset as follows:

Garden equipment	- 25% straight line
Office equipment	- 20% to 25% straight line
Tea Room	- 10% to 25% straight line

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2024

3. Accounting Policies *(continued)*

Depreciation *(continued)*

Buildings, pictures, furniture and chattels are not depreciated because their residual value is such that any depreciation would be immaterial.

Heritage Assets

Heritage assets measured under the cost model are recognised initially at acquisition cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Impairment of Fixed Assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated selling price. Cost includes all costs of purchase and other costs incurred in bringing the stock to its present location and condition.

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2024

3. Accounting Policies *(continued)*

Financial Instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted. Where investments in shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment. Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Defined Contribution Plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by Guarantee

Every member of the charity undertakes to contribute such amount as may be required, not exceeding £1, to the charity's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member.

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2024

5. Donations and Legacies

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Donations				
Sundry donations received	12,719	12,719	1,183	1,183
Grants				
Environmentally sensitive area scheme grant	1,510	1,510	1,964	1,964
Subscriptions				
Subscriptions	9,509	9,509	7,658	7,658
	<u>23,738</u>	<u>23,738</u>	<u>10,805</u>	<u>10,805</u>

6. Charitable Activities

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Sales of catalogues, prints, paperback books, etc	27,384	27,384	32,353	32,353
Artist resale rights & copyright fees	28,243	28,243	76,810	76,810
Open house admission fees	26,023	26,023	29,443	29,443
Miscellaneous income	5,269	5,269	15,114	15,114
Events	4,917	4,917	5,801	5,801
	<u>91,836</u>	<u>91,836</u>	<u>159,521</u>	<u>159,521</u>

7. Investment Income

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Income from listed investments	52,149	52,149	43,559	43,559

In accordance with Accounting Standards the Statement of Financial Activities only recognises investment income in the form of dividends received in the period. However the investment mandate is on a total return basis and the charity draws an income of £72,000 per annum from the portfolio which is a mixture of dividend and capital gain on investment disposals.

8. Other Income

Included in other income is 2024 £Nil (2023 £68,840) raised on the sale of land.

The Castle House Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st December 2024

8. Other Income *(continued)*

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Gain on disposal of tangible fixed assets held for charity's own use	–	–	68,840	68,840
Rent received	19,258	19,258	21,197	21,197
	<u>19,258</u>	<u>19,258</u>	<u>90,037</u>	<u>90,037</u>

9. Costs of Other Trading Activities

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Fundraising trading - Shop and education costs	17,341	17,341	16,573	16,573
Advertising	4,955	4,955	7,714	7,714
Stewarding costs	4,758	4,758	6,005	6,005
Exhibition costs	5,854	5,854	5,311	5,311
Events	2,138	2,138	3,668	3,668
	<u>35,046</u>	<u>35,046</u>	<u>39,271</u>	<u>39,271</u>

10. Investment Management Costs

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Portfolio management	14,709	14,709	16,420	16,420

11. Expenditure on Charitable Activities by Fund Type

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Costs of running the museum	204,176	204,176	195,061	195,061
Support costs	36,941	36,941	41,010	41,010
	<u>241,117</u>	<u>241,117</u>	<u>236,071</u>	<u>236,071</u>

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2024

12. Analysis of Support Costs

	Running of the museum £	Total 2024 £	Total 2023 £
General office	8,474	8,474	8,910
Depreciation	5,781	5,781	3,240
Legal & professional fees	22,686	22,686	28,860
	<u>36,941</u>	<u>36,941</u>	<u>41,010</u>

13. Net Gains on Investments

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Gains/(losses) on listed investments	<u>129,805</u>	<u>129,805</u>	<u>50,645</u>	<u>50,645</u>

14. Net Income

Net income is stated after charging/(crediting):

	2024 £	2023 £
Depreciation of tangible fixed assets	5,781	3,240
Gains on disposal of tangible fixed assets	–	<u>(68,840)</u>

15. Independent Examination Fees

	2024 £	2023 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>2,700</u>	<u>5,500</u>

16. Staff Costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2024 £	2023 £
Wages and salaries	97,670	86,755
Social security costs	3,874	2,382
Employer contributions to pension plans	6,268	4,851
	<u>107,812</u>	<u>93,988</u>

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2024

16. Staff Costs *(continued)*

The average head count of employees during the year was 3 (2023: 3). The average number of full-time equivalent employees during the year is analysed as follows:

	2024	2023
	No.	No.
Number of staff - administration	<u>3</u>	<u>3</u>

No employee received employee benefits of more than £60,000 during the year (2023: Nil).

17. Trustee Remuneration and Expenses

No trustee received remuneration during the year (2023: Nil).

18. Tangible Fixed Assets

	Land and buildings £	Garden equipment £	Office equipment £	Paintings, furniture & chattels £	Tea Room £	Total £
Cost						
At 1 Jan 2024 and 31 Dec 2024	<u>130,657</u>	<u>24,152</u>	<u>96,123</u>	<u>458,177</u>	<u>29,387</u>	<u>738,496</u>
Depreciation						
At 1 Jan 2024	59,275	24,152	72,699	–	29,387	185,513
Charge for the year	–	–	5,781	–	–	5,781
At 31 Dec 2024	<u>59,275</u>	<u>24,152</u>	<u>78,480</u>	<u>–</u>	<u>29,387</u>	<u>191,294</u>
Carrying amount						
At 31 Dec 2024	<u>71,382</u>	<u>–</u>	<u>17,643</u>	<u>458,177</u>	<u>–</u>	<u>547,202</u>
At 31 Dec 2023	<u>71,382</u>	<u>–</u>	<u>23,424</u>	<u>458,177</u>	<u>–</u>	<u>552,983</u>

The Balance Sheet figures for Castle House, Castle Cottage and land is stated at the 1959 probate value. The Balance Sheet figures for paintings, furniture and chattels is the 1959 probate value plus additions purchased at cost or donated value.

The market value of the freehold property, paintings, furniture and chattels greatly exceeds the book value and consequently the Trustees do not consider it appropriate to provide depreciation on these assets.

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2024

19. Heritage Assets

The charity holds heritage assets, which are tangible fixed assets of historical, artistic or scientific importance that are held to advance preservation and conservation objectives of the charity. Newly purchased heritage assets are capitalised and included at cost including any incidental expenses of acquisition.

Where heritage assets were acquired in past accounting periods and not capitalised, it can be difficult or costly to attribute a cost or value to them. In such cases, these assets are excluded from the balance sheet if reliable cost information is not available and conventional valuation approaches lack sufficient reliability or significant costs are involved in the reconstruction or analysis of past accounting records or in valuation, which are onerous compared with the additional benefit derived by by users of the accounts in assessing the trustees' stewardship of the assets.

The very long expected lives of heritage assets, due to their nature, value and need to be protected and preserved means that depreciation is not material and is, therefore, not provided.

20. Investments

	Cash or cash equivalents £	Listed investments £	Total £
Valuation			
At 1 Jan 2024	67,006	1,874,520	1,941,526
Additions	6,591	635,076	641,667
Disposals	(34,578)	(638,589)	(673,167)
Fair value movements	–	121,920	121,920
At 31 Dec 2024	<u>39,019</u>	<u>1,992,927</u>	<u>2,031,946</u>
Carrying amount			
At 31 Dec 2024	<u>39,019</u>	<u>1,992,927</u>	<u>2,031,946</u>
At 31 Dec 2023	<u>67,006</u>	<u>1,874,520</u>	<u>1,941,526</u>

All investments shown above are held at valuation.

Financial assets held at fair value

The investment fair values used at the year end are as provided to the Trustees by Cazenove Capital Management Limited.

21. Stocks

	2024 £	2023 £
Goods for resale	<u>47,191</u>	<u>48,434</u>

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2024

22. Debtors

	2024	2023
	£	£
Trade debtors	741	2,221
Prepayments and accrued income	3,035	3,516
Other debtors	2,196	5,577
	<u>5,972</u>	<u>11,314</u>

23. Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	924	5,416
Accruals and deferred income	8,490	8,182
	<u>9,414</u>	<u>13,598</u>

24. Pensions and Other Post Retirement Benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £6,268 (2023: £4,851).

25. Analysis of Charitable Funds

Unrestricted funds

	At 1 Jan 2024	Income	Expenditure	Gains and losses	At 31 Dec 2024
	£	£	£	£	£
General funds	<u>2,314,949</u>	<u>186,981</u>	<u>(290,872)</u>	<u>129,805</u>	<u>2,340,863</u>
	At 1 Jan 2023	Income	Expenditure	Gains and losses	At 31 Dec 2023
	£	£	£	£	£
General funds	<u>2,252,144</u>	<u>303,922</u>	<u>(291,762)</u>	<u>50,645</u>	<u>2,314,949</u>

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2024

25. Analysis of Charitable Funds *(continued)*

Restricted funds

	At 1 Jan 2024 £	Income £	Expenditure £	Gains and losses £	At 31 Dec 2024 £
Paintings, furniture and chattels	456,901	—	—	—	456,901

	At 1 Jan 2023 £	Income £	Expenditure £	Gains and losses £	At 31 Dec 2023 £
Paintings, furniture and chattels	456,901	—	—	—	456,901

Endowment funds

	At 1 Jan 2024 £	Income £	Expenditure £	Gains and losses £	At 31 Dec 2024 £
Permanent Endowment Fund	11,284	—	—	—	11,284

	At 1 Jan 2023 £	Income £	Expenditure £	Gains and losses £	At 31 Dec 2023 £
Permanent Endowment Fund	11,284	—	—	—	11,284

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2024

26. Analysis of Net Assets Between Funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2024 £
Tangible fixed assets	79,017	456,901	11,284	547,202
Investments	2,031,946	–	–	2,031,946
Current assets	239,314	–	–	239,314
Creditors less than 1 year	(9,414)	–	–	(9,414)
Net assets	<u>2,340,863</u>	<u>456,901</u>	<u>11,284</u>	<u>2,809,048</u>
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2023 £
Tangible fixed assets	84,798	456,901	11,284	552,983
Investments	1,941,526	–	–	1,941,526
Current assets	302,223	–	–	302,223
Creditors less than 1 year	(13,598)	–	–	(13,598)
Net assets	<u>2,314,949</u>	<u>456,901</u>	<u>11,284</u>	<u>2,783,134</u>

THE CASTLE HOUSE TRUST

England & Wales - Charity number 1161304

Accounts

COMPANY REGISTRATION NUMBER: 09345671
CHARITY REGISTRATION NUMBER: 1161304

The Castle House Trust
Company Limited by Guarantee
Unaudited Financial Statements
For the Year Ended
31st December 2023

The Castle House Trust
Company Limited by Guarantee
Financial Statements
Year Ended 31st December 2023

	Page
Trustees' Annual Report (Incorporating the Director's Report)	1
Independent Examiner's Report to the Trustees	6
Statement of Financial Activities (Including Income and Expenditure Account)	8
Statement of Financial Position	9
Notes to the Financial Statements	11

The Castle House Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31st December 2023

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31st December 2023.

Chair's report

What is art for? Alfred Munnings was certain of the answer. He said it is to enrich the soul. Since its creation, public displays at the Munnings Art Museum have sought to do that. This year we have, in various ways, also addressed the question 'what is an art museum for?'

Munnings' paintings may look spontaneous but were often carefully composed. The museum's collection of sketches and studies demonstrate the thought, care and skill Munnings put into his picture. This year's special exhibition entitled 'Colour & Light' explored Munnings' use of colour and light in his paintings. This gave visitors an insight into some of Munnings' creative techniques. Discussion of Munnings' style is often overshadowed by discussion of modernism vs traditional art but Munnings was strongly influenced by the impressionism he encountered in Paris at the turn of the 20th century. The catalogue which accompanied the exhibition was written by Marcia Whiting, one of the museum's curators and, in its discussion of the techniques used by Munnings, it is of help to artists painting today.

A small but notable change this year addressed the changing the role of an art museum in contemporary society. For the first time, amateur photography is now permitted throughout the museum. We use social media to promote the museum and we are happy for visitors to take photographs inside the house, for social media or simply for their own pleasure. Once again, the museum took part in the national 'Heritage Open Days' scheme, offering four free tours of the museum. The 20 places on each tour were all oversubscribed. During the seven months that the museum was open, we received over 4,000 visitors and had 26 group visits, continuing the growth in visitor numbers since the Covid-related shutdown.

A highlight of the year was the painting weekend in the grounds of the museum. The Royal Ascot theme saw elements of a winners enclosure recreated in part of the gardens, with two retired race horses accompanied by jockeys. They were joined by 'racegoers' dressed in period costume - mainly local residents including volunteers from the museum. 40 artists bought tickets to paint this scene and the event proved popular, drawing visitors to the museum, not just to see the collection but also to watch the creative process of the artists outside. Through events such as this, the charity supports the artistic tradition exemplified by Sir Alfred Munnings.

The Trust's primary charitable object is the maintenance of an art museum for the benefit of the public at Castle House. All the charity's activities stem from this and the promotion of Sir Alfred Munnings and his work. The garden room, which forms part of the grade 2 listed Castle House, has deteriorated badly and has been closed to visitors for many years. We have been unable to obtain grant funding for its restoration and the high cost has been considered too great for the charity to fund from income. This year, trustees agreed the sale of just under half an acre of land, the proceeds of which will fund the restoration of the garden room and its re-opening to museum visitors. We anticipate planning approval should be obtained early next year and the restoration should be completed by the end of 2024.

The charity has around 40 acres of land in Dedham on which Sir Alfred and his wife grazed their horses. The land was transferred to the charity when the trust was created but has not been used to meet the charitable objective. The purchaser's house and garden adjoined the half acre we agreed to sell, giving it a uniquely high marriage value, considerably in excess of its agricultural value or what it could have achieved at auction. The sale was conducted in line with the Charity Commission's requirements.

Although there is no immediate expectation of further land disposals, it is right that trustees should continually review the role of all of the charity's assets in meeting the primary charitable purpose. This becomes increasingly important as we plan for the loss of artist resale right in 2030. ARR is one of the charity's largest sources of income. If not replaced, the charity's ability to deliver public benefit on the scale

The Castle House Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31st December 2023

that it does now will be impaired. We have already retained a consultancy to advise on fund-raising options.

The decision ten years ago to employ full-time professional, experienced staff inevitably increased costs but the benefits have been considerable. The visitor experience has been transformed. The expertise of the curatorial team is widely acknowledged. We know far more about the museum's collection and communicate this better both to museum visitors and to the wider public. A welcome side-effect is that the museum's shop has become very successful. Nonetheless, it should be noted that visitor ticket sales and shop profits only contribute less than one third of the running costs. Trustees will seek to maintain the level of expertise and professionalism developed over the past decade.

The Castle House Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31st December 2023

Reference and Administrative Details

Registered charity name	The Castle House Trust
Charity registration number	1161304
Company registration number	09345671
Principal office and registered office	The Sir Alfred Munnings Art Museum Castle House Dedham Colchester CO7 6AZ
The Trustees	R.J.C. Johnston M.J. Parker E.A. Tolhurst C. Aldous B.E. Maynard J.M.S. Abel Smith
Independent Examiner	Peyton Tyler Mears Middleborough House 16 Middleborough Colchester Essex CO1 1QT

The Castle House Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31st December 2023

Structure, Governance and Management

Legal Status

The Castle House Trust was originally established by Trust Deeds dated 19th July 1966 and the governing instruments of the Trust were:

Voluntary Settlement dated 31st January 1962

Voluntary Settlement dated 19th July 1966

Conveyance dated 19th July 1966

The company was incorporated on 8th December 2014 and the above other than the conveyance dated 19th July 1966 have been superseded by the Articles of Association.

Organisation

The charity is managed by a Board of Trustees. The trustees are not connected charities or companies and no single trustee is in overall control.

The Trust converted to a company limited by guarantee.

Jenny Hand, the full-time Museum Director since 2013 reports to the Trustees. She oversees the day to day management and operation of the Trust and museum which includes other staff and subcontractors and a nine person research and development team along with around 80 room stewards.

Financial Controls

The trustees maintain financial controls over the assets of the Trust and meet regularly to decide strategies as to how to use the resources available in respect of both day to day running of the museum and of refurbishment programmes.

Investment Powers and Restrictions

The investment objective is to provide the maximum total return that is commensurate with moderate risk exposure that the Trustees feel able to accept with our funds and assets.

The returns obtained, together with any admission charges or surplus from other activities are used to pursue the objectives of the trust and, to maintain the Sir Alfred Munnings Art Museum in good repair, conserve its collection and to make it available for public view, together with the provision of such additional services - for example education - as may be appropriate.

The attitude to risk is that while a level of risk is required for any investment, the funds should not be exposed to extraordinary risk. The Trustees will not restrict the investment manager from achieving the investment objectives.

The Castle House Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31st December 2023

Objectives and Activities

The objective of the Trust continues to be the operation of an art museum for the benefit of the public. The museum's premises at Castle House, Dedham, Essex was once the home of artist, Sir Alfred Munnings. The paintings within the collection and on display are predominately by Munnings. Sir Alfred's widow endowed the Trust in the 1960s with the house and surrounding land along with the collection of paintings which form the core of the collection.

Public Benefit

The museum is open to the public from Wednesday to Sunday and Bank Holiday Mondays from 1st April until 30th October and at other times for pre-booked groups and tours.

Achievements and Performance

A review of achievements and performance is included in the chairman's report.

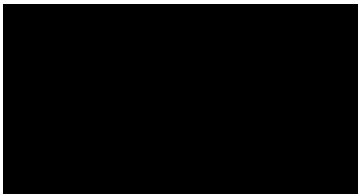
Financial Review

A financial review is included in the Chairman's report.

Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 9th July 2024 and signed on behalf of the board of trustees by:



The Castle House Trust

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of The Castle House Trust

Year Ended 31st December 2023

I report to the trustees on my examination of the financial statements of The Castle House Trust ('the charity') for the year ended 31st December 2023.

Responsibilities and Basis of Report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent Examiner's Statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Castle House Trust
Company Limited by Guarantee

Independent Examiner's Report to the Trustees of The Castle House Trust *(continued)*

Year Ended 31st December 2023

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Peyton Tyler Mears
Independent Examiner

Middleborough House
16 Middleborough
Colchester
Essex
CO1 1QT

The Castle House Trust
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)
Year Ended 31st December 2023

	Note	2023			Total funds £	2022
		Unrestricted funds £	Restricted funds £	Endowment funds £		Total funds £
Income and endowments						
Donations and legacies	5	10,805	–	–	10,805	8,921
Charitable activities	6	159,521	–	–	159,521	193,135
Investment income	7	43,559	–	–	43,559	41,522
Other income	8	90,037	–	–	90,037	15,264
Total income		<u>303,922</u>	<u>–</u>	<u>–</u>	<u>303,922</u>	<u>258,842</u>
Expenditure						
Expenditure on raising funds:						
Costs of other trading activities	9	(39,271)	–	–	(39,271)	(25,390)
Investment management costs	10	(16,420)	–	–	(16,420)	(11,729)
Expenditure on charitable activities	11	(236,071)	–	–	(236,071)	(190,727)
Total expenditure		<u>(291,762)</u>	<u>–</u>	<u>–</u>	<u>(291,762)</u>	<u>(227,846)</u>
Net gains/(losses) on investments	13	50,645	–	–	50,645	(131,539)
Net income/(expenditure) and net movement in funds		<u>62,805</u>	<u>–</u>	<u>–</u>	<u>62,805</u>	<u>(100,543)</u>
Reconciliation of funds						
Total funds brought forward		2,252,144	456,901	11,284	2,720,329	2,820,872
Total funds carried forward		<u>2,314,949</u>	<u>456,901</u>	<u>11,284</u>	<u>2,783,134</u>	<u>2,720,329</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 11 to 22 form part of these financial statements.

The Castle House Trust
Company Limited by Guarantee
Statement of Financial Position
31st December 2023

	Note	2023 £	2022 £
Fixed Assets			
Tangible fixed assets	18	552,983	542,360
Investments	20	1,941,526	1,931,859
		<u>2,494,509</u>	<u>2,474,219</u>
Current Assets			
Stocks	21	48,434	45,627
Debtors	22	11,314	10,902
Cash at bank and in hand		242,475	208,054
		<u>302,223</u>	<u>264,583</u>
Creditors: amounts falling due within one year	23	<u>13,598</u>	<u>18,473</u>
Net Current Assets		<u>288,625</u>	<u>246,110</u>
Total Assets Less Current Liabilities		<u>2,783,134</u>	<u>2,720,329</u>
Net Assets		<u>2,783,134</u>	<u>2,720,329</u>
Funds of the Charity			
Endowment funds		11,284	11,284
Restricted funds		456,901	456,901
Unrestricted funds		2,314,949	2,252,144
Total charity funds	25	<u>2,783,134</u>	<u>2,720,329</u>

For the year ending 31st December 2023 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

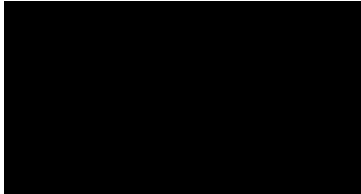
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The statement of financial position
continues on the following page.

The notes on pages 11 to 22 form part of these financial statements.

The Castle House Trust
Company Limited by Guarantee
Statement of Financial Position *(continued)*
31st December 2023

These financial statements were approved by the board of trustees and authorised for issue on 9th July 2024, and are signed on behalf of the board by:



The notes on pages 11 to 22 form part of these financial statements.

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements
Year Ended 31st December 2023

1. General Information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is The Sir Alfred Munnings Art Museum, Castle House, Dedham, Colchester, CO7 6AZ.

2. Statement of Compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting Policies

Basis of Preparation

The financial statements have been prepared on the historical cost basis.

Going Concern

There are no material uncertainties about the charity's ability to continue.

Disclosure Exemptions

Advantage has been taken of the following disclosure exemptions available:

- (a) No cash flow statement has been presented for the charity.
- (b) Disclosures in respect of financial instruments have not been presented.

Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure or disposal declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2023

3. Accounting Policies *(continued)*

Incoming Resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from sale of goods and museum admissions is recognised at the point of sale.
- other income in the form of copyright fees and investment income is recognised when receipt is probable and entitlement is established.

Resources Expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of museum shop goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

Tangible Assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset as follows:

Garden equipment	-	25% straight line
Office equipment	-	20% to 25% straight line
Tea Room	-	10% to 25% straight line

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2023

3. Accounting Policies *(continued)*

Depreciation *(continued)*

Buildings, pictures, furniture and chattels are not depreciated because their residual value is such that any depreciation would be immaterial.

Heritage Assets

Heritage assets measured under the cost model are recognised initially recorded at acquisition cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Impairment of Fixed Assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated selling price. Cost includes all costs of purchase and other costs incurred in bringing the stock to its present location and condition.

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2023

3. Accounting Policies *(continued)*

Financial Instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted. Where investments in shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment. Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Defined Contribution Plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by Guarantee

Every member of the charity undertakes to contribute such amount as may be required, not exceeding £1, to the charity's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member.

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2023

5. Donations and Legacies

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Donations				
Sundry donations received	1,183	1,183	588	588
Grants				
Environmentally sensitive area scheme grant	1,964	1,964	2,417	2,417
Subscriptions				
Subscriptions	7,658	7,658	5,916	5,916
	<u>10,805</u>	<u>10,805</u>	<u>8,921</u>	<u>8,921</u>

6. Charitable Activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Sales of catalogues, prints, paperback books, etc	32,353	32,353	23,072	23,072
Artist resale rights & copyright fees	76,810	76,810	134,620	134,620
Open house admission fees	29,443	29,443	30,571	30,571
Miscellaneous income	15,114	15,114	3,302	3,302
Events	5,801	5,801	1,570	1,570
	<u>159,521</u>	<u>159,521</u>	<u>193,135</u>	<u>193,135</u>

7. Investment Income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Income from listed investments	43,559	43,559	41,522	41,522

In accordance with Accounting Standards the Statement of Financial Activities only recognises investment income in the form of dividends received in the period. However the investment mandate is on a total return basis and the charity draws an income of £72,000 per annum from the portfolio which is a mixture of dividend and capital gain on investment disposals.

The Castle House Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st December 2023

8. Other Income

Included in other income is £68,840 raised on the sale of land. This is exceptional income and is not expected to be repeated in the near future. Further information regarding the sale is included in the Chairman's Report.

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Gain on disposal of tangible fixed assets held for charity's own use	68,840	68,840	–	–
Rent received	21,197	21,197	15,264	15,264
	<u>90,037</u>	<u>90,037</u>	<u>15,264</u>	<u>15,264</u>

9. Costs of Other Trading Activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Fundraising trading - Shop and education costs	16,573	16,573	10,521	10,521
Advertising	7,714	7,714	2,329	2,329
Stewarding costs	6,005	6,005	5,501	5,501
Exhibition costs	5,311	5,311	6,749	6,749
Events	3,668	3,668	290	290
	<u>39,271</u>	<u>39,271</u>	<u>25,390</u>	<u>25,390</u>

10. Investment Management Costs

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Portfolio management	16,420	16,420	11,729	11,729

11. Expenditure on Charitable Activities by Fund Type

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Costs of running the museum	195,061	195,061	165,524	165,524
Support costs	41,010	41,010	25,203	25,203
	<u>236,071</u>	<u>236,071</u>	<u>190,727</u>	<u>190,727</u>

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2023

12. Analysis of Support Costs

	Running of the museum £	Total 2023 £	Total 2022 £
General office	8,910	8,910	4,651
Depreciation	3,240	3,240	3,171
Legal & professional fees	28,860	28,860	17,381
	<u>41,010</u>	<u>41,010</u>	<u>25,203</u>

13. Net Gains/(Losses) on Investments

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Gains/(losses) on listed investments	<u>50,645</u>	<u>50,645</u>	<u>(131,539)</u>	<u>(131,539)</u>

14. Net Income/(Expenditure)

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

	2023 £	2022 £
Depreciation of tangible fixed assets	3,240	3,171
Gains on disposal of tangible fixed assets	<u>(68,840)</u>	<u>–</u>

15. Independent Examination Fees

	2023 £	2022 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>5,500</u>	<u>2,800</u>

16. Staff Costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023 £	2022 £
Wages and salaries	86,755	78,878
Social security costs	2,382	2,073
Employer contributions to pension plans	4,851	4,501
	<u>93,988</u>	<u>85,452</u>

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2023

16. Staff Costs *(continued)*

The average head count of employees during the year was 3 (2022: 4).

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

17. Trustee Remuneration and Expenses

No trustee received remuneration during the year (2022: Nil).

18. Tangible Fixed Assets

	Land and buildings £	Garden equipment £	Office equipment £	Paintings, furniture & chattels £	Tea Room £	Total £
Cost						
At 1 Jan 2023	130,657	24,152	82,260	458,177	29,387	724,633
Additions	–	–	13,863	–	–	13,863
At 31 Dec 2023	<u>130,657</u>	<u>24,152</u>	<u>96,123</u>	<u>458,177</u>	<u>29,387</u>	<u>738,496</u>
Depreciation						
At 1 Jan 2023	59,275	24,152	69,459	–	29,387	182,273
Charge for the year	–	–	3,240	–	–	3,240
At 31 Dec 2023	<u>59,275</u>	<u>24,152</u>	<u>72,699</u>	<u>–</u>	<u>29,387</u>	<u>185,513</u>
Carrying amount						
At 31 Dec 2023	<u>71,382</u>	<u>–</u>	<u>23,424</u>	<u>458,177</u>	<u>–</u>	<u>552,983</u>
At 31 Dec 2022	<u>71,382</u>	<u>–</u>	<u>12,801</u>	<u>458,177</u>	<u>–</u>	<u>542,360</u>

The Balance Sheet figures for Castle House, Castle Cottage and land is stated at the 1959 probate value. The Balance Sheet figures for paintings, furniture and chattels is the 1959 probate value plus additions purchased at cost or donated value.

The market value of the freehold property, paintings, furniture and chattels greatly exceeds the book value and consequently the Trustees do not consider it appropriate to provide depreciation on these assets.

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2023

19. Heritage Assets

The charity holds heritage assets, which are tangible fixed assets of historical, artistic or scientific importance that are held to advance preservation and conservation objectives of the charity. Newly purchased heritage assets are capitalised and included at cost including any incidental expenses of acquisition.

Where heritage assets were acquired in past accounting periods and not capitalised, it can be difficult or costly to attribute a cost or value to them. In such cases, these assets are excluded from the balance sheet if reliable cost information is not available and conventional valuation approaches lack sufficient reliability or significant costs are involved in the reconstruction or analysis of past accounting records or in valuation, which are onerous compared with the additional benefit derived by by users of the accounts in assessing the trustees' stewardship of the assets.

The very long expected lives of heritage assets, due to their nature, value and need to be protected and preserved means that depreciation is not material and is, therefore, not provided.

20. Investments

	Cash or cash equivalents £	Listed investments £	Total £
Valuation			
At 1 Jan 2023	120,492	1,811,367	1,931,859
Additions	–	484,852	484,852
Disposals	(53,486)	(473,977)	(527,463)
Fair value movements	–	52,278	52,278
At 31 Dec 2023	<u>67,006</u>	<u>1,874,520</u>	<u>1,941,526</u>
Carrying amount			
At 31 Dec 2023	<u>67,006</u>	<u>1,874,520</u>	<u>1,941,526</u>
At 31 Dec 2022	<u>120,492</u>	<u>1,811,367</u>	<u>1,931,859</u>

All investments shown above are held at valuation.

Financial assets held at fair value

The investment fair values used at the year end are as provided to the Trustees by Cazenove Capital Management Limited.

21. Stocks

	2023 £	2022 £
Goods for resale	<u>48,434</u>	<u>45,627</u>

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2023

22. Debtors

	2023	2022
	£	£
Trade debtors	2,221	2,918
Prepayments and accrued income	3,516	4,177
Other debtors	5,577	3,807
	<u>11,314</u>	<u>10,902</u>

23. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	5,416	5,784
Accruals and deferred income	8,182	11,201
Social security and other taxes	–	1,488
	<u>13,598</u>	<u>18,473</u>

24. Pensions and Other Post Retirement Benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £4,851 (2022: £4,501).

25. Analysis of Charitable Funds

Unrestricted funds

	At 1 Jan 2023	Income	Expenditure	Gains and losses	At 31 Dec 2023
	£	£	£	£	£
General funds	<u>2,252,144</u>	<u>303,922</u>	<u>(291,762)</u>	<u>50,645</u>	<u>2,314,949</u>
	At 1 Jan 2022	Income	Expenditure	Gains and losses	At 31 Dec 2022
	£	£	£	£	£
General funds	<u>2,352,687</u>	<u>258,842</u>	<u>(227,846)</u>	<u>(131,539)</u>	<u>2,252,144</u>

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2023

25. Analysis of Charitable Funds *(continued)*

Restricted funds

	At 1 Jan 2023 £	Income £	Expenditure £	Gains and losses £	At 31 Dec 2023 £
Paintings, furniture and chattels	456,901	—	—	—	456,901

	At 1 Jan 2022 £	Income £	Expenditure £	Gains and losses £	At 31 Dec 2022 £
Paintings, furniture and chattels	456,901	—	—	—	456,901

Endowment funds

	At 1 Jan 2023 £	Income £	Expenditure £	Gains and losses £	At 31 Dec 2023 £
Permanent Endowment Fund	11,284	—	—	—	11,284

	At 1 Jan 2022 £	Income £	Expenditure £	Gains and losses £	At 31 Dec 2022 £
Permanent Endowment Fund	11,284	—	—	—	11,284

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2023

26. Analysis of Net Assets Between Funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2023 £
Tangible fixed assets	84,798	456,901	11,284	552,983
Investments	1,941,526	–	–	1,941,526
Current assets	302,223	–	–	302,223
Creditors less than 1 year	(13,598)	–	–	(13,598)
Net assets	<u>2,314,949</u>	<u>456,901</u>	<u>11,284</u>	<u>2,783,134</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2022 £
Tangible fixed assets	74,175	456,901	11,284	542,360
Investments	1,931,859	–	–	1,931,859
Current assets	264,583	–	–	264,583
Creditors less than 1 year	(18,473)	–	–	(18,473)
Net assets	<u>2,252,144</u>	<u>456,901</u>	<u>11,284</u>	<u>2,720,329</u>

THE CASTLE HOUSE TRUST

England & Wales - Charity number 1161304

Accounts

COMPANY REGISTRATION NUMBER: 09345671
CHARITY REGISTRATION NUMBER: 1161304

The Castle House Trust
Company Limited by Guarantee
Unaudited Financial Statements
For the Year Ended
31st December 2022

The Castle House Trust
Company Limited by Guarantee
Financial Statements
Year Ended 31st December 2022

	Page
Trustees' Annual Report (Incorporating the Director's Report)	1
Independent Examiner's Report to the Trustees	6
Statement of Financial Activities (Including Income and Expenditure Account)	8
Statement of Financial Position	9
Notes to the Financial Statements	11

The Castle House Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31st December 2022

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31st December 2022.

Chair's report

Recovery from 2020 lockdown continued with 4,000 visitors this year, an increase from 2021. A return to more normal conditions and greater confidence also saw more volunteer stewards returned too. The number of pre-booked group visits also increased. There were several virtual talks and tours - features which we started during lockdown but which have remained popular. The museum also joined Heritage Open Days for the first time with two free in-person tours of the museum. Community outreach continued with in-person talks to art interest groups in several East Anglian locations including Southwold, Norwich and Beccles. The museum's social media reach continued to grow.

This year's special exhibition combined the expertise of the museum's curatorial team with the depth of the museum's collection. 'Alfred Munnings: the Art of the Poster' focused on Alfred Munnings' early commercial work. Although a few of his early poster designs have long been popular, this was the first exhibition ever to showcase a large number of his early poster designs. They show Munnings' creative imagination and how it was applied to created advertising for a range of unrelated commercial products. The posters provided insights into his creative process at the very start of his career. Nothing like it had ever been shown publicly before and it attracted 13 loans from private collections. The exhibition, driven by the newest member of the team, a recent graduate, was the result of the work reviewing previously uncatalogued material in the museum's archives. At least one of the posters on display was reassembled from pieces found in different stores at the Castle House. It was a tribute to their skill and dedication and proved popular too.

Cataloguing and conservation remains an important part of the museum's work, recording exactly what we hold and understanding how it fits into the Munnings oeuvre. Even though many members of the curatorial team provide their expertise voluntarily, the cost of infrastructure provision and the collections management system is not insignificant. Ten years ago there were only two computers at the museum and no central server. Now, IT systems and computers are essential tools for the curatorial team. It is easy to overlook the investment in IT and hardware required to enable the museum to function fully.

Another important functional aspect of the museum was completed this year with a transfer to the new incorporated status. Lady Munnings established the museum in the 1960s with a simply unincorporated trust. The charity had no legal personality of its own and the assets (and liabilities) were vested in the trustees personally. As the activities increased and the value of the collection grew the unincorporated status became a hindrance. The Charity Commission authorised a new incorporated charity, mirroring the aims of the original charity, but with a modern constitution. Transfer of administration and ownership of the assets took place this year and this is the first full annual return for the new charity. Following the transfer, the former unincorporated charity was removed from the Charity Commission's website. Although the museum has a new legal structure, we regard it in many ways as a continuation of the old charity. The principal charitable objective is unchanged: the provision of an art museum at Castle House accessible to the public. Although the old charity's annual returns are no longer available on the Charity Commission's website we have made some recent annual returns available through the museum's own website for anyone who would like to follow our progress.

Over the past ten years Artist Resale Right income has become an increasingly valuable source of funding. It is a levy imposed on the buyer whenever a Munnings painting is sold commercially in the UK. In supporting the work of the museum it has, indirectly, probably added to the market value of Munnings' paintings. Nonetheless, this income will cease in 2030. As part of the strategy to investigate ways to replace this income after 2030 the charity was, in September, accepted onto a fundraising mentoring programme supported by the Arts Council.

The Castle House Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31st December 2022

Very sadly, we record the death during the year of Michael Archer who was a trustee for over 40 years. Michael's knowledge and experience extended back to the early years of the Castle House Trust. He was ideally equipped to be a trustee with long-established family connections to Dedham and, as a former museum professional, and one time Keeper of Ceramics at the Victoria and Albert Museum in London, he understood the operations of museums. He handled his skills and knowledge sensitively, asking questions and making suggestions with care and tact. He was much liked and respected by many in Dedham, and by fellow trustees, staff and volunteers at the museum. He will be much missed.

Julia Abel Smith became a trustee in February. Julia had worked with the museum several years ago, helping to collate the Public Catalogue Foundation's record of paintings in public collections. She was High Sheriff of Essex in 2013 and is currently a governor of Felsted School, a member of Chelmsford Cathedral Council and a patron of Open Road.

The Castle House Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31st December 2022

Reference and Administrative Details

Registered charity name The Castle House Trust

Charity registration number 1161304

Company registration number 09345671

Principal office and registered office The Sir Alfred Munnings Art Museum
Castle House
Dedham
Colchester

The Trustees R.J.C. Johnston
D.M. Archer O.B.E. (Died 27th June 2022)
M.J. Parker
E.A. Tolhurst
C. Aldous
B.E. Maynard
J.M.S. Abel Smith (Appointed 21st February 2022)

Independent Examiner Peyton Tyler Mears
Middleborough House
16 Middleborough
Colchester
Essex
CO1 1QT

The Castle House Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31st December 2022

Structure, Governance and Management

Legal Status

The Castle House Trust was originally established by Trust Deeds dated 19th July 1966 and the governing instruments of the Trust were:

Voluntary Settlement dated 31st January 1962

Voluntary Settlement dated 19th July 1966

Conveyance dated 19th July 1966

The company was incorporated on 8th December 2014 and the above other than the conveyance dated 19th July 1966 have been superseded by the Articles of Association.

Organisation

The charity is managed by a Board of Trustees. The trustees are not connected charities or companies and no single trustee is in overall control.

The Trust converted to a company limited by guarantee.

There have been a maximum of six trustees throughout the year. Julia Abel Smith was appointed in February 2022 and sadly Derek Archer OBE died in June 2022.

Jenny Hand, the full-time Museum Director since 2013 reports to the Trustees. She oversees the day to day management and operation of the Trust and museum which includes other staff and subcontractors and a nine person research and development team along with around 80 room stewards.

Financial Controls

The trustees maintain financial controls over the assets of the Trust and meet regularly to decide strategies as to how to use the resources available in respect of both day to day running of the museum and of refurbishment programmes.

Investment Powers and Restrictions

The investment objective is to provide the maximum total return that is commensurate with moderate risk exposure that the Trustees feel able to accept with our funds and assets.

The returns obtained, together with any admission charges or surplus from other activities, together with admission fees and other income, are used to pursue the objectives of the trust and, to maintain the Sir Alfred Munnings Art Museum in good repair, conserve its collection and to make it available for public view, together with the provision of such additional services - for example education - as may be appropriate.

The attitude to risk is that while a level of risk is required for any investment, the funds should not be exposed to extraordinary risk. The Trustees will not restrict the investment manager from achieving the investment objectives.

The Castle House Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31st December 2022

Objectives and Activities

The objective of the Trust continues to be the operation of an art museum for the benefit of the public. The museum's premises at Castle House, Dedham, Essex was once the home of artist, Sir Alfred Munnings. The paintings within the collection and on display are predominately by Munnings. Sir Alfred's widow endowed the Trust in the 1960s with the house and surrounding land along with the collection of paintings which form the core of the collection.

Public Benefit

The museum is open to the public from Wednesday to Sunday and Bank Holiday Mondays from 1st April until 30th October and at other times for pre-booked groups and tours. In 2021, as in 2020, the government's Covid-related restrictions impacted both time and manner of opening.

Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 26th September and signed on behalf of the board of trustees by:
2023



R.J.C. Johnston
Trustee

The Castle House Trust

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of The Castle House Trust

Year Ended 31st December 2022

I report to the trustees on my examination of the financial statements of The Castle House Trust ('the charity') for the year ended 31st December 2022.

Responsibilities and Basis of Report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent Examiner's Statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Castle House Trust

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of The Castle House Trust *(continued)*

Year Ended 31st December 2022

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Peyton Tyler Mears
Independent Examiner

Middleborough House
16 Middleborough
Colchester
Essex
CO1 1QT

The Castle House Trust
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)
Year Ended 31st December 2022

		2022			2021	
	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £	Total funds £
Income and endowments						
Donations and legacies	5	8,921	–	–	8,921	30,476
Charitable activities	6	193,135	–	–	193,135	107,695
Investment income	7	41,522	–	–	41,522	32,457
Other income	8	15,264	–	–	15,264	13,063
Total income		<u>258,842</u>	<u>–</u>	<u>–</u>	<u>258,842</u>	<u>183,691</u>
Expenditure						
Expenditure on raising funds:						
Costs of other trading activities	9	(25,390)	–	–	(25,390)	(26,693)
Investment management costs	10	(11,729)	–	–	(11,729)	(12,428)
Expenditure on charitable activities	11	(190,727)	–	–	(190,727)	(181,140)
Total expenditure		<u>(227,846)</u>	<u>–</u>	<u>–</u>	<u>(227,846)</u>	<u>(220,261)</u>
Net (losses)/gains on investments	13	(131,539)	–	–	(131,539)	179,024
Net (expenditure)/income and net movement in funds		<u>(100,543)</u>	<u>–</u>	<u>–</u>	<u>(100,543)</u>	<u>142,454</u>
Reconciliation of funds						
Total funds brought forward		2,352,687	456,901	11,284	2,820,872	2,678,418
Total funds carried forward		<u>2,252,144</u>	<u>456,901</u>	<u>11,284</u>	<u>2,720,329</u>	<u>2,820,872</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 11 to 22 form part of these financial statements.

The Castle House Trust
Company Limited by Guarantee
Statement of Financial Position
31st December 2022

	Note	2022 £	2021 £
Fixed Assets			
Tangible fixed assets	18	542,360	529,744
Investments	20	1,931,859	2,101,875
		<u>2,474,219</u>	<u>2,631,619</u>
Current Assets			
Stocks	21	45,627	45,315
Debtors	22	10,902	17,458
Cash at bank and in hand		208,054	138,454
		<u>264,583</u>	<u>201,227</u>
Creditors: amounts falling due within one year	23	18,473	11,974
Net Current Assets		<u>246,110</u>	<u>189,253</u>
Total Assets Less Current Liabilities		<u>2,720,329</u>	<u>2,820,872</u>
Net Assets		<u>2,720,329</u>	<u>2,820,872</u>
Funds of the Charity			
Endowment funds		11,284	11,284
Restricted funds		456,901	456,901
Unrestricted funds		2,252,144	2,352,687
Total charity funds	26	<u>2,720,329</u>	<u>2,820,872</u>

For the year ending 31st December 2022 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

The statement of financial position
continues on the following page.

The notes on pages 11 to 22 form part of these financial statements.

The Castle House Trust
Company Limited by Guarantee
Statement of Financial Position *(continued)*
31st December 2022

These financial statements were approved by the board of trustees and authorised for issue on 26th September 2023 and are signed on behalf of the board by:



R.J.C. Johnston
Trustee

The notes on pages 11 to 22 form part of these financial statements.

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements
Year Ended 31st December 2022

1. General Information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is The Sir Alfred Munnings Art Museum, Castle House, Dedham, Colchester, CO7 6AZ.

2. Statement of Compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting Policies

Basis of Preparation

The financial statements have been prepared on the historical cost basis.

Going Concern

There are no material uncertainties about the charity's ability to continue.

Disclosure Exemptions

Advantage has been taken of the following disclosure exemptions available:

- (a) No cash flow statement has been presented for the charity.
- (b) Disclosures in respect of financial instruments have not been presented.

Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure or disposal declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2022

3. Accounting Policies *(continued)*

Incoming Resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from sale of goods and museum admissions is recognised at the point of sale.
- other income in the form of copyright fees and investment income is recognised when receipt is probable and entitlement is established.

Resources Expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of museum shop goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

Tangible Assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset as follows:

Garden equipment	-	25% straight line
Office equipment	-	20% to 25% straight line
Tea Room	-	10% to 25% straight line

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2022

3. Accounting Policies *(continued)*

Depreciation *(continued)*

Buildings, pictures, furniture and chattels are not depreciated because their residual value is such that any depreciation would be immaterial.

Heritage Assets

Heritage assets measured under the cost model are recognised initially recorded at acquisition cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Impairment of Fixed Assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated selling price. Cost includes all costs of purchase and other costs incurred in bringing the stock to its present location and condition.

Government Grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2022

3. Accounting Policies *(continued)*

Financial Instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted. Where investments in shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment. Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Defined Contribution Plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by Guarantee

Every member of the charity undertakes to contribute such amount as may be required, not exceeding £1, to the charity's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member.

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2022

5. Donations and Legacies

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Donations				
Sundry donations received	588	588	1,224	1,224
Grants				
Environmentally sensitive area scheme grant	2,417	2,417	22,205	22,205
Government grant income	–	–	4,605	4,605
Subscriptions				
Subscriptions	5,916	5,916	2,442	2,442
	<u>8,921</u>	<u>8,921</u>	<u>30,476</u>	<u>30,476</u>

6. Charitable Activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Sales of catalogues, prints, paperback books, etc	23,072	23,072	22,436	22,436
Artist resale rights & copyright fees	134,620	134,620	54,158	54,158
Open house admission fees	30,571	30,571	22,524	22,524
Miscellaneous income	3,302	3,302	4,514	4,514
Events	1,570	1,570	4,063	4,063
	<u>193,135</u>	<u>193,135</u>	<u>107,695</u>	<u>107,695</u>

7. Investment Income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Income from listed investments	41,522	41,522	32,457	32,457

In accordance with Accounting Standards the Statement of Financial Activities only recognises investment income in the form of dividends received in the period. However the investment mandate is on a total return basis and the charity draws an income of £72,000 per annum from the portfolio which is a mixture of dividend and capital gain on investment disposals.

The Castle House Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st December 2022

8. Other Income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Rent received	15,264	15,264	13,063	13,063

9. Costs of Other Trading Activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Fundraising trading - Shop and education costs	10,521	10,521	13,439	13,439
Advertising	2,329	2,329	1,830	1,830
Stewarding costs	5,501	5,501	3,076	3,076
Exhibition costs	6,749	6,749	3,874	3,874
Events	290	290	4,474	4,474
	<u>25,390</u>	<u>25,390</u>	<u>26,693</u>	<u>26,693</u>

10. Investment Management Costs

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Portfolio management	11,729	11,729	12,428	12,428

11. Expenditure on Charitable Activities by Fund Type

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Costs of running the museum	165,524	165,524	159,235	159,235
Support costs	25,203	25,203	21,905	21,905
	<u>190,727</u>	<u>190,727</u>	<u>181,140</u>	<u>181,140</u>

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2022

12. Analysis of Support Costs

	Running of the museum	Total 2022	Total 2021
	£	£	£
General office	4,651	4,651	5,638
Depreciation	3,171	3,171	6,143
Legal & professional fees	17,381	17,381	6,574
Audit fee	–	–	3,550
	<u>25,203</u>	<u>25,203</u>	<u>21,905</u>

13. Net (Losses)/Gains on Investments

	Unrestricted Funds	Total Funds 2022	Unrestricted Funds	Total Funds 2021
	£	£	£	£
Gains/(losses) on listed investments	<u>(131,539)</u>	<u>(131,539)</u>	<u>179,024</u>	<u>179,024</u>

14. Net (Expenditure)/Income

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

	2022	2021
	£	£
Depreciation of tangible fixed assets	3,171	6,142
Fees payable for the audit of the financial statements	–	<u>3,550</u>

15. Independent Examination Fees

	2022	2021
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>2,800</u>	<u>2,800</u>

16. Staff Costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022	2021
	£	£
Wages and salaries	78,878	85,082
Social security costs	2,073	2,536
Employer contributions to pension plans	4,501	4,312
	<u>85,452</u>	<u>91,930</u>

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2022

16. Staff Costs *(continued)*

The average head count of employees during the year was 4 (2021: 4).

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

17. Trustee Remuneration and Expenses

No trustee received remuneration during the year (2021: Nil).

18. Tangible Fixed Assets

	Land and buildings £	Garden equipment £	Office equipment £	Paintings, furniture & chattels £	Tea Room £	Total £
Cost						
At 1 Jan 2022	130,657	24,152	67,749	456,901	29,387	708,846
Additions	–	–	14,511	1,276	–	15,787
At 31 Dec 2022	<u>130,657</u>	<u>24,152</u>	<u>82,260</u>	<u>458,177</u>	<u>29,387</u>	<u>724,633</u>
Depreciation						
At 1 Jan 2022	59,275	24,152	66,288	–	29,387	179,102
Charge for the year	–	–	3,171	–	–	3,171
At 31 Dec 2022	<u>59,275</u>	<u>24,152</u>	<u>69,459</u>	<u>–</u>	<u>29,387</u>	<u>182,273</u>
Carrying amount						
At 31 Dec 2022	<u>71,382</u>	<u>–</u>	<u>12,801</u>	<u>458,177</u>	<u>–</u>	<u>542,360</u>
At 31 Dec 2021	<u>71,382</u>	<u>–</u>	<u>1,461</u>	<u>456,901</u>	<u>–</u>	<u>529,744</u>

The Balance Sheet figures for Castle House, Castle Cottage and land is stated at the 1959 probate value. The Balance Sheet figures for paintings, furniture and chattels is the 1959 probate value plus additions purchased at cost or donated value.

The market value of the freehold property, paintings, furniture and chattels greatly exceeds the book value and consequently the Trustees do not consider it appropriate to provide depreciation on these assets.

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2022

19. Heritage Assets

The charity holds heritage assets, which are tangible fixed assets of historical, artistic or scientific importance that are held to advance preservation and conservation objectives of the charity. Newly purchased heritage assets are capitalised and included at cost including any incidental expenses of acquisition.

Where heritage assets were acquired in past accounting periods and not capitalised, it can be difficult or costly to attribute a cost or value to them. In such cases, these assets are excluded from the balance sheet if reliable cost information is not available and conventional valuation approaches lack sufficient reliability or significant costs are involved in the reconstruction or analysis of past accounting records or in valuation, which are onerous compared with the additional benefit derived by users of the accounts in assessing the trustees' stewardship of the assets.

The very long expected lives of heritage assets, due to their nature, value and need to be protected and preserved means that depreciation is not material and is, therefore, not provided.

20. Investments

	Cash or cash equivalents £	Listed investments £	Total £
Valuation			
At 1 Jan 2022	65,613	2,036,262	2,101,875
Additions	54,879	457,562	512,441
Disposals	–	(559,350)	(559,350)
Fair value movements	–	(123,107)	(123,107)
At 31 Dec 2022	<u>120,492</u>	<u>1,811,367</u>	<u>1,931,859</u>
Carrying amount			
At 31 Dec 2022	<u>120,492</u>	<u>1,811,367</u>	<u>1,931,859</u>
At 31 Dec 2021	<u>65,613</u>	<u>2,036,262</u>	<u>2,101,875</u>

All investments shown above are held at valuation.

Financial assets held at fair value

The investment fair values used at the year end are as provided to the Trustees by Cazenove Capital Management Limited.

21. Stocks

	2022 £	2021 £
Goods for resale	<u>45,627</u>	<u>45,315</u>

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2022

22. Debtors

	2022	2021
	£	£
Trade debtors	2,918	798
Prepayments and accrued income	4,177	13,778
Other debtors	3,807	2,882
	<u>10,902</u>	<u>17,458</u>

23. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	5,784	5,343
Accruals and deferred income	11,201	6,511
Social security and other taxes	1,488	–
Other creditors	–	120
	<u>18,473</u>	<u>11,974</u>

24. Pensions and Other Post Retirement Benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £4,501 (2021: £4,312).

25. Government Grants

The amounts recognised in the financial statements for government grants are as follows:

	2022	2021
	£	£
Recognised in income from donations and legacies:		
Government grants income	–	4,605
	<u>–</u>	<u>4,605</u>

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2022

26. Analysis of Charitable Funds

Unrestricted funds

	At 1 Jan 2022	Income	Expenditure	Gains and losses	At 31 Dec 2022
	£	£	£	£	£
General funds	<u>2,352,687</u>	<u>258,842</u>	<u>(227,846)</u>	<u>(131,539)</u>	<u>2,252,144</u>

	At 1 Jan 2021	Income	Expenditure	Gains and losses	At 31 Dec 2021
	£	£	£	£	£
General funds	<u>2,210,233</u>	<u>183,691</u>	<u>(220,261)</u>	<u>179,024</u>	<u>2,352,687</u>

Restricted funds

	At 1 Jan 2022	Income	Expenditure	Gains and losses	At 31 Dec 2022
	£	£	£	£	£
Paintings, furniture and chattels	<u>456,901</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>456,901</u>

	At 1 Jan 2021	Income	Expenditure	Gains and losses	At 31 Dec 2021
	£	£	£	£	£
Paintings, furniture and chattels	<u>456,901</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>456,901</u>

Endowment funds

	At 1 Jan 2022	Income	Expenditure	Gains and losses	At 31 Dec 2022
	£	£	£	£	£
Permanent Endowment Fund	<u>11,284</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>11,284</u>

	At 1 Jan 2021	Income	Expenditure	Gains and losses	At 31 Dec 2021
	£	£	£	£	£
Permanent Endowment Fund	<u>11,284</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>11,284</u>

The Castle House Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31st December 2022

27. Analysis of Net Assets Between Funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2022 £
Tangible fixed assets	74,175	456,901	11,284	542,360
Investments	1,931,859	–	–	1,931,859
Current assets	264,583	–	–	264,583
Creditors less than 1 year	(18,473)	–	–	(18,473)
Net assets	<u>2,252,144</u>	<u>456,901</u>	<u>11,284</u>	<u>2,720,329</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £
Tangible fixed assets	61,559	456,901	11,284	529,744
Investments	2,101,875	–	–	2,101,875
Current assets	201,227	–	–	201,227
Creditors less than 1 year	(11,974)	–	–	(11,974)
Net assets	<u>2,352,687</u>	<u>456,901</u>	<u>11,284</u>	<u>2,820,872</u>