

LEEDS CASTLE FOUNDATION

England & Wales · Charity number 268354

Details

Status Registered

Legal form Charitable company

Company number [01172263](#)

Registered 1974-10-29

Register [View on the Charity Commission register](#)

Contact

Address Leeds Castle
Broomfield
Maidstone
ME17 1PL

Phone 01622765400

Email enquiries@leeds-castle.co.uk

Website www.leeds-castle.com

Activities

Objects: TO ADVANCE EDUCATION TO RELIEVE POVERTY TO ADVANCE RELIGION AND TO PROMOTE AND AID SUCH OTHER PURPOSES AS ARE RECOGNISED BY ENGLISH LAW TO BE EXCLUSIVELY CHARITABLE AND IN PARTICULAR TO PRESERVE FOR THE PUBLIC BENEFIT THE WHOLE OR PARTS OF THE BUILDINGS AND THEIR GROUNDS KNOWN AS LEEDS CASTLE IN THE COUNTY OF KENT AND TO PROMOTE AND ENCOURAGE MEDICAL RESEARCH, AND TO ENCOURAGE RESEARCH AND EDUCATION IN ANY BRANCH OF THE ARTS AND SCIENCES (FOR FURTHER DETAILS SEE CLAUSE 3 OF MEMORANDUM AND ARTICLES OF ASSOCIATION)

Activities: The aims and activities of Leeds Castle Foundation are to preserve the Castle, its collections and its grounds for the benefit and enjoyment of the public. Its secondary aim is to provide a location for discussion and debate of medical science, and a forum for the arts. The Castle and its grounds are made available to the general public for 364 days per annum.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Arts/culture/heritage/science, Amateur Sport, Animals, Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** THE COUNTY OF KENT
- Kent

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-29	£12,693,000	£12,866,000	£22,089,000	207
2024-03-29	£11,910,000	£11,921,000	£22,179,000	201
2023-03-29	£10,922,000	£10,756,000	£22,744,000	110
2022-03-29	£9,611,000	£10,018,000	£22,256,000	98
2021-03-29	£3,765,000	£6,875,000	£20,601,000	163

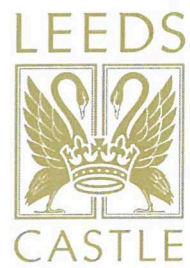
Trustees

Name	Role	Appointed
Adrian Tinniswood		2018-03-16
Helen Deeble		2019-03-15
Judith Armitt		2023-09-29
Julian Arthur Vaughan Smith		2021-04-30
Rosaleen Clare Kerslake BA MBA CBE		2022-09-30
Ruth Knight		2023-09-29
Sarah Eleanor Masotti		2023-09-29
sarah elizabeth roots		2023-09-23

LEEDS CASTLE FOUNDATION

England & Wales - Charity number 268354

Accounts



Company Registration No. 1172263 (England and Wales)
Charity Registered No. 268354 (England and Wales)

LEEDS CASTLE FOUNDATION

REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025

Leeds Castle Foundation, Leeds Castle, Maidstone, Kent ME17 1PL

Telephone: +44 (0)1622 765400 **Facsimile:** +44 (0)622 735616 **Website:** www.leeds-castle.com **Email:** enquiries@leeds-castle.co.uk

Leeds Castle Foundation is a registered charity: No. 268354. Registered Office: Leeds Castle, Maidstone, Kent ME17 1PL Registered in England No. 1172263 VAT No. 305 8709 66

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LEEDS CASTLE FOUNDATION

ADMINISTRATIVE DETAILS

Trustees Ms Ros Kerslake, CBE (Chair)
Ms Judith Armitt
Ms Helen Deeble, CBE
Ms Anna Eavis
Ms Ruth Knight
Ms Sarah Masotti
Ms Sarah Roots
Mr Julian Smith, CVO
Mr Adrian J Tinniswood, OBE
Mr Thomas C Wright, CBE

Company Secretary Mr R Richman

Charity Number 268354

Company number 1172263

Registered Office Leeds Castle
Broomfield
Nr. Maidstone
Kent
ME17 1PL

Statutory Auditors Crowe U.K. LLP
Medway Bridge House
1-8 Fairmeadow
Maidstone
Kent
ME14 1JP

Bankers Royal Bank of Scotland
38 Market Place
Wigan
W1 1PJ

Investment managers Ruffer LLP
80 Victoria Street
London
SW1E 5JL

Sarasin & Partners
100 St Paul's Churchyard
London
EC4M 8BU

LEEDS CASTLE FOUNDATION

ADMINISTRATIVE DETAILS

Sub-committee membership

Finance, Audit and Risk Committee	Ms J Armitt Mr J Smith, CVO Mr T C Wright, CBE	Chair
Investment Committee	Ms H Deeble, CBE Ms J Armitt Ms R Kerslake, CBE	Chair
Nominations Committee	Ms R Kerslake, CBE Mr J Smith CVO Ms A Eavis	Chair
Directors, Leeds Castle Enterprises Ltd	Mr T C Wright, CBE Ms R Kerslake, CBE Mr D Bridgford Ms S Roots Ms H Bonser-Wilton Mr R Richman	Chair Chief Executive Finance Director and Secretary
Estates Committee	Ms L Nesfield Ms R Knight Ms S Roots	Chair
Curatorial Committee	Mr A Tinniswood, OBE Ms A Eavis	
Senior Leadership Team of the Foundation	Ms H Bonser-Wilton Mr R Richman Mrs D Matthews (to 31 st March 25) Ms S Prichard (to 31 st March 25) Ms L Hutchings Dr D Bouchard (from 3 rd March 25) Mr D Hedges (from 15 th September 25) Mr M Delin	Chief Executive Finance Director Head of Audience Development & Fundraising Head Curator Commercial Operations Director Heritage & Engagement Director Estates Director Marketing Director OBE

LEEDS CASTLE FOUNDATION

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2025

The Trustees of the Leeds Castle Foundation, (Charity number: 268354 and company registration number: 1172263), who are also the directors of the charity, present their report and the financial statements for the Foundation and its trading subsidiary (the group) for the period ended 31st March 2025. These have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2015) and the Companies Act 2006.

Objects

The Foundation's objects are wide ranging, and are set out in full in the memorandum and articles. However, the key focus of the charity is summarised as follows:

1. To preserve the Castle and its estate for public benefit.
2. To provide an excellent, enjoyable and authentic experience for every visitor.
3. To inspire visitors of all ages through educational resources and facilities.
4. To promote health and other charitable purposes.

Trustees

The following Trustees have held office in the twelve months from 29th March 2024

Ms R Kerslake, CBE
Ms J Armit
Ms H Deeble, CBE
Ms A Eavis
Ms R Knight
Ms S Masotti
Ms S Roots
Mr J Smith, CVO
Mr A Tinniswood OBE
Mr T Wright, CBE

Strategic Report

Sections in this report noted below constitute the Strategic Report for the purposes of the Companies Act 2006:

- Review of the year.
- Incoming resources.
- Costs and application of operating surpluses.
- Reserves Policy.
- Investment Policy and Objectives
- Core Activities – Public Benefit.
- Plans for the Future.
- Risk.
- Section 172 Statement.

LEEDS CASTLE FOUNDATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

Review of the year

The year saw a further significant recovery in day visitors, up by almost sixteen percent year on year, an increase of thirty percent over a two-year period. The continued value of the annual ticket was augmented by a strong series of value-added events, included in the ticket, which drove both new ticket purchase and return visits. The August 2024 reintroduction of *Motors by the Moat* for the first time since 2019 was extremely successful, drawing in a wider and different demographic than usual operations.

The Nutcracker in the Castle over Christmas drew in strong numbers, but the Christmas period was adversely affected by severe weather induced closures, which damaged attendance at this and the Christmas Lights.

In year we welcomed 462,961 guests to the site, (+54,000 on previous year), with additional 109,000 visitors attending *Christmas Lights Trail*, *Leeds Castle Concert* and *Fireworks Spectacular* ticketed events.

Graysons' continued to bed in their catering operation in year, completing a refurbishment of Stableyard Café and Castle View Restaurant, including the installation of a new cocktail bar. Catering continues to be a challenging area due to the high level of food inflation affecting profitability.

The Hospitality business continued its slow recovery in-year, with the Cost of Living induced slowdown in weddings only easing gradually. Despite additional marketing and launch of new products helping with strong leads for future years, performance in year was behind budget. Functions that did take place displayed a trend of taking less associated accommodation than in previous years.

Accommodation was slightly ahead of budget, supported by the new Lakeside Lodges, which were launched in December 2023 and which performed ahead of their business case. Designed to fit sympathetically into the environment, while immersing guests in the landscape & wildlife of the area, this new experience has been very well reviewed by our customers and will provide further growth during 2025/26.

Golf Club saw the strong membership of the pandemic years decline in year, most likely due to course drainage issues, which have now been remedied. The new Head Greenkeeper is leading improvement in standards across the course, which will support membership recovery.

In another uncertain year, the business continued to be managed with agility, with costs well controlled. Gas & electricity contracts were re-tendered in October 2024, leading to an anticipated saving over two years of forty percent, while moving to a green electricity supply. Over the next two years, sub metering will be introduced to support better monitoring & ongoing reductions in energy usage.

We now welcome over 100 volunteers on site, covering multiple areas and providing learning and inclusion opportunities across areas such as falconry & wildlife, day visiting, education and gardens/grounds, as well as main Trustee Board and sub-committees.

Our ongoing financial modelling, using prudent growth assumptions, confirms that we can generate sufficient cash to invest in heritage assets, facilities and experiences over the next few years, although larger projects (e.g. 2025 Stoneworks), will require drawing on Reserves.

Chief Executive Helen Bonser-Wilton continues to lead work to deliver the strategy with Board and Senior Leadership Team, as well as migrating to a different business model over time.

Incoming resources

Total incoming resources increased by £783,000 over the previous year as operations continue to return towards pre-pandemic levels and more activities and product are added to the operational portfolio.

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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

Ticketed major events continue to grow, providing positive supplement to existing day visitor and hospitality income streams. Accommodation investment (Lakeside Lodges and ongoing refurbishments of B & B and cottage accommodation) is starting to pay back well, with more investment to come during 2025. The focus on building solid foundations to attract ongoing external grant income progressed well in year, with expectation being that we will secure significant external funding during 2025 towards the 2025 Stonework Repairs Programme.

Investment portfolio, which benefited from division of the fund between Ruffer and Sarasin, saw a significant increase in returns, with markets strengthening. Both are invested in funds that align to 2050 net zero goal.

Costs and application of operating surpluses

Costs of employment continue to grow, with annual above inflation increases for National Living Wage and additional employer National Insurance tax burden from April 2025 putting pressure on margins. We continue to pursue improved energy efficiency to reduce costs, as well as tight control and procurement approach to seek best value for charitable funds. To retain and grow our customer base, we need to continually invest in refurbishing product, as well as creating new reasons to visit.

Any operating surplus is therefore ploughed back into caring for our heritage assets and providing new experiences to drive business.

We remain significantly below 2019 staffing levels, with FTE of 120 compared to 2019 level of 190 FTE.

In line with the agreed three-year pension deficit reduction plan, there was a final special contribution of £80,000 towards the Leeds Castle Retirement Benefits Scheme. The 2022 triennial revaluation required additional contributions for 3 years, eliminating scheme liability on technical provisions basis by 31st October 2024. The scheme has been closed to new members since 2005.

Reserves policy

The reserves policy is reviewed annually by the Trustees, taking into account the predominant risks to the Foundation and its anticipated working capital requirements.

The review of risk highlights major events, (e.g. a fire), causing severe impact on income, mitigated by both direct and business interruption insurance cover. The impact on income of other risks, such as closure such as during the Covid pandemic or periods of low visitor numbers due to prolonged bad weather or other factors, are uninsurable. In recent years, to mitigate these risks, Trustees have invested to diversify income & reduce dependence on day visitors.

Trustees have concluded that funds are required to be held as free reserves to enable us to meet regular commitments and working capital requirements should there be short term volatility in revenues. Taking into account core cost needs, the Trustees consider it is appropriate to hold free reserves representing eighteen months of total expenditure, allowing time to realise assets that are less liquid in nature. Currently, total free reserves equate to approximately sixteen months of expenditure.

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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	£000's	£000's
Liquid Free Reserves		
Total funds	22,089	22,179
Less:		
Designated funds	(3,053)	(3,750)
Endowment funds	(2,740)	(2,740)
Restricted funds	2	(44)
Free reserves	<u>16,298</u>	<u>15,645</u>
Less illiquid reserves/assets		
Investment Properties	(9,144)	(9,060)
Tangible assets not already included in above funds	<u>(2,045)</u>	<u>(1,791)</u>
Liquid Free Reserves	<u>5,109</u>	<u>4,794</u>

The Foundation's funds comprise a number of restricted and unrestricted funds within which a number of designations have been made by the Trustees. Restricted funds comprise the Heritage and Development Fund and the Chattels Fund. The Heritage and Development Fund is an Expendable Endowment Fund and represents freehold land and buildings classified as functional tangible assets, considered to be integral to the bequeathed estate. The Heritage and Development Fund relates entirely to the Foundation. The Chattels Fund represents proceeds from the disposal of heritage assets. These proceeds are to be used solely for the purpose of acquiring replacement heritage assets.

The Trustees have concluded that Designated Reserves should be set up to cover the estimate of potential spending on specific projects which have been identified as part of the five-year planning process, in order to:

- Fund the Foundation's primary responsibility of preserving the Castle and its collections for public benefit.
- Invest in developments to enhance the visitor experience and enjoyment of the Castle.
- Develop income generating opportunities.
- Improve or replace operating facilities and infrastructure.

As at 31st March 2025, the Designated Reserves have been assigned to:

- Income generating Accommodation Development – Knight's Retreat accommodation to replace glamping tents (further expenditure amount £803k).
- Continuing the phases of Castle stonework repairs, initially the West and Southwest elevations (£2,250k).

Carbon Footprint Statement

In 2024–25, Leeds Castle Foundation commissioned 3Adapt to conduct a comprehensive carbon emissions baseline and develop a decarbonisation strategy, with recommendations on when we might reach Carbon Net Zero. This assessment scoped all known sources of greenhouse gas emissions across the estate, including both direct and indirect sources.

The total carbon footprint for Leeds Castle was calculated at 3,309 tonnes of CO₂e, covering Scope 1, Scope 2 and Scope 3 emissions (excluding visitor travel, due to lack of control over this).

We now have a draft plan for reaching Carbon Net Zero, with a proposed Science Based Target of 2040. This is in the process of being incorporated into 5-year Business Plan, with projects to be prioritised alongside other estate initiatives.

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A Carbon Reduction Steering Group is in place, with seven department-based working groups. Existing land use will be reviewed as part of a holistic Whole Estate Strategy during 2025/26, with the aim of identifying land that can be used for carbon offsetting, once carbon emissions have been reduced to as low a level as possible.

Incident Reporting and Governance

In March 2025, the Leeds Castle Foundation formally reported an accident involving a senior member of staff to the Charity Commission, in accordance with regulatory requirements. The accident, which occurred on 26 March 2025, was subject to a Trustee-led investigation and reviewed by the Foundation's Audit and Risk Committee (FARC). Supporting documentation included the Health & Safety report, a submission template, and correspondence from the Charity Commission. The investigation concluded that the primary cause was driver error and recommendations are now being implemented.

Investment policy and objectives

a) Investment land and properties

Investment land and properties relate to interests in land and buildings which are held for their investment potential, and which are not used by the Foundation or its subsidiary in the course of their operations, other than for generating rental income. These properties are considered annually by the Estates Committee (previously the Investment Committee) as part of its review of the combined portfolio of properties.

The 2022 purchase of Forge House and surrounding land has added to this investment land bank and has secured a vulnerable boundary of the estate, removing significant noise pollution, however alternative uses for the property have not been identified, so we have progressed with the disposal of property with restrictive covenants, retaining the surrounding land as a buffer for the estate. This sale was completed in July 2025.

b) Cash and managed investments

The fundamental objective in managing the investment assets is to generate a good rate of return to help fund the Foundation's charitable objectives.

In 2020 the Trustees reviewed and ratified the investment policy, which states that the portfolio should aim to achieve a rate of return of RPI plus 2% over the long term and that the rate in any particular year should not be negative. The Trustees also undertook a tender process and decided to split the portfolio equally between Ruffer LLP and Sarasin to mitigate management risk with effect from March 2021. The policy remains under review.

Core Activities

Public benefit

The Trustees referred to the Charity Commission's guidance on public benefit when reviewing how to deliver its mission of Caring for Leeds Castle & Estate for ever, for public benefit. In particular, the Trustees considered how planned activities will deliver against core charitable objectives, which are as follows:

To preserve the Castle & Estate for public benefit, to provide an excellent, enjoyable & authentic experience, to inspire visitors with educational resources & to promote health and other charitable purposes.

The Trustees have agreed a strategic plan which seeks to deliver core charitable objectives under the following four strategic headings.

- *Welcome and Engage* (staff, volunteers, guests, community)
- *Surprise and Delight* (with amazing & relevant experiences)

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- *Nurture & Care* (for land, buildings, collection, staff, volunteers, visitors, wildlife)
- *Grow & Develop* (finances, new business streams, experiences, environmental sustainability, audiences, reputation, charitable support).

Review of activity will therefore be outlined against these strategic objectives.

Business Performance

Day Visitor numbers, Retail and Accommodation performed well in year, offset by below budget performance from ticket income and the Hospitality business, which continues to recover slowly from the Cost of Living Crisis. Ticketed events are performing well & it is pleasing to see such strong improvement in Net Promoter Scores from visitor surveys indicating strong customer satisfaction and recommendation.

Added to the more normal business challenges, climate change-induced extreme weather led to extensive downpours, gales & heatwaves, which negatively affected visiting during the year.

Business performance in year was as follows:

- 462,961 day visitors welcomed, versus budget of 408,790.
- £5,592,909 generated in ticket income versus budget of £5,781,334
- Ticket Yield of £12.08 (budget of £14.14), decrease from £13.21 LY (higher return visitors).
- Customer Net Promoter Score increased to 45.8 from 26.4 in 2023.
- Online advance ticket sales decreased to 68% (from 74%) of individual non-group visitors.
- 86,906 groups visitors welcomed (budget 84,652), compared with 79,667 LY.
- 14,651 schools visitors in year.
- A further 85,000 visited Christmas Lights, generating a profit of £196,710.
- £171,525 generated in Retail Net Profit versus budget of £144,497.
- £620,456 generated in Gift Aid income versus budget of £566,214.
- £50,724 generated in Hospitality Net Profit versus budget of £246,709.
- Accommodation generated £442,027 in Net Profit versus budget of £440,682.
- The charity and subsidiary employed 119 staff (FTEs) and worked with 100 volunteers.
- Charity hosted 15 work placements.
- £163,865 generated from funding bids and on-site fundraising in the year.
- EBITDA of £118,916 versus budget of £(62,628).

Welcome and Engage (staff, volunteers, guests, community)

A full estate access audit was completed in year, giving a clear steer on where we need to make improvements for those with disability in all its forms. Quick wins were completed in year, including introduction of fleet of light, modern wheelchairs and work underway on Sensory Backpacks for those with autism and ADHD and work to create a new mobility ramp and automatic opening doors for the Stableyard Café. A cohort of Access Champions have also been trained to take work forward and the upcoming Knight's Retreat accommodation development includes two fully accessible lodges.

After a programme of audience development research with local community groups, pilot work was also undertaken to welcome a series of community groups, including Kent Young Carers, Kent Mind and 21 Together, a group supporting families who have a child with Downs' Syndrome. Feedback from these visits has led to improvements on pre-visit access information on the website, amongst other improvements.

Surprise and Delight (with amazing & relevant experiences)

Much of the Surprise and Delight activity for 2024/25 was events based, with performer-led trails at Easter and May Half Term and the return of the Guardians of the Grounds for October Half Term.

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With the granting of monies to purchase an original Lady Baillie/Stephane Boudin artefact, the hand painted Secretaire Writing Desk, we focussed the February Half Term event around this, using live performers, which achieved excellent engagement all the way through to mid-March.

August 2024 saw the return of a very popular Major Event, *Motors by the Moat*, which brought in over 12,000 visitors over two days. This popular high adrenalin event brought in a very different visitor profile, people, who would not usually engage with heritage.

For Christmas, we ran the *Nutcracker in the Castle*, with live performers at weekends and holidays. Performance was good, but would have been exceptionally good had severe weather not led to six weekend closures.

The Christmas Lights Trail was again high quality and popular and generated more profit than budget, but was similarly affected by severe weather closures. A poor performance from Lights Trail ticketing provider led to low conversion of cancellations to new bookings.

2024 also saw significant changes in catering, with a complete refit of the Stableyard Café and Castle View Restaurant, including the introduction of a new Deco style Cocktail Bar. This has created a much-needed area for customers to have drinks (and increased cocktail sales significantly). Alongside this, a much improved standard of day and evening catering has improved reviews and recommendations.

2024 was also the year where we rolled out the different options for events caterers, providing a much broader choice of menus and price points for functions customers.

The decision was taken to return the Gatehouse to Hospitality use, with a light touch refurbishment being completed by December 2024. This is now in use for smaller meetings and dinners.

Nurture & Care (for land, buildings, collection, staff, volunteers, visitors, wildlife)

A number of initiatives and projects were completed during the year, to care for our assets and people;

We were pleased to recruit our first Gardens and Grounds Manager since the pandemic, to start the process of improving Gardens Standards over time. The Gardens have suffered from lack of resource since the pandemic, with significant work is needed to get on top of weed infestations and re-planting, which will evolve over 3 years.

During 2024/25, we completed periodic fixed wire testing, completed a full Estate Asbestos Audit (along with removals and encapsulations) and created an updated, holistic Fire Strategy. A full fire evacuation exercise was carried out with Kent Fire and Rescue for the Castle in October 2024.

Work was completed on Phase 1 of the Fortecho Collections Protection System, with Phase 2 to follow in 2025.

Work was completed to consolidate and repair the stone on the underside of the Moat Bridge, using an innovative water-resistant cement to affix stones underwater. This was completed in early 2025, as was a comprehensive repair of the Castle East Terrace, with a new water proof membrane and re-pointing of terrace. Substantial repair works were also carried out on the Bell Tower in Autumn 2024.

In October 2024, a full renovation was carried out on the Pavilion, with labour generously donated by PAYE Stonework. Over a 7-day period, the building was transformed from a sad, derelict state to a beautifully renovated building that has gone into use as a community space & second-hand bookshop, which started trading March 2025.

Middle Management Team were trained on IOSHH Managing Safely in year.

Grow & Develop (finances, new business streams, experiences, environmental sustainability, audiences, reputation, charitable support).

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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

A number of initiatives to grow and develop the charity's activities & income were completed in-year.

2024/25 was the first full year of trading for the Lakeside Lodges, which launched December 2023. These luxury lodges, with panoramic views of the Great Water and outdoor baths sold in year ahead of business plan and

received excellent customer reviews. We now expect payback on investment in five years versus the six years expected in original business plan.

We delivered the majority of work included in our National Lottery Heritage Fund Resilience Grant in year. This included a major review and repositioning of Hospitality business, audience outreach research and pilot activity, an internal change programme, an engineer-led study on energy efficiency options and potential renewable energy initiatives, a full Estate Access Audit and Carbon Footprint/Path to Net Zero work. We also completed access quick wins and energy efficiency quick wins, including LED Moat lights.

We also undertook a number of green transport initiatives, including building an access ramp to enable Stagecoach Buses to drop off and collect people from inside the Estate and the installation of directional signage for the Castle for pedestrians walking from Hollingbourne Station.

This work has provided invaluable tools to help us drive the transformation to being more 'arms open' to the local community, as well as providing crucial building blocks for future funding bids.

Work was underway during the year to design and gain planning approval for the Knight's Retreat Lodges, a year-round replacement for the seasonal glamping tents that have been trading for over a decade. Despite the Lodges being situated on exactly the same footprint as the glamping tents, planning permission was slow and delayed the launch date from April 25 to end July 25.

As a result of the Lodges being installed, we will be able to bring Knight's Cottage back into year-round operation. This cottage was used as bathrooms and kitchen for the glamping tents, which is no longer needed as the new Lodges have self-contained bathroom and small kitchen.

During the year, it became possible to renovate and bring an estate cottage in Broomfield back into the Holiday Cottage portfolio. Guard's House was back on the market by December 2024 and will deliver a strong new revenue stream to the charity over the next year.

Plans for 2025/26

Activities that will deliver our Business Plan strategic objectives are classed under three headings for 2025/26:

Getting the Basics Right

- With the arrival of a new Estates Director in September 2025, work will move forward on developing a solution for a multi-year Visitor Car Parks Project. This will provide fit for purpose surfacing to support our year-round business model.
 - We will be completing a £1m programme of Stonework and Roof Repairs on the South West and West faces of the Castle between October 2025 and April 2026. This project also includes the digitisation of the rare Rateau Architectural Archive, talks, tours, audience development work and hands on workshops run by PAYE Stonework on traditional heritage conservation skills.
 - As part of the Stonework Project, we will install a new platform lift to provide access for those with mobility issues into the Castle Gloriette. The aged lift in place at the moment fails constantly.
 - We will also be installing a new platform lift in the Castle View Restaurant to replace failing installation.
 - Work will continue on driving down carbon emissions through sub metering, careful monitoring of usage and behavioural / process change with the aim of reducing energy usage by 10% in year.
 - Work will continue to gather requirements and to specify tender requirements for future customer data gathering/usage and systems changes.
-

- We will continue to improve documentation management for the collection, digitising the Rateau archive, followed by other important archive documentation.
- We will continue to build our reputation as a leading charity in Kent and beyond.

Creating New Reasons for Guests to Visit and Re-visit

- Further to launch of Multimedia Guide in 2023, we will introduce an additional tour called *Invitation to Decadence* in June 2025, focussing on the 1930's Country House Weekend Experience and using imaginary guests and Below Stairs characters as narrators.
- We will finalise work to create a *Pilgrimage of Love* Eleanor of Castile exhibition, featuring an innovative AI avatar of the Queen, which visitors can interact with. Exhibition will launch March 2026.
- Major Events will be developed further, with a possible major Floral Event for 2026 season and presenting Neverland/Peter Pan for Christmas in the Castle in partnership with Great Ormond Street Hospital.
- We will continue to develop our hospitality products, including a focus on providing an exemplary experience for Asian weddings.
- Falconry and Wildlife Team will establish formal partnership with Pond and Perch to run wildlife hide and photography experiences.
- A substantial investment in seasonal planting plan (spring bulbs, summer planting, etc) will be carried out from early 2026 to create more reasons to visit the gardens.
- We will launch the new Knight's Retreat Lodges at end July 2025, with the aim of capturing as much business as possible during 2025/26 trading year. We expect to realise business case in full during 2026 main visitor season. Knights Cottage will also come back into year round use after refurbishment.

Planning for Future Projects and Initiatives

- Gardens and Grounds team will carry out research on history of the gardens and define an informed way forward to replanting in the Gardens, as well as starting a clearance and replanting of the Culpeper Gardens, to eradicate persistent bindweed and ground elder problems.
- The Moat Sluice Gate will be refurbished and up to regulatory standards by end summer 2025.
- Work will be carried out to design a carbon neutral heating system for the Castle.
- Planning will be carried out to define scope of major Castle Repairs Project for 2028/29, for which we will seek major external funding. This will also include major access, interpretation and audience development improvement proposals.
- With arrival of new Estates Director, work will commence on our Whole Estate Plan, looking at optimal land use to improve nature conservation, land use, visitor experiences and woodland carbon offsetting.
- Work will continue to address recommendations emerging from the Fire Strategy, including specifying required works to fire doors and compartmentation. On site fire hydrants will be put back into use.
- Forge Buildings will be sold in year, retaining the surrounding land as a buffer.

Risk

The Charity manages risk actively through a dynamic Risk Register that is reviewed and amended quarterly at Finance, Audit & Risk Committee (FARC). This enables staff and Trustees to manage risk proactively and flag emerging issues to the Board.

The top risks identified in year were related to income generation and the substantial increases in labour and energy costs, given the heavy, largely fixed cost of caring for the Castle and Estate that must be borne irrespective of the fortunes of our trading activities. Aside from a catastrophic disaster such as fire, income generation not meeting commitments remains the most critical risk for the Foundation.

To manage any catastrophic occurrences, business continuity measures are in place (e.g. site back-up generator).

The Foundation takes the health and safety of its staff, volunteers and visitors very seriously. The Leadership Team is committed to ensuring that staff operate safe systems and processes and that visitors are able to enjoy their time with us without incident. All activities on the estate are risk-assessed and incidents logged, with investigations

LEEDS CASTLE FOUNDATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

following and lessons learned disseminated to avoid future occurrences. A quarterly Health and Safety Committee monitors progress, with the support of internal Health and Safety Manager.

Given the level of complexity in the Leeds Castle operation and the need for ongoing statutory training, a comprehensive Training Matrix is in place, monitored by Training Officer. A full programme of statutory online training (H & S, cyber, GDPR, etc) is underway for all staff, with additional specialist training as needed.

There will always be extraneous risks over which we have little control. The most significant of these are high inflation, poor weather affecting visit and impacts of Cost of Living crisis, but increasingly, issues such as costs increasing ahead of income (energy, National Living Wage, Employer NI increases) are proving problematic.

Section 172 Statement

The Board of Trustees are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- The likely consequences of any decision in the long term.
- The interests of the Company's employees.
- The need to foster the Company's business relationships with suppliers, customers and others.
- The impact of the Company's operations on the community and the environment.
- The desirability of the Company maintaining a reputation for high standards of business conduct.
- The need to act fairly as between members of the Company, (the "s.172(1) Matters")

Engagement with employees

Enhancing employee engagement is an integral part of the culture of the Foundation. Senior Leaders provide regular internal communications, which will include a monthly cascaded Team Brief from 2025. Chief Executive shares a monthly blog, commenting on progress and recognising achievements.

Independent staff and volunteer surveys are carried out, with action taken on the results.

Engagement with stakeholders

The Trustees recognise the importance of external stakeholders and the Foundation will engage and collaborate with these institutions and individuals on an ongoing basis with the aim to become more welcoming to our local communities and industry colleagues. This includes liaising with local parish councils, Maidstone and Kent County Council, Visit Kent, Association of Leading Visitor Attractions and other local and industry stakeholders as appropriate.

Structure, Governance and Management

The Leeds Castle Foundation was established as a company limited by guarantee by the last private owner of the Castle, Lady Baillie, to preserve the Castle for the benefit of the public. It is governed by its Memorandum and Articles of Association (1974) and it is registered as a charity with the Charity Commission. The Charity is administered by a Board of Trustees. As set out in the Articles of Association, the Chair of the Trustees is elected by their fellow Trustees.

The Foundation uses a variety of methods to recruit new Trustees and is committed to an open and inclusive formal application/interview process for all vacancies. This usually involves external headhunters to broaden the pool of potential applicants. There is a Nominations Committee chaired by the Foundation Chair, supported by two other Trustees. After interviews with this sub-committee, a recommendation is made to the full Board.

There were no changes to the Board of Trustees within the year.

LEEDS CASTLE FOUNDATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

The Board's standing subcommittees cover Finance, Audit & Risk, Investment, Remuneration & Nominations, Estates and Curatorial.

Activities outside of the main objects of the Charity are undertaken on its behalf by Leeds Castle Enterprises Limited, a wholly owned subsidiary.

Two Trustee nominated individuals also sit on the Leeds Castle Retirement Benefits Scheme Board, the liability for the scheme being borne by Leeds Castle Enterprises Limited.

The Chief Executive is appointed by the Trustees to advise on strategy and development and manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has authority, within terms of delegation approved by the Trustees, for all operational matters. She is supported by a team of senior managers, including the Finance Director, who is also company secretary.

The Foundation derives the vast majority of its income from day visiting together with hospitality and accommodation provision and balances this income generation need carefully with the impact on the historic buildings and environment.

Remuneration of key leadership personnel

Salaries for the Senior Leadership team are reviewed annually by Trustees and benchmarked against other members of Treasure Houses as required.

Employee involvement and disabled persons

The management of Leeds Castle Foundation and its subsidiary Leeds Castle Enterprises Limited, (which together form the group), establish and maintain close communication with staff and volunteers, to ensure all are fully informed about the progress of the group's activities.

There are informal and formal two-way briefing sessions and a Staff Consultation Forum, which meets quarterly with the Chief Executive to discuss and respond to staff suggestions for improvements.

Each employee receives at least one formal performance review with their manager each year. We strive to provide a workplace that offers equality of opportunity for all our staff, whatever their gender, race, nationality, religion, sexual orientation, age or ability.

Fundraising

The charity carries out its fundraising in a fair and responsible way in line with the requirements of the Fundraising Regulator. The Foundation ensures that funds raised are spent effectively to bring maximum benefit to the beneficiaries. A clear process is in place for due diligence on potential funders.

Whilst all efforts will be made to perform to the highest standards, occasionally issues happen. Any complaints made are fully investigated and action taken to deal with any problems. The charity received no complaints during the year under review. The Trustees recognise the importance of the reputation of the charity in maintaining the trust and confidence of its donors and grant givers and this principle sits at the heart of all fundraising activities.

Governance

The Trustees note the importance of the Charity Code of Governance and are committed to reviewing the Charity's governance procedures based upon its recommendations.

LEEDS CASTLE FOUNDATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

Trustees Responsibility

The Trustees (who are also directors of Leeds Castle Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

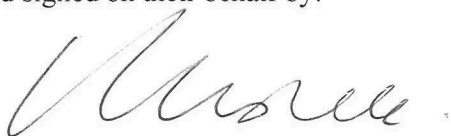
In so far as the Trustees are aware:

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

Auditors

Crowe U.K. LLP were appointed as auditors in the year and have expressed their willingness to remain in office.

The Report of the Trustees, which includes the Strategic Report, was approved by the Board on 5th December 2025 and signed on their behalf by:



.....
Ms Ros Kerslake CBE
Chair of Trustees

Opinion

We have audited the financial statements of Leeds Castle Foundation for the year ended 31 March 2025 which comprise the consolidated statement of financial activities, consolidated balance sheet, foundation balance sheet, consolidated cashflow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2025**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the [strategic report or the] directors' report included within the trustees' report.

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

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

**INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2025**

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the legal and regulatory frameworks within which the group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management, the recognition of revenue in respect of grant income specifically in relation to cut-off, the recognition of revenue in respect of catering income specifically in relation to cut off, and the recognition of revenue in respect of the cut off of all other income streams.

Our audit procedures to respond to these risks included:

- enquiry of management about the company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- detailed testing of a sample of sales made during the year through to invoice and bank receipt and for a sample around the year end agreeing these through to supporting documentation to assess whether it had been captured in the appropriate accounting period;
- proof in total exercises performed on the catering income recognised;
- detailed reviews of any grant agreements and associated revenue recognised paying attention to any recognised around the year end;
- reviewed the design and implementation of controls over significant audit risks;
- testing the appropriateness of a sample of significant journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
- review of accounting estimates for biases.

LEEDS CASTLE FOUNDATION

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31 MARCH 2025

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ian Weekes
(Senior Statutory Auditor)
For and on behalf of

Crowe U.K. LLP

**Chartered Accountants
Statutory Auditors**

Maidstone, Kent

Date: 18 December 2025

LEEDS CASTLE FOUNDATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD ENDED 31 MARCH 2025**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2025 £'000	Total Funds 2024 £'000
Income and endowments from					
donations and legacies	6	24	167	191	21
Other trading activities	7	5,795	-	5,795	5,760
Investments	8	285	-	285	117
Charitable activities	9	6,422	-	6,422	6,012
Total income and endowments		12,526	167	12,693	11,910
Expenditure on					
Raising funds	7	(5,349)	-	(5,349)	(5,353)
Charitable activities	9	(7,304)	(213)	(7,517)	(6,568)
Total expenditure		(12,653)	(213)	(12,866)	(11,921)
Net (losses)/gains on investments	21	105	-	105	150
Net income/(expenditure)		(22)	(46)	(68)	139
Other recognised gains/(losses)					
Gains/(losses) on revaluation of					
Fixed assets and investment properties	20	84	-	84	(537)
Actuarial gains/(losses) on defined benefit					
pension scheme (net of deferred tax)	29	(106)	-	(106)	(167)
Net movement in funds		(44)	(46)	(90)	(565)
Reconciliation of funds					
Total funds brought forward		22,202	(23)	22,179	22,744
Total funds carried forward	28	22,158	(69)	22,089	22,179

The notes on pages 24 to 49 form part of these financial statements.

The Charity has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

LEEDS CASTLE FOUNDATION

**CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2025**

		2025		2024	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	17		4,549		4,295
Heritage assets	18		-		-
			<u>4,549</u>		<u>4,295</u>
Investments:					
Properties	20	9,144		9,060	
Listed investments	21	8,202		8,366	
Cash held as an investment	21	<u>2</u>		<u>2</u>	
			<u>17,348</u>		<u>17,573</u>
			21,897		21,868
Current assets					
Stocks	22	279		245	
Debtors	23	1,689		1,216	
Cash at bank and in hand	24	<u>680</u>		<u>914</u>	
		2,648		2,375	
Creditors: amounts falling due within one year	25	<u>(2,219)</u>		<u>(1,958)</u>	
Net current assets			429		417
Creditors: amounts falling due within more than one year	26		(237)		(106)
Total assets less current liabilities			<u>22,089</u>		<u>22,179</u>
Funds					
Expendable endowment fund	28		2,740		2,740
Restricted income fund	28		(2)		44
Total restricted funds			<u>2,738</u>		<u>2,784</u>
Unrestricted general fund	28		16,298		15,645
Unrestricted designated fund	28		3,053		3,750
Unrestricted pension reserve	28&29		-		-
Total charity funds			<u>22,089</u>		<u>22,179</u>

The notes on pages 24 to 49 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Trustees and Directors on 5th December 2025 and were signed on its behalf by:



Ms Ros Kerslake, CBE
Chair of Trustees

LEEDS CASTLE FOUNDATION

FOUNDATION BALANCE SHEET
CHARITY BALANCE SHEET AS AT 31 MARCH 2025

	Notes	2025 £'000	2024 £'000	2024 £'000
Fixed assets				
Tangible assets	17		4,549	4,295
Investments:				
Subsidiary company	19	866		866
Properties	20	9,144		9,060
Listed investments	21	8,202		8,366
Cash held as an investment	21	2		147
			18,214	18,439
			22,763	22,734
Current assets				
Debtors	23	381		366
Cash at bank and in hand	24	396		467
		777		833
Creditors: amounts falling due within one year	25	(2,249)		(2,201)
Net current assets			(1,472)	(1,368)
Total assets less current liabilities			21,291	21,366
Funds				
Expendable endowment fund	28		2,740	2,740
Restricted income fund	28		(2)	44
Total restricted funds			2,738	2,784
Unrestricted general fund	28		15,500	14,832
Unrestricted designated fund	28		3,053	3,750
Total charity funds			21,291	21,366

The loss for the financial year dealt with in the financial statements of the parent Company was £76,000 – (2024: loss of £442,000).

The notes on pages 24 to 49 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Trustees and Directors on 5th December 2025 and were signed on its behalf by:



Ms Ros Kerslake, CBE
Chair of Trustees

Company number: 1172263

LEEDS CASTLE FOUNDATION

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2025**

	Note	2025 £'000	2024 £'000
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	30	(139)	(185)
Cash flows from investing activities:			
Dividends, interest and rents from investments	8	285	117
Purchase of fixed assets		(794)	(1,196)
Purchase of investment property		-	-
Proceeds from sale of investments		2,413	3,762
Purchase of investments		(2,144)	(3,599)
Net cash (used in)/provided by investing activities		<u>(240)</u>	<u>(916)</u>
Change in cash and cash equivalents in the reporting period		(379)	(1,101)
Cash and cash equivalents at the beginning of the reporting period		<u>1,061</u>	<u>2,162</u>
Cash and cash equivalents at the end of the reporting period		<u><u>682</u></u>	<u><u>1,061</u></u>
Reconciliation of cash and cash equivalents			
	Note	2025 £'000	2024 £'000
Cash in hand	24	680	914
Cash held as an investment	21	2	147
Total cash and cash equivalents		<u><u>682</u></u>	<u><u>1,061</u></u>

Analysis of changes in net debt

	At 29 March 2024	Cash flow	At 31 March 2025
	£'000	£'000	£'000
Cash at bank	914	(234)	680

The notes on pages 24 to 49 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025

1.1 **Company information**

The company is limited by guarantee, registered in England and Wales, and a registered charity. The registered office is Leeds Castle, Maidstone, Kent ME17 1PL.

2.1 **Accounting policies**

2.1 **Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities SORP (FRS102) as it applies from 1 January 2015 and the Companies Act 2006. The statements have been prepared on the basis of a going concern. The principal accounting policies adopted in the preparation of the financial statements are set out below and are consistent with those of the previous year.

Leeds Castle Foundation meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The Trustees have assessed whether the use of going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the Trustees have considered the charitable company's forecasts and projections and have taken account of pressures on income. After making enquiries, the Trustees have concluded that there is a reasonable expectation that following the approved structural and cost saving measures that have been agreed, that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

The Trustees have assessed the ongoing impact of the Covid-19 pandemic and recognise that, while operations have shown a steady recover, they have not yet returned to pre-pandemic levels. This recovery is taking place alongside significant increases in staffing costs, driven by the rises in the National Living Wage and National Insurance contributions. Nonetheless, the Foundation's reserves remain robust, and the Trustees are confident that the Foundation will maintain positive cash flows and sufficient reserves for at least one year from the date of approval of these financial statements. Accordingly, the Trustees continue to consider the Foundation a going concern.

The individual entity accounts of Leeds Castle Foundation have taken advantage of the disclosure exemption under FRS 102 to separately disclose categories of financial instruments and items of income, expenses, gains or losses relating to instruments as these have been presented on a group basis in the notes to the accounts.

2.2 **Basis of consolidation**

The group financial statements consolidate the financial statements of the Foundation and its subsidiary for the period ended 31 March 2025. The statement of financial activities (SOFA) and the balance sheet consolidate the financial statements on a line by line basis where appropriate. No separate SOFA has been presented for the Charity alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP 2015. Details concerning the subsidiary company, results and financial position are set out in note 5.

2.3 **Stocks**

Stocks are valued at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025

2 **Accounting policies** (continued)

2.4 **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at net incoming/(outgoing) resources.

2.5 **Form of financial statements**

The funds of the Charity comprise four distinct categories, which are:

a) **Heritage and Development fund**

This restricted expendable endowment fund relates to changes to the infrastructure of the estate carried out to improve the facilities available to support public access. Such assets are, for all practical purposes, integral with the bequeathed estate and are therefore also regarded as being inalienable. See note 28 for more information regarding this fund.

b) **Restricted funds**

Restricted funds are those funds subject to specific trusts declared by the donor, or in relation to funds generated from the sale of certain heritage assets. The funds are expendable by the Charity at the discretion of the Trustees in accordance with the terms of their receipt.

c) **General unrestricted fund**

The Fund was created from a pecuniary legacy bequeathed by the late Lady Baillie, together with additional funds realised from the authorised sale of certain items included in the original transfer of the property.

The capital and income of the Fund are available for expenditure by the Trustees on the Foundation's charitable objectives, including development expenditure.

d) **Designated funds**

Designated funds are those funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

2.6 **Incoming resources**

Incoming resources represents total income receivable, excluding value added tax, from admission fees, the sale of goods, services supplied, investment income and sundry income. Donations are recognised when received. All incoming resources are included in the SOFA when the Charity is legally entitled to recognise the income and the amount can be quantified with reasonable accuracy. Any income received in relation to future periods is deferred as appropriate.

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Retail income is recognised at the point of sale for sales in shops.

Event income is recognised on the date of the event.

Lettings and accommodation income is recognised on the date the lettings occur.

2.7 **Investment income**

Dividends and interest on listed investments are accounted for on an accruals basis. Interest on bank deposits is accounted for on an accruals basis.

2 **Accounting policies** (continued)

2.8 **Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each of the Charity's activities. Support costs which cannot be directly attributed to a specific activity have been allocated to activities on a basis consistent with their use of the resources. Governance costs are included within support costs.

Costs of raising funds includes all costs associated with the trading and management of the Charity's subsidiary.

Governance costs are incurred in meeting the constitutional and statutory requirements of the charity and are included within support costs.

2.9 **Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on the straight-line basis over the lease term.

2.10 **Deferred taxation**

Deferred tax is provided in full in respect of taxation, deferred by timing difference between the treatment of certain items for taxation and accounting purposes. Deferred tax balances are not discounted.

2.11 **Pension scheme arrangements**

The group accounts for pension schemes in accordance with Financial Reporting Standard 102 "Retirement Benefits".

For defined contribution schemes, contributions are charged to resources expended in the statement of financial activities as payable in respect of the accounting period. This includes contributions made to the personal pension schemes of employees.

For defined benefit schemes the amounts charged to resources expended include the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as part of investment income. Actuarial gains and losses are recognised immediately as part of other recognised gains and losses within the statement of financial activities.

The assets of the group's defined benefit scheme are held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred taxation, is presented after other net assets on the face of the balance sheet and is represented by the unrestricted pension reserve.

If the actuarial valuation of the defined benefit pension scheme results in a surplus then no asset is recognised in accordance with the requirements of FRS 102.

2 **Accounting policies** (continued)

2.12 **Tangible fixed assets and depreciation**

a) **Heritage assets**

Heritage assets are the tangible assets of the Charity that are of historical importance and are held to advance the preservation, conservation and educational objectives of the Charity and, through public access, contribute to the nation's culture and education.

The Castle, grounds and contents bequeathed by the late Lady Baillie, in 1974 and subsequent development expenditure in these assets, are considered to be heritage assets and are integral to the Leeds Castle Estate.

Due to the historic and unique nature of the assets concerned conventional valuation approaches lack sufficient reliability. As a consequence, the value of heritage assets has not been included in the financial statements.

Included in the assets bequeathed were certain inalienable assets which are not considered to be heritage assets but cannot be realised and so no value is attributed to these assets.

Costs incurred which, in the Trustees' view, are required to preserve the heritage assets are recognised as expenditure as incurred. Capital improvements to the Maidens Tower have been capitalised at cost and included as fixed assets since the Trustees consider that the improvements are operational in nature. Further information on the maintenance of the heritage assets is given in note 13 to the accounts.

b) **Other tangible assets**

Functional assets are those tangible assets which are used for charitable purposes, including fundraising, but are not considered to be heritage assets. This includes modern buildings utilised for charitable purposes, such as education, and ancillary purposes such as catering outlets. It also includes plant and equipment used for charitable purposes.

Depreciation has been provided on buildings on a straight-line basis over their remaining economic lives of ten or twenty-five years.

Plant and equipment are included in the balance sheet at cost and depreciated on a straight-line basis over their useful economic life estimated to be 4 years. Assets costing less than £1,000 are written off in the year of purchase. Assets are disposed of and replaced when it is no longer economically viable to keep them in working use.

2.13 **Investment**

a) **Investment land and properties**

Investment land and properties relate to interests in land and buildings which are held for their investment potential, and which are not utilised by the company or its group in the course of their operations. However, some of these holdings have strategic value to the Foundation, securing boundaries from unwanted development. The property assets are included within investments at their open market valuation, based on a professional valuation undertaken at 28 March 2024. The land at index linked valuation is pending further review. Further professional valuations will be obtained every five years. In the intermediate years the carrying value of the investment properties will be reviewed by the Trustees and any material movement in their valuation recognised.

2 Accounting policies (continued)

2.13 Investment (continued)

b) Listed investments

These are included in the balance sheet at market valuation. Realised and unrealised gains/(losses) arising on the disposal or revaluation of investments are included in the Statement of Financial Activities and credited or charged to the Unrestricted General Fund. The fees charged for the purchase and sale of investments in the portfolio are included within the Foundation's resources expended.

3 Financial instruments

Leeds Castle Foundation has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise stock, cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise, trade, other creditors and accruals.

Investments, including bonds held as part of an investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in note 2, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Pension assets/liabilities – The charity recognises its asset/liability to its defined benefit pension scheme which involves a number of estimations as disclosed in note 29.

Valuation of investment properties– The charity's investment properties are stated at their estimated fair value based on professional valuations as disclosed in note 20.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025

5 Net income from trading activities of subsidiary

The Charity has one wholly owned subsidiary, Leeds Castle Enterprises Limited, company no: 01413563, which is registered in England and Wales. The registered office of the subsidiary is the same address as for the parent charity (see note 1.1). A summary of the company's trading results is shown below:

	2025	2024
	£'000	£'000
Turnover	5,752	5,721
Costs of trading activities and administrative expenses	(4,817)	(4,714)
Operating profit	935	1,007
Interest receivable	115	109
Interest payable to Leeds Castle Foundation on long term loan	-	-
Other finance income/(costs)	-	-
Profit/(loss) before donation and taxation	1,050	1,116
Taxation	-	-
Retained profit for the period	1,050	1,116
Actuarial gain/(loss) related to pension scheme, net of deferred tax	(114)	(176)
Total recognised losses for the period	936	940
Distribution – gift aid	(951)	(1,063)
Retained profit brought forward	812	935
Profit retained in subsidiary	797	812

The net current assets of Leeds Castle Enterprises Limited are £1,900,000 as at 31 March 2025 (2024: net assets £1,785,000)

Leeds Castle Enterprises Limited's activities are those trading activities of the group deemed to be non-charitable, such as shop trading, golf, certain special events, conferences and weddings, with the intention of any profits generated being donated to the Foundation for the furtherance of its charitable activities.

6 Income from donations and legacies

	Unrestricted	Restricted	Total Funds	Total Funds
	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000
Grants	-	167	-	-
Other donations and voluntary income	24	-	191	21
	24	167	191	21

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025

7 Other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2025 £'000	Total Funds 2024 £'000
Income				
Concerts and other special events	690	-	690	664
Functions	1,766	-	1,766	1,964
Shops	932	-	932	873
Golf	373	-	373	349
Holiday lettings	1,483	-	1,483	1,353
Ancillary services	259	-	259	257
Other sundry income	292	-	292	300
	<u>5,795</u>	<u>-</u>	<u>5,795</u>	<u>5,760</u>
Expenditure on raising funds				
Cost of sales	1,979	-	1,979	2,028
Staff costs (see note 13)	1,972	-	1,972	1,800
Property and equipment costs	427	-	427	562
Administration costs	105	-	105	169
Marketing and fundraising costs	324	-	324	147
Finance costs	261	-	261	335
Investment management costs	13	-	13	52
Proportion of support costs (see note 10)	268	-	268	260
	<u>5,349</u>	<u>-</u>	<u>5,349</u>	<u>5,353</u>
Net income from activities for generating funds	<u>446</u>	<u>-</u>	<u>446</u>	<u>407</u>

Activities for generating funds are those trading and other fundraising activities carried out by the Foundation and its subsidiary undertaking Leeds Castle Enterprises Limited primarily to generate incoming resources which will be used to undertake the charitable activities of the Foundation. It includes trading activities such as shop trading, golf, certain special events, conferences and weddings.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025

8 **Income from investments**

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2025 £'000	Total Funds 2024 £'000
Income from investment properties	64	-	64	53
Income from listed investments	221	-	221	64
	<u>285</u>	<u>-</u>	<u>285</u>	<u>117</u>

9 **Charitable activities**

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2025 £'000	Total Funds 2024 £'000
Income from Charitable activities				
Day visitor admissions	6,400	-	6,400	5,999
Other sundry income	22	-	22	13
	<u>6,422</u>	<u>-</u>	<u>6,422</u>	<u>6,012</u>
Expenditure on Charitable activities				
Cost of sales	724	-	724	575
Staff costs: visitor team, estate and Castle maintenance (see note 13)	2,014	-	2,014	1,655
Estate and equipment costs	2,297	163	2,460	2,328
Marketing costs	661	-	661	489
Finance costs	102	-	102	102
Preservation and security of heritage assets	120	50	170	122
Proportion of support costs (see note 10)	1,386	-	1,386	1,297
	<u>7,304</u>	<u>213</u>	<u>7,517</u>	<u>6,568</u>
Net resources expended from charitable activities	<u>(882)</u>	<u>(213)</u>	<u>(1,095)</u>	<u>(556)</u>

Income from charitable activities comprises income from the admission of day visitors to Leeds Castle (primary purpose trading) and related ancillary income.

In addition to expenditure related to these activities, costs include amounts incurred in acquiring new heritage assets, maintaining the Castle and other existing heritage and assets and ensuring their security (see note 12).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

10 **Support costs**

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2025 £'000	Total Funds 2024 £'000
Staff costs	765	-	765	785
Administration costs	820	-	820	714
Corporation tax charge	-	-	-	-
Deferred tax charge (see note 14)	8	-	8	9
Governance costs (Auditors' remuneration)	61	-	61	49
	<u>1,654</u>	<u>-</u>	<u>1,654</u>	<u>1,557</u>
Allocated as follows:				
Activities for generating funds	268	-	268	260
Charitable activities	1,386	-	1,386	1,297
	<u>1,654</u>	<u>-</u>	<u>1,654</u>	<u>1,557</u>

Wherever possible costs are allocated to a specific activity as they arise. Those costs that cannot be allocated to a specific activity are deemed support costs. Support costs are allocated to the activities of the Foundation on the basis of their level of activity during the year under review.

11 **Governance costs**

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2025 £'000	Total Funds 2024 £'000
Auditor's remuneration (see below)	35	-	35	49

Auditors' remuneration comprises amounts incurred by the charity itself in respect of its governance and not of the group as a whole. The total amount payable to the charity's auditors by the group, including associated pension schemes, is as follows:

	2025 £'000	2024 £'000
Fees payable to the charity's auditor for the audit of the charity's annual Accounts	35	26
Fees payable to the charity's auditor for other services:		
- The audit of the charity's subsidiary	12	9
- Tax services	5	6
Fees in respect of the group pension scheme		
- audit	9	8

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

12 Preservation and security of heritage assets

In compliance with the disclosure requirements of Financial Reporting Standard 102: Heritage Assets, costs relating to the preservation and security of the Castle, grounds and contents, classed as being heritage assets which have been expensed in the last five years are summarised below:

	2025 £'000	2024 £'000	2023 £'000	2022 £'000	2021 £'000
Castle Fire Strategy	16	-	-	-	-
Renovation of Yellow Drawing Room	-	-	-	-	12
Renovation of Lady Baillie Suite	-	-	-	54	31
Renovation of tapestries	-	-	-	5	-
Renovation of Castle Bedrooms	44	16	15	18	7
Castle interior	-	-	-	-	21
Stonework repairs	94	36	190	629	11
Castle representation	-	-	-	-	1
Castle Roof	-	-	12	-	-
Moat Bridge repairs	16	71	-	-	-
Purchase of Secretaire	65	-	-	-	-

13 Staff costs

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2025 £'000	Total Funds 2024 £'000
Staff costs during the year were:				
Wages and salaries	4,130	72	4,202	3,747
Social security costs	331	-	331	291
Other pension costs	193	-	193	153
Redundancy	35	-	35	101
Training, recruitment and welfare	226	-	226	184
	<u>4,915</u>	<u>72</u>	<u>4,987</u>	<u>4,476</u>

The average weekly number of employees, including directors, during the year was as follows:

	Group 2025 No	2024 No	Foundation 2025 No	2024 No
Full time	77	71	51	45
Part time	130	130	77	75
	<u>207</u>	<u>201</u>	<u>128</u>	<u>120</u>
This equates to a full time equivalent of	<u>119</u>	<u>110</u>		

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

13 **Staff costs** (continued)

Analysis of average employee numbers for the group by department is as follows:

	2025		2024	
	Full Time	Part Time	Full Time	Part Time
Admin/Support Staff	15	5	15	7
DV Ops	16	68	12	66
Golf	3	-	3	-
Retail	6	23	5	21
Hospitality	19	32	16	34
Maintenance/Security	18	1	17	1
Grounds/Gardens	3	1	3	1
Totals	<u>77</u>	<u>130</u>	<u>71</u>	<u>130</u>
		207		201

The number of employees with annual remuneration packages in excess of £60,000 was as follows:

	Group		Foundation	
	2025	2024	2025	2024
	No	No	No	No
£60,000 to £70,000	1	-	1	-
£70,000 to £80,000	1	1	1	1
£80,000 to £90,000	1	1	1	1
£90,000 to £100,000	1	1	1	1
£100,000 to £110,000	-	1	-	1
£110,000 to £120,000	1	1	1	1
£120,000 to £130,000	1	1	1	1
£180,000 to £190,000	1	1	1	1
	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>

During the period the group paid contributions totalling £70,357 (2024: £53,242) in respect of the personal pension schemes of seven of the above higher-paid employees (2024: seven).

Pension contributions to defined contribution schemes in the period totalled £440,237 (2024 - £344,138).

No remuneration was paid to the Trustees and Directors of the Charity or any persons connected with them during this period or the previous period.

Travelling and other costs amounting to £670 (2024: £1,782) were reimbursed to four trustees (2024: four)

The company considers that the key management personnel comprise the Senior Leadership Team as listed in the administrative details. During the period the group made remuneration payments to key management personnel totalling £730,646 (2024: £772,129).

LEEDS CASTLE FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

14 Taxation

The Foundation, as a charitable company, is exempt from corporation tax on its charitable activities, including primary purpose trading, and investment income. Leeds Castle Enterprises Limited, the Foundation's operating subsidiary is subject to corporation tax on its trading profits, in as far as they are not donated to the Foundation.

Details relating to the tax charge of Leeds Castle Enterprises Limited are disclosed in that company's financial statements. The corporation tax liability in the period for the company was £nil (2023: £nil).

Deferred tax

	Group		Foundation	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
At 28 March 2024	9	9	-	-
Movement for the period	-	-	-	-
Deferred tax asset/(liability) at 31 March 2025	<u>9</u>	<u>9</u>	<u>-</u>	<u>-</u>
The deferred tax asset/(liability) is made up of the following:				
Other timing differences	9	9	-	-
	<u>9</u>	<u>9</u>	<u>-</u>	<u>-</u>

The credit for the period for deferred tax is included within support costs (see note 10).

15 Net outgoing resources

	Unrestricted	Restricted	Total Funds	Total Funds
	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000
Net outgoing resources are stated after (crediting)/charging:				
Depreciation: owned assets	540	-	540	458
Operating lease rentals:				
Hire of plant and equipment	38	-	38	38
	<u>578</u>	<u>-</u>	<u>578</u>	<u>496</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025

16 Consolidated statement of financial activities for the period ended 28 March 2024

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2023 £'000
Income and endowments from			
Donations and legacies	17	4	21
Other trading activities	5,760	-	5,760
Investments	117	-	117
Charitable activities	6,012	-	6,012
Total income and endowments	<u>11,906</u>	<u>4</u>	<u>11,910</u>
Expenditure on			
Raising funds	(5,353)	-	(5,353)
Charitable activities	(6,530)	(38)	(6,568)
Total expenditure	<u>(11,883)</u>	<u>(38)</u>	<u>(11,921)</u>
Net gains/(losses) on investments	150	-	150
Net income/(expenditure)	<u>173</u>	<u>(34)</u>	<u>139</u>
Exceptional items	-	-	-
Other recognised gains/(losses)			
Gains/(losses) on revaluation of			
Fixed assets and investment properties	(537)	-	(537)
Actuarial losses on defined benefit pension scheme (net of deferred tax)	(167)	-	(167)
Net movement in funds	<u>(531)</u>	<u>(34)</u>	<u>(565)</u>
Reconciliation of funds			
Total funds brought forward	<u>22,733</u>	<u>11</u>	<u>22,744</u>
Total funds carried forward	<u><u>22,202</u></u>	<u><u>(23)</u></u>	<u><u>22,179</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025

17 Tangible fixed assets

a) Group

	Freehold Land and buildings £'000	Plant and equipment £'000	Total £'000
Cost			
At 28 March 2024	8,136	2,880	11,016
Additions	713	81	794
Disposals	(173)	(32)	(205)
At 31 March 2025	<u>8,676</u>	<u>2,929</u>	<u>11,605</u>
Depreciation			
At 28 March 2024	4,421	2,300	6,721
Charge for the period	375	165	540
Disposals	(173)	(32)	(205)
At 31 March 2025	<u>4,623</u>	<u>2,433</u>	<u>7,056</u>
Net book value			
At 31 March 2025	<u>4,053</u>	<u>496</u>	<u>4,549</u>
At 28 March 2024	<u>3,715</u>	<u>580</u>	<u>4,295</u>

b) Foundation

	Freehold Land and buildings £'000	Plant and equipment £'000	Total £'000
Cost			
At 28 March 2024	8,136	2,042	10,178
Additions	713	81	794
Disposals	(173)	(32)	(205)
At 31 March 2025	<u>8,676</u>	<u>2,091</u>	<u>10,767</u>
Depreciation			
At 28 March 2024	4,421	1,462	5,883
Charge for the period	375	165	540
Disposals	(173)	(32)	(205)
At 31 March 2025	<u>4,623</u>	<u>1,595</u>	<u>6,218</u>
Net book value			
At 31 March 2025	<u>4,053</u>	<u>496</u>	<u>4,549</u>
At 28 March 2024	<u>3,715</u>	<u>580</u>	<u>4,295</u>

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025

18 Heritage assets (Group and Foundation)

In accordance with the Foundation's accounting policy, heritage assets are not included within the financial statements as, due to the historic and unique nature of the assets concerned, conventional valuation approaches lack sufficient reliability.

The Castle island buildings are insured for £52.0m and other estate buildings for £17.2m. Castle contents which include various pieces of furniture, pictures and prints, silverware and textiles have been valued for insurance purposes with Ecclesiastical Insurance at £26.4m, which includes loaned items valued at £11.1m.

19 Investment in subsidiary company

	2025 £'000	2024 £'000
100 Ordinary shares of £1 each at cost	866	866
	<u>866</u>	<u>866</u>

Leeds Castle Foundation owns 100% of the voting rights and nominal share capital of Leeds Castle Enterprises Limited. The subsidiary's accounts have been consolidated with the Foundation's accounts.

20 Investment land and properties (Group and Foundation)

	2025 £'000	2024 £'000
Market value of properties at 28 March 2024	9,060	9,597
Revaluation	84	(537)
Market value of properties at 31 March 2025	<u>9,144</u>	<u>9,060</u>
Historical cost value of assets	<u>2,073</u>	<u>2,073</u>

All investment land and properties are located within the United Kingdom.

The land and properties were valued by Hen & Duckhurst Professional Services Ltd, a firm of independent surveyors and valuers on an open market basis as at 28 March 2024.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

20 Investment land and properties (Group and Foundation) (continued)

Five properties are provided with a lifetime occupancy at zero rent and seven are used for job related accommodation. Other property and land is rented out at a commercial rent. Future minimum lease receivables under non-cancellable operating leases are as follows:

	Group 2025 £'000	2024 £'000	Foundation 2025 £'000	2024 £'000
Rent received:				
Within one year	49	21	49	21
Between two and five years	73	2	73	2
	<u>122</u>	<u>23</u>	<u>122</u>	<u>23</u>

21 Listed investments (Group and Foundation)

These comprise listed investments, Certificates of Deposit and other cash holdings.

	2025 £'000	2024 £'000
Market value of listed investment at 28 March 2024	8,366	8,379
Acquisitions at cost	2,144	3,599
Disposal proceeds	(2,413)	(3,762)
(Losses)/gains for the year	105	150
Market value at 31 March 2025	<u>8,202</u>	<u>8,366</u>
Cash holdings at 31 March 2025	2	147
Total value of fixed asset investments	<u>8,204</u>	<u>8,513</u>
Historical cost value of assets	<u>7,989</u>	<u>8,270</u>

As at 31 March 2025 the market value of the investments split between UK investment assets and overseas assets was as follows:

	2025 £'000	2024 £'000
UK investments	8,204	2,869
Overseas investments	-	5,644
	<u>8,204</u>	<u>8,513</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025

21 **Listed investments (Group and Foundation) (continued)**

The portfolio at 31 March 2025 contained investments managed by Ruffer LLP and Sarasin & Partners LLP. The following investments exceed 3% by value of the total portfolio and are deemed to be material:

	2025		2024	
	£'000	%	£'000	%
Sarasin Climate Active Endowments Fund	3,614	44.1	3,972	47.5
Charity Assets Trust	4,588	55.9	-	-
USA FRN 31/10/2025	-	-	336	4.0
Ruffer Illiquid Multi Strategies Fund	-	-	296	3.5
Ruffer SICAV Fixed Income Z GBP Cap	-	-	1,334	15.9
Ruffer Protection Strategies	-	-	296	3.5
Wisdom Tree Brent	-	-	72	0.9
	<u>8,202</u>	<u>100.0</u>	<u>6,306</u>	<u>75.3</u>
Other investments (all less than 3%)	-	-	2,060	24.7
	<u>8,202</u>	<u>100.0</u>	<u>8,366</u>	<u>100.0</u>

22 **Stocks**

	Group		Foundation	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Goods for resale	<u>279</u>	<u>245</u>	<u>-</u>	<u>-</u>

23 **Debtors**

	Group		Foundation	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Amounts falling due after more than one year:				
Trade debtors	121	48	-	-
Amounts falling due within one year:				
Trade debtors	951	760	34	74
Other debtors	167	55	4	22
Prepayments and accrued income	441	344	343	270
Deferred tax asset (see note 14)	9	9	-	-
	<u>1,689</u>	<u>1,216</u>	<u>381</u>	<u>366</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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24 Cash at bank and in hand

	Group		Foundation	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Cash in hand	9	9	-	-
Cash at bank – Current accounts	535	390	292	251
Cash at bank – Deposit accounts	136	515	104	216
	<u>680</u>	<u>914</u>	<u>396</u>	<u>467</u>

In addition to the cash at bank and in hand and deposits above, included within the investment portfolio were cash holdings of £1,989 (2024 £146,651) (see note 21).

25 Creditors: Amounts falling due within one year

	Group		Foundation	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Trade creditors	770	520	650	435
Other taxation and social security				
Payable	148	105	64	31
Other creditors	70	42	13	4
Amounts owed to group undertakings	-	-	1,381	1,486
Accruals	137	217	78	146
Deposits in advance	1,094	1,074	63	99
	<u>2,219</u>	<u>1,958</u>	<u>2,249</u>	<u>2,201</u>

26 Creditors: Amounts falling due after one year

	Group		Foundation	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Deposits in advance	<u>237</u>	<u>106</u>	<u>-</u>	<u>-</u>

The company has received deposits in advance for events occurring in over one year of which £215,771 (2024: £94,466) relates to events occurring within 1-2 years and £21,417 (2024: £12,083) relates to events occurring within 2-5 years.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025

27 Financial commitments

At 31 March 2025 the group had future minimum payments under non-cancellable operating leases of plant and equipment as follows:

	Group		Foundation	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Payments made:				
Within one year	38	38	-	-
Between two and five years	73	110	-	-
	<u>111</u>	<u>148</u>	<u>-</u>	<u>-</u>

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025

28 Group funds

	Restricted Funds			Unrestricted Funds		Total Funds £'000
	H&D Fund £'000	Chattels Fund £'000	Misc Grant	M&D Fund £'000	General Fund £'000	
Fund balances at 31 March 2025 are represented by						
Tangible assets	2,504	-	-	-	2,045	4,549
Investments	225	-	-	3,053	14,070	17,348
Current assets	11	78	-	-	2,559	2,648
Liabilities	-	-	(80)	-	(2,376)	(2,456)
At 31 March 2025	<u>2,740</u>	<u>78</u>	<u>(80)</u>	<u>3,053</u>	<u>16,298</u>	<u>22,089</u>

Movement of funds during the year

	As at 28 March 2024 (£)	Income (£)	Expenditure (£)	Gains/Losses (£)	As at 31 March 2025 (£)
Restricted Funds					
Heritage and Development Fund	2,740	-	-	-	2,740
Chattels Fund	78	-	-	-	78
NLHF Grant	(34)	115	(163)	-	(82)
NL Sectretaire Grant	-	50	(50)	-	-
Stanley Smith Horticultural Trust Grant	-	2	-	-	2
	<u>2,784</u>	<u>167</u>	<u>(213)</u>	<u>-</u>	<u>2,738</u>
Unrestricted Funds					
Maintenance and Development Fund	3,750	-	(697)	-	3,053
General Fund	15,645	12,526	(12,062)	189	16,298
	<u>19,395</u>	<u>12,526</u>	<u>(12,759)</u>	<u>189</u>	<u>19,351</u>
Total Funds	<u>22,179</u>	<u>12,693</u>	<u>(12,972)</u>	<u>189</u>	<u>22,089</u>

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025

28 Group Funds (continued)

	Restricted Funds			Unrestricted Funds		Total Funds £'000
	H&D Fund £'000	Chattels Fund £'000	Misc Grant	M&D Fund £'000	General Fund £'000	
Fund balances at 28 March 2024 are represented by						
Tangible assets	2,504	-	-	-	1,791	4,295
Investments	225	-	-	3,750	13,598	17,573
Current assets	11	78	-	-	2,286	2,375
Liabilities	-	-	(34)	-	(2,030)	(2,064)
At 28 March 2024	<u>2,740</u>	<u>78</u>	<u>(34)</u>	<u>3,750</u>	<u>15,645</u>	<u>22,179</u>
Movement of funds during the year	As at 31 March 2023 (£)	Income (£)	Expenditure (£)	Gains/ Losses (£)	As at 28 March 2024 (£)	
Restricted Funds						
Heritage and Development Fund	2,740	4	(4)	-	2,740	
Chattels Fund	78	-	-	-	78	
NLHF Grant	-	-	(34)	-	(34)	
	<u>2,818</u>	<u>4</u>	<u>(38)</u>	<u>-</u>	<u>2,784</u>	
Unrestricted Funds						
Maintenance and Development Fund	5,748	-	-	(1,998)	3,750	
General Fund	14,178	11,906	(12,050)	1611	15,645	
	<u>19,926</u>	<u>11,906</u>	<u>(12,050)</u>	<u>(387)</u>	<u>19,395</u>	
Total Funds	<u>22,744</u>	<u>11,910</u>	<u>(12,088)</u>	<u>(387)</u>	<u>22,179</u>	

The H&D (Heritage and Development) Fund, which is an expendable endowment fund, represents freehold land and buildings classified as functional tangible assets, as these are considered to be integral to the bequeathed estate (see note 2.5(a)) and investment properties included within investment properties.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025

28 Group Funds (continued)

The Chattels Fund, which is a restricted income fund, represents the proceeds from disposal of items formerly held for display and presentation purposes. This fund is utilised to acquire furniture, works of art or other antiques. The unrestricted General Fund represents surpluses generated from activities for generating funds, charitable activities and investment performance. This fund is utilised in acquiring new heritage assets and the preservation and maintenance of existing heritage assets.

The restricted fund relating to the NLHF Resilience Grant shows a temporary deficit of £82,000 at the year end due to expenditure incurred in advance of reimbursement from The National Lottery Heritage Fund. A total grant of £225,700 is contractually agreed and is expected to be received in full prior to 31st March 2026.

The M&D (maintenance and development) fund is an unrestricted, designated fund which the trustees have allocated for future capital development and the ongoing maintenance programme of the Castle and the wider estate. Details of the planned expenditure of £3,053,000 are detailed in the Trustees report.

The Heritage and Development Fund and the Chattels Fund relate entirely to the Foundation. The proportion of the Unrestricted General Fund attributable to the Foundation amounts to £14,549,000 (2024: £14,832,000).

29 Pension scheme

Leeds Castle Enterprises Ltd (LCE) sponsors Leeds Castle Retirement Benefits Scheme, a funded defined benefit pension scheme in the UK, which was closed to future accrual in 2005. The scheme is set up on a tax relieved basis as a separate trust independent of LCE and is supervised by independent trustees. The trustees are responsible for ensuring that the correct benefits are paid, that the scheme is appropriately funded and that scheme assets are appropriately invested.

The Trustees are required to use prudent assumptions to value the liabilities and costs of the scheme whereas the accounting assumptions must be best estimates.

A formal actuarial valuation was carried out as at 1 April 2022. The results of that valuation have been projected to 31 March 2023 with allowance for payroll and benefit information and using the assumptions set out below. The figures in the following disclosure were measured using the Projected Unit Method.

Valuation date 1 April	2022	2019
The value of the technical provisions was:	7,245,000	6,260,000
The value of the assets at that date was:	5,927,000	4,911,000

To ensure the Statutory Funding Objective is met the Trustees and Employer have agreed that additional Employer contributions will be paid to the Scheme of £81,666 in 2024/25 under the Scheme's subsequent recovery plan dated 6th July 2023.

The amounts recognised in the statement of financial position are as follows:

	2025	2024
	£'000	£'000
Defined benefit obligation	(3,345)	(3,736)
Fair value of plan assets	3,970	4,355
Restriction on recognition of asset	(625)	(619)
Net defined benefit (liability)/asset	-	-

LEEDS CASTLE FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

29 **Pension scheme** (continued)

The current and past service costs, settlements and curtailments, together with the net interest expense for the year are included in profit or loss. Re-measurements of the net defined benefit liability are included in other comprehensive income.

	Period ended 31/03/2025 £'000	Period ended 28/03/2024 £'000
Service cost:		
Current service cost (net of employee contributions)	-	-
Administration expenses	-	-
Restriction of recognition of asset deemed irrecoverable	-	-
Net interest expense/(credit)	(32)	(36)
	<u>(32)</u>	<u>(36)</u>
Charge/(credit) recognised in profit or loss		
Re-measurements of the net liability:		
Return on scheme assets (excluding amount included in net interest expense)	460	367
Actuarial (gains)/losses	(352)	(131)
	<u>108</u>	<u>236</u>
Charge/(credit) recorded in other recognised gains or losses		
	<u>76</u>	<u>200</u>
Total defined benefit cost/(credit)		

LEEDS CASTLE FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

29 **Pension scheme** (continued)

The principal actuarial assumptions used were:

	31/03/2025	28/03/2024
Liability discount rate	5.75%	4.85%
Inflation assumption - RPI	3.10%	3.25%
Inflation assumption - CPI	2.65%	2.75%
Rate of increase in salaries	n/a	n/a
Revaluation of deferred pensions: all benefits accrued	2.65%	2.75%
Increases for pensions in payment: benefits accrued prior to 6 April 1997	0.00%	0.00%
benefits accrued after 5 April 1997	2.65%	2.70%
Proportion of employees opting for early retirement	0.00%	0.00%
Proportion of employees commuting pension for cash	50.00%	50.00%
Expected age at death of current pensioner at age 65: Male aged 65 at year end:	86.4	86.4
Female aged 65 at year end:	88.7	88.7
Expected age at death of future pensioner at age 65: Male aged 45 at year end:	87.4	87.4
Female aged 45 at year end:	89.8	89.8

Reconciliation of scheme assets and liabilities

	Assets	Liabilities	Total
	£'000	£'000	£'000
At start of period	4,355	(3,736)	619
Benefits paid	(215)	215	-
Administration expenses	-	-	-
Contributions from the employer	82	-	82
Interest income / (expense)	208	(176)	32
Return on assets (excluding amount included in net interest expense)	(460)	-	(460)
Actuarial gains/(losses)	-	352	352
Gain/(loss) on plan introductions and changes	-	-	-
At end of period	<u>3,970</u>	<u>(3,345)</u>	<u>625</u>

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025

29 Pension scheme (continued)

The return on scheme assets was:

	31/03/2025	28/03/2024
	£'000	£'000
Interest income	208	217
Return on scheme assets (excluding amount included in net interest expense)	(460)	(367)
Total return on scheme assets	<u>(252)</u>	<u>(150)</u>

The major categories of scheme assets are as follows:

	31/03/2025	28/03/2024
	£'000	£'000
UK Equities	-	-
Overseas Equities	-	-
Gilts	1,325	1,342
Index Linked	2,728	3,119
Alternative Assets	-	-
Cash	(83)	73
Total market value of assets	<u>3,970</u>	<u>4,534</u>

The Scheme has no investments in the Company or in property occupied by the Company.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025

30 Reconciliation of cash flows from operating activities

	2025	2024
	£'000	£'000
Net income/(expenditure)	(174)	(28)
Net (gains)/losses on investments	(105)	(150)
Depreciation charges on fixed assets	540	457
(Gain)/Write off of fixed asset	-	-
Tax charge	-	-
Dividends, interest and rents from investments	(285)	(117)
Movements on defined benefit pension scheme	-	-
Movement in components of working capital:		
Decrease/(increase) in stocks	(34)	(75)
(Increase)/decrease in debtors	(473)	72
(Decrease)/increase in creditors	392	(344)
Net cash inflow/(outflow) from operating activities	<u>(139)</u>	<u>(185)</u>

31 Limited by Guarantee

The company is limited by guarantee and does not have a share capital. The liability of each member is limited to £1.

32 Capital commitments and contingent liability

At 31 March 2025 the Foundation and the group had no contractual commitments for development expenditure (2024: nil).

33 Related party transactions

At the year end the trading subsidiary, Leeds Castle Enterprises Limited had a net intercompany debtor balance, owing £2,331,000 by the Charity (2024: net debtor balance of £2,436,000). During the period the Charity received gift aid payments totalling £1,063,000 from Leeds Castle Enterprises Limited, but with no further payment accrued at the year end.

34 Parent company exemption

As permitted by Section 408 of the Companies Act 2006, the parent company's statement of financial activities has not been included in the financial statements.

35 Financial instruments

At the balance sheet date, the consolidated group held financial assets at amortised cost comprising cash and short-term deposits, trade debtors, other debtors and accrued income of £2,099,000 (2024: £1,921,000) and financial liabilities at amortised cost, comprising trade creditors, other creditors and accruals of £1,079,000 (2024: £846,000). Total interest income received in respect of financial assets held at amortised cost totalled £nil (2024: £nil).

The charity held assets at fair value through income and expenditure of £8,202,000 (2024: £8,366,000). Movements in the year through the statement of financial activities comprised income of £nil (2024: £nil) and gains of £105,000 (2024: gains of £249,000).

LEEDS CASTLE FOUNDATION

England & Wales - Charity number 268354

Accounts



Company Registration No. 1172263 (England and Wales)
Charity Registered No. 268354 (England and Wales)

LEEDS CASTLE FOUNDATION

REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 28 MARCH 2024

Leeds Castle Foundation, Leeds Castle, Maidstone, Kent ME17 1PL

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Leeds Castle Foundation is a registered charity: No. 268354. Registered Office: Leeds Castle, Maidstone, Kent ME17 1PL Registered in England No. 1172263 VAT No. 303 8709 66

LEEDS CASTLE FOUNDATION

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LEEDS CASTLE FOUNDATION

ADMINISTRATIVE DETAILS

Trustees	Ms Ros Kerslake, CBE (Chair) Ms Judith Armit Ms Helen Deeble, CBE Ms Anna Eavis Ms Ruth Knight Ms Sarah Masotti Ms Sarah Roots Mr Julian Smith, CVO Mr Adrian J Tinniswood, OBE Mr Thomas C Wright, CBE
Company Secretary	Mr R Richman
Charity Number	268354
Company number	1172263
Registered Office	Leeds Castle Broomfield Nr. Maidstone Kent ME17 1PL
Statutory Auditors	Crowe U.K. LLP Riverside House 40-46 High Street Maidstone Kent ME14 1JH
Bankers	Royal Bank of Scotland 38 Market Place Wigan W1 1PJ
Investment managers	Ruffer LLP 80 Victoria Street London SW1E 5JL Sarasin & Partners 100 St Paul's Churchyard London EC4M 8BU

LEEDS CASTLE FOUNDATION

ADMINISTRATIVE DETAILS

Sub-committee membership

Finance, Audit and Risk Committee	Ms J Armitt Mr J Smith, CVO Mr T C Wright, CBE	Chair
Investment Committee	Ms H Deeble, CBE	Chair
Nominations Committee	Ms R Kerslake, CBE Mr J Smith CVO Ms A Eavis	Chair
Directors, Leeds Castle Enterprises Ltd	Mr T C Wright, CBE Ms R Kerslake, CBE Mr D Bridgford Ms S Roots Ms H Bonser-Wilton Mr R Richman	Chair Chief Executive Finance Director and Secretary
Senior Management Team of the Foundation	Ms H Bonser-Wilton Mr R Richman Mrs D Matthews Ms S Prichard Ms L Hutchings Mr N Johnstone Mr M Delin	Chief Executive Finance Director Head of Audience Development & Fundraising Head Curator Commercial Operations Director Interim Head of Estate Services Marketing Director

LEEDS CASTLE FOUNDATION
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 28 MARCH 2024

The Trustees of the Leeds Castle Foundation, (Charity number: 268354 and company registration number: 1172263), who are also the directors of the charity, present their report and the financial statements for the Foundation and its trading subsidiary (the group) for the period ended 28th March 2024. These have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2015) and the Companies Act 2006.

Accounts have been prepared this year for the period from 1st April 2023 to 28th March 2024. The Foundation regularly alters its financial year end to ensure there is only one Easter Bank Holiday weekend within each financial year, this was necessary for 2023/24 but not the comparative year of 2022/23 which are covered by this report.

Objects

The Foundation's objects are wide ranging, and are set out in full in the memorandum and articles. However, the key focus of the charity is summarised as follows:

1. To preserve the Castle and its estate for public benefit.
2. To provide an excellent, enjoyable and authentic experience for every visitor.
3. To inspire visitors of all ages through educational resources and facilities.
4. To promote health and other charitable purposes.

Trustees

The following Trustees have held office in the twelve months from 1st April 2023.

Ms R Kerslake, CBE
Ms J Armitt (appointed 29th September 2023)
Ms H Deeble, CBE
Ms A Eavis
Ms R Knight (appointed 29th September 2023)
Mr R Laing (retired 15th December 2023)
Ms S Masotti (appointed 29th September 2023)
Ms L Nesfield (retired 15th December 2023)
Ms S Roots (appointed 29th September 2023)
Mr J Smith, CVO
Mr A Tinniswood, OBE
Mr T Wright, CBE

Strategic Report

Sections in this report noted below constitute the Strategic Report for the purposes of the Companies Act 2006:

- Review of the year.
- Incoming resources.
- Costs and application of operating surpluses.
- Reserves Policy.
- Investment Policy and Objectives
- Core Activities – Public Benefit.
- Plans for the Future.
- Risk.
- Section 172 Statement.

LEEDS CASTLE FOUNDATION
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 28 MARCH 2024

Review of the year

The year saw a significant recovery in visitors to the Castle which were up by thirteen percent year on year. This largely resulted from the success of value-added events reintroduced into the day visitor programme. Of notable success was the Christmas presentation of Narnia in the Castle which achieved more than twice the number of visitors to the previous year.

Overall, during the year we welcomed 399,604 guests to the site, which reversed the fall in visitor numbers seen in 2022/23 and was 15,000 more than in 2021/22. This number benefitted greatly from group visitors which have returned more quickly and more strongly than most in the sector had anticipated.

In July RA Venues ceased to be the exclusive catering provider to the site. After a thorough tendering process Grayson's were awarded the contract. While a less than ideal time to make such a change, their mobilisation was efficient and successful with no interruption to the provision of services. There followed a steady increase in turnover from all catering outlets.

The annual Leeds Castle Concert was well attended. Heritage Events have a further two years on the contract for the event. The Fireworks Spectacular went ahead in November, in spite of poor weather attracting sell out audiences both nights and receiving highly favourable reviews, Trustees again took the decision to self-insure this event as insurance market rates were prohibitive.

The major new activity introduced in 2022/23 was a joint venture with Raymond Gubbay Limited, a subsidiary of Sony Music, to run a Christmas Lights Trail through the grounds. In its second year it attracted over 85,000 visitors, up from 66,500. This produced a positive return in the second year of a five-year contract equivalent to that generated annually from the Fireworks Spectacular.

Hospitality Functions and Accommodation both had less successful years. Hospitality had benefitted from a carry forward of events from the Covid-19 period in 2022/23, but with less advance bookings carried forward, coupled with a tightening of the market following the cost of living crisis, the year failed to match budget expectations. It was also noticeable that functions that did take place were utilising less on-site accommodation than that seen in recent years. However, the year saw the investment in the Lakeside Lodges accommodation product.

The Leeds Castle Golf Club has continued to benefit from the desire to partake in outdoor exercise which saw a resurgence in the pandemic period. Establishing as a Membership club has reduced the dependence on green fee income, which can be heavily weather and competitor activity dependent. Golf generates a modest profit, sufficient to pay back the earlier capital investment made in the course. This return to a surplus was pleasing affirmation of the investment in the course and facilities, as well as the work of the PGA Professional to establish an enjoyable club experience for members.

In another uncertain year, the business overall was managed with agility and carefully controlled costs, but difficulties surrounding the borehole water supply and a major leak on site added to the cost of utilities. The current gas and electricity supply contracts will terminate in October 2024 and a significant reduction in cost is anticipated, as wholesale prices are considerably lower than at the previous renewal.

Volunteers have become an essential part of the Castle's work, providing learning & social inclusion, with 80 people currently volunteering across areas such as falconry, gardens, grounds, wildlife & conservation, education, visitor operations and, of course, the main Trustee Board.

Financial modelling using prudent growth assumptions confirms that the estate can generate sufficient cash to invest in heritage assets, facilities and experiences over the next few years, although larger projects will require drawing on Reserves.

LEEDS CASTLE FOUNDATION
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 28 MARCH 2024

Chief Executive Helen Bonser-Wilton has continued to lead work to review the Foundation's business model & to deliver the approved strategy with Board and staff team in year.

Incoming resources

Total incoming resources increased by £1,099,000 over the previous year as operations continue to return to more regular levels than those seen during the pandemic. However, with increases in costs the trading result was a relatively small surplus and a loss after exceptional items.

The Fireworks Spectacular, Leeds Castle Concert and the Christmas Lights Trail continue to supplement the standard visitor and hospitality income streams.

Hospitality and accommodation both had a significantly less successful year, but remain above pre-pandemic levels of contribution.

The investment portfolio benefited from the division of the fund to two investment managers as Ruffer, unusually, returned a significant loss, however this was largely offset by Sarasin's performance. The investment properties were revalued, but saw a significant fall in values.

Costs and application of operating surpluses

Our focus remained on managing the cost base in a climate of extreme economic uncertainty, while ensuring visitor and guest service levels were maintained and investment in the product continued. Further to the heavy reduction in staffing numbers that took place in 2020 as a result of the devastating financial impact of the pandemic, we continued to gradually increase staff numbers to cope with the restoration of year round full trading, but vacancies as a result of the challenging recruiting environment resulted in 110 full time equivalent staff in the year which was identical to the 2022/23 full time equivalent staff.

There will always be a need for considerable investment programmes, not least in the fabric of the Castle buildings. In addition to planned and preventative maintenance, there are times when unexpected repairs are required. The operating surplus will be used to continue the preservation of the Castle, the estate and the collections, and the ongoing enhancement of the visitor experience, which needs regular refreshment to ensure that there is always a new reason to visit and to update/replace facilities as needed.

In line with the agreed three-year pension deficit reduction plan, there was a further special contribution of £140,000 towards the Leeds Castle Retirement Benefits Scheme. The scheme has been closed to new members since 2005. A triennial revaluation was undertaken as at 1st April 2022 and contributions remain at £140,000 which are planned to eliminate the scheme liability on the technical provisions basis by 31st October 2024.

Reserves policy

The reserves policy is reviewed annually by the Trustees, taking into account the predominant risks to the Foundation and its anticipated working capital requirements.

The review of risk highlights major events, (e.g. a fire), causing severe impact on income, mitigated by both direct and business interruption insurance cover. The impact on income of other risks, such as closure or periods of low visitor numbers due to prolonged bad weather or other factors, are uninsurable. In recent years, to mitigate these risks, Trustees have invested to diversify income generation, reducing the dependence on day visitors. The Trustees have concluded that funds are required to be held as free reserves to enable us to meet regular commitments and working capital requirements, should there be short term volatility in revenues.

LEEDS CASTLE FOUNDATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 28 MARCH 2024

Taking into account core cost needs, the Trustees consider it is appropriate to hold free reserves representing two years of charitable activities expenditure.

At 31st March 2024 the total consolidated funds in the accounts stand at £22.2m (2023 - £22.7m), of which £2.8m (2023 - £2.8m) is restricted and £1.8m (2023 - £1.8m) relates to unrestricted tangible fixed assets. After deducting these amounts and the designated funds of £3.8m (2023 - £5.7m), this leaves general free reserves of £13.8m (2023 - £13.2m), which is in line with the aim of holding two years of charitable activities expenditure, currently running at £5.4m (2023 £5.2m) per year as general free reserves. The free reserves include investment properties with a value of £9m (2023 - £9.6m) which are not readily realisable, thus leaving £4.8m (2023 - £3.6m) as liquid free reserves. This in line with the Trustees target of holding £1.4m (2023 - £1.3m), based on three months of charitable activities expenditure.

The Foundation's funds comprise a number of restricted and unrestricted funds, within which a number of designations have been made by the Trustees. Restricted funds comprise the Heritage and Development Fund and the Chattels Fund. The Heritage and Development Fund is an Expendable Endowment Fund and represents freehold land and buildings classified as functional tangible assets, considered to be integral to the bequeathed estate. The Heritage and Development Fund relates entirely to the Foundation. The Chattels Fund represents proceeds from the disposal of heritage assets. These proceeds are to be used solely for the purpose of acquiring replacement heritage assets.

The Trustees have concluded that Designated Reserves should be set up to cover the estimate of potential spending on specific projects which have been identified as part of the five-year planning process, in order to:

- Fund the Foundation's primary responsibility of preserving the Castle and its collections for public benefit.
- Invest in developments to enhance the visitor experience and enjoyment of the Castle.
- Develop income generating opportunities.
- Improve or replace operating facilities and infrastructure.

As at 28th March 2024, the Designated Reserves have been assigned to:

- Income generating Accommodation Development – Pods to replace glamping tents (£1,500k).
- Continuing the remaining phases of Castle stonework repairs, initially the West and Southwest elevations (£2,250k).

In addition, the Foundation carries business interruption insurance to cover the cost of core liabilities in the event that the Castle was unable to generate income as a consequence of exceptional insurable incidents.

In discussion with Trustees of the Leeds Castle Retirement Benefits Scheme, the Foundation is reviewing options to secure the future liabilities of the Scheme. Should this proceed it would be funded from Reserves.

LEEDS CASTLE FOUNDATION
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 28 MARCH 2024

Investment policy and objectives

a) Investment land and properties

Investment land and properties relate to interests in land and buildings which are held for their investment potential, and which are not used by the Foundation or its subsidiary in the course of their operations, other than for generating rental income. These properties are considered annually by the Investment Committee as part of its review of the combined portfolio of properties and other investments.

The 2022 purchase of Forge House and surrounding land has added to this investment land bank and has secured a vulnerable boundary of the estate, removing significant noise pollution. Alternative uses for the property have not been identified, so intent is to dispose of property with restrictive covenants, retaining the surrounding land as a buffer for the estate. While this currently remains unsold the building value has been reduced to estimated resale value and land recorded at agricultural values removing any purchase premium.

b) Cash and managed investments

The fundamental objective in managing the investment assets is to generate a good rate of return to help fund the Foundation's charitable objectives.

In 2020 the Trustees reviewed and ratified the investment policy, which states that the portfolio should aim to achieve a rate of return of RPI plus 2% over the long term and that the rate in any particular year should not be negative. The Trustees also undertook a tender process and decided to split the portfolio equally between Ruffer LLP and Sarasin to mitigate management risk with effect from March 2021. The policy remains under review.

Core Activities

Public benefit

The Trustees referred to the Charity Commission's guidance on public benefit when reviewing how to deliver its mission of Caring for Leeds Castle & Estate for ever, for public benefit. In particular, the Trustees considered how planned activities will deliver against core charitable objectives, which are as follows:

To preserve the Castle & Estate for public benefit, to provide an excellent, enjoyable & authentic experience, to inspire visitors with educational resources & to promote health and other charitable purposes.

The Trustees have agreed a strategic plan which seeks to deliver core charitable objectives under the following four strategic headings.

- *Welcome and Engage* (staff, volunteers, guests, community)
- *Surprise and Delight* (with amazing & relevant experiences)
- *Nurture & Care* (for land, buildings, collection, staff, volunteers, visitors, wildlife)
- *Grow & Develop* (finances, new business streams, experiences, environmental sustainability, audiences, reputation, charitable support).

Review of activity will therefore be outlined against these strategic objectives.

Business Performance

Business was negatively affected during the year by the impact of the Cost of Living Crisis on consumer disposable incomes, leading to a particularly sharp downturn in hospitality bookings, as well as a challenging market for day visiting. Severe adverse impacts were also seen from Operation Brock at peak times, as well as closure of all of the roads around the Estate for three months from school summer holidays, to replace water main in Leeds Village.

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Added to this, climate change-induced extreme weather led to extensive downpours, gales & heatwaves, which negatively affected visiting.

Business performance in year was as follows:

- 399,604 day visitors welcomed, versus budget of 427,075.
- £5,239,170 generated in ticket income versus budget of £5,846,655.
- Ticket Yield increased to £13.21 (budget of £13.80), an increase from £11.84 in prior year.
- Online advance ticket sales increased to 74% of individual non group visitors.
- 79,667 groups visitors welcomed (budget 51,249), compared with 54,728 in the prior year.
- A further 85,000 visited Christmas Lights, generating a profit of £196,710 versus budget of £96,000.
- £144,261 generated in Retail Net Profit versus budget of £111,818.
- £617,913 generated in Gift Aid income versus budget of £553,000.
- £273,397 generated in Hospitality Net Profit versus budget of £388,431.
- Accommodation generated £410,105 in Net Profit versus budget of £398,694.
- The charity employed 110 staff (FTEs) and worked with 80 volunteers.
- Charity hosted 15 work placements.
- £20,080 generated from funding bids and on-site fundraising.
- EBITDA of £264,809 versus budget of £452,001.
- Silver Award for Large Visitor Attraction of the Year at Beautiful South Tourism Awards.

Welcome and Engage (staff, volunteers, guests, community)

Having rolled out a new visual identity & re-built website during 2022/23, we have continued to build a compelling, welcoming identity in our campaigns, including using models from a variety of backgrounds and ethnicities to better represent the audiences that we serve.

Campaigns are aligned to interests of different customer segments, & use people-led imagery & video to provide a more immersive approach that reflects the high-quality experiences that we provide.

We were also pleased to start our journey towards becoming more accessible for all, with work starting on a full Estate Access Audit. Leeds Castle already offers wheelchair lifts in the restaurant & Castle, as well as a full *Changing Places* adult changing facility on site. This work will report on findings in mid-2024 and will be followed by training & implementation of priority measures.

Surprise and Delight (with amazing & relevant experiences)

The Castle experience was relaunched in April 2022, re-presenting to the era of the 1930's House Party. This is in line with our Spirit of Place, '*A Glamorous Retreat throughout 900 Years*'. Despite the medieval appearance of parts of the Castle, very little fabric dates from earlier than 1926. Inauthentic 'medieval' sets were removed from the Gloriette in 2022, with set dressings & soundscapes introduced.

In Summer 2022, we launched '*Queens with Means*' cinematic projected experience in the Gatehouse, to introduce the history of our six medieval Queens.

Having established the baseline story in 2022, we introduced additional layers of story during 2023/24.

A new multimedia guide launched in Spring 2023, with a 45-minute tour of 900 years of Castle history. This is available in English and eight other languages, giving better provision for international visitors.

To provide a better experience for families, a UV Torch Trail was also introduced at Easter 2023. This story uses the characters of Boots & Danny, Lady Baillie's Great Danes, to set children off on a trail around the Castle, finding hidden UV bones.

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New playgrounds were installed in 2019 at Leeds Castle and have been very well received, except for comments about the lack of slides. In 2023 we invested in three new slides to complete the playgrounds, including a companion slide (to broaden access for those who require a companion to support them) and a giant tunnel slide from the highest point for the more adventurous children.

We further boosted the family offer in the Maze area of the Estate by installing a Pop-Up Beach, providing a large area of sand overlooking the Great Water.

Major events at Leeds Castle have been instrumental in driving visiting over the years. In 2020, with COVID lockdowns, all events ceased, with only Concert and Fireworks events returning in 2021. In 2022, we re-introduced the popular *Queens Joust* event, as well as developing a new *Design Month* in September & Year 1 of a *Christmas Lights* partnership with Raymond Gubby Limited.

For Year 2 of the *Christmas Lights* in 2023, we invested more in light installations & greatly improved catering provision, creating a large covered area on the Cedar Lawn, with multiple catering outlets and fairground rides. These improvements drove a significant improvement in customer satisfaction and attendance, with over 85,000 tickets sold versus 66,000 in 2022.

During 2023, we re-introduced performer-led events to cater for the local family market with Punch and Judy & Sand Sculpture on the Beach & a new interactive *Spell Seekers* Hallowe'en event. At February Half Term we ran a week of performer led '*Butler Games*' in the Castle, telling the stories of some of our Below Stairs characters and running napkin folding & other interactive butler activities.

For *Design Month*, we ran an animal themed Sculpture Trail, along with a programme of craft workshops and a stunning floral jungle created in the Inner Courtyard of the Castle.

For Christmas, we created *Narnia in the Castle*, running from end November to early January. Visitors passed through the wardrobe and entered a snow-covered Narnia, with the story of the Lion, the Witch & the Wardrobe playing out through different rooms, with live performers playing Mr Tumnus, Mrs Beaver, the White Witch and Father Christmas.

This stronger events programme has driven higher ticket purchase, provides better reason for groups to visit the Castle & from January 2024, converted into a higher level of return visits.

The other major change area was catering. The Castle has operated with the same major catering contractor for over a decade, with the contract terminated in the year, we ran a full re-tender for the day visitor, restaurant dinner & breakfast contract in Spring 2023, appointing Graysons as the successful candidate. Graysons' took over in July 2023 & this has led to significant improvements in quality, range, coffee offer & spend per head, as well as more creative interventions, such as the successful *Narnia* Afternoon Tea during December 2023.

Previously, the catering contractor had exclusive rights to hospitality events, but we have now recruited a list of events caterers to give customers more choice of range & pricing. This list includes Graysons, who successfully catered the existing hospitality events already in diary during Summer/Autumn 2023.

Nurture & Care (for land, buildings, collection, staff, volunteers, visitors, wildlife)

A number of initiatives and projects were completed during the year, to care for our assets and people;

Over time, the pipework leading to and on Castle Island had deteriorated to such an extent that we experienced a major pipe break, meaning we could no longer connect to Estate borehole water. A programme of pipe replacement, requiring lifting & re-laying of ancient cobbles over the Moat bridge was completed in early 2024, with Island reconnected to the borehole in Spring 2024. At the same time, a more fit for purpose ramp was installed at the front door, to give better access into the Castle.

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Work has continued to improve Collections Management Policies, Systems and Practices. A Collections Management System was built by the in-house IT team to enable the recording of information on artefact provenance, conservation treatment & current location. Work to populate this database will progress over the next two years. Foundation Board also signed off updated policies for Collections' Acquisition and Disposal.

A further twenty managers & supervisors attended multiple modules of a Management Development Training Programme developed for Leeds Castle & delivered over six months by an external facilitator.

An Employee Assistance Programme was introduced to provide free advice and counselling for staff on matters as varied as finances, relationships & mental health. It has been well received.

Grow & Develop (finances, new business streams, experiences, environmental sustainability, audiences, reputation, charitable support).

A number of initiatives to grow and develop the charity's activities & income were completed in-year.

A review of ticket pricing was carried out with the support of Attractions Pricing Specialist Baker Richards. This resulted in the introduction of a new pricing matrix, introducing a higher priced Ultimate Explorer Ticket (including train, boat and adventure golf) to show the value of standard Explorer annual ticket. A number of other discounts were removed & replaced with a £5 discount on Explorer ticket if bought online in advance.

This approach resulted in a significant uplift in average ticket yield and increased online sales from 15% to 74%, resulting in higher Gift Aid Conversion and better customer data capture.

Four new Lakeside Lodges were built and launched in December 2023, opening in time for the Christmas Lights season. This stunning luxury accommodation overlooks the Great Water and will provide an unparalleled wildlife experience. Payback is expected over six years.

Our first major funding application to National Lottery Heritage Fund for £225,000 towards organisational resilience work was successful. This enabled the following work to start:

- A Whole Estate Access Audit.
- A market audit & complete review of Hospitality Business with future action plan.
- Green Transport Options improvement work.
- An energy efficiency audit & options appraisal for renewable energy options.
- Audience Development Research with local community organisations.
- Employment of 12-month Audience Development & Strategic Programmes Manager roles.

We will assemble all the research & insight needed to build a major external funding bid for Castle Stonework & State Room Repairs, renewable heating system & programme of visitor experience, volunteering, access improvements & audience development work over the coming few years.

Fundraising also raised money during the year to enable planting of a Wild Flower Meadow overlooking the Castle. This will be planted in Spring 2024 and we hope to see results over summer.

Outcomes from energy efficiency audit will come in new financial year, in interim, investment was made in secondary glazing for Castle Turret Bedrooms & estate cottages, to increase thermal efficiency.

Plans for 2024/25

In Year 3 of strategy, activities that will deliver our strategic objectives include:

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Welcome & Engage

- Debrief of the Estate Access Audit & completion of quick wins, Access Champion training & prioritisation of future initiatives. This will seek to provide better access for people of all abilities, with investments to be embedded into future budgets & external funding bids.
- Stagecoach Ashford-Maidstone 10X bus will stop inside the Leeds Castle Estate from June 2024, to provide direct transport links for those who wish to arrive by green means.
- 360-degree iPad tour will launch in Spring 2024, to enable people with mobility problems to see the first floor of the Castle.
- Work on finalising the scope of car park improvement programme will be completed. This will include comprehensive ground surveys, evaluation of different surfacing options, drainage & electrical infrastructure. Tranches of work will then be completed over a number of years.
- We will complete Audience Development research with the support of external consultants. Alongside this, we will complete & evaluate pilot activity with selected community partners to inform our future plans & target audiences.

Surprise & Delight

- Work will be completed in April 2024 to move *Queens with Means* cinematic projected experience into Castle Servants Hall, to increase numbers of visitors viewing. This will free the Gatehouse up for use as another corporate functions or breakout space.
- Further to the launch of the Multimedia Guide in 2023, we will introduce an additional tour focussing on the 1930's Above/Below Stairs Country House Weekend during Winter 2025.
- Work will progress during the year on developing our 3-year Medieval Queens exhibition plans, with first exhibition scheduled to launch in Spring 2025.
- Major Events will be developed further, with the return of the popular *Motors by the Moat* event in August 2024. Christmas 2024 daytime offer will be *The Nutcracker in the Castle*.
- Refurbishment of Castle View Restaurant & Stable Yard Café will be completed in Spring 2024, with new menus launching in Summer. This development will include a new cocktail bar and drinks seating area in Castle View.
- Learning from the Hospitality Audit and action plan, we will relaunch the Hospitality offer from Summer 2024 with new web pages, videos & photography. Offer will be relaunched to Corporate & Wedding Planners through residential familiarisation events. Work will also be completed to refresh functions spaces & accommodation as needed.
- Falconry and Wildlife Team will launch a new bookable Wildlife Hide in the Woodland.

Nurture and Care

- Repair work will be carried out to the Moat Bridge and to the Moat Sluice Gate during Autumn/Winter 2024/25.
 - Annual audit of Castle stonework condition highlighted work needed to Castle Plant Room and repairs to Bell Tower, which will be completed in-year.
 - Work to renovate redundant Pavilion building and convert into a second-hand book shop will progress over Winter 2024/25, through generous donation of labour from PAYE Stonework.
 - Fundraising bids to raise funds for purchase of *Secrétaire* (commissioned in Boudin/Maison Jansen decorative scheme for Cream Bedroom in 1937) will be submitted in Summer 2024.
 - All key Managers and Supervisors will complete IOSHH Managing Safely course.
 - In-house Health & Safety Manager & Gardens & Grounds Manager roles will be introduced to reduce & ultimately phase out use of external consultants for this work.
 - Work will progress to revise Estate Fire Strategy, rehearse evacuation procedure & incident response with Fire Service. Fire Stopping actions will continue to be addressed & solutions identified for sensitive improvements to Heritage Fire Doors.
 - Updated asbestos survey will be carried out encompassing all estate assets.
 - Work will start with new Estates Committee to develop plans for land use, sustainability, habitat enhancement & new visitor experiences.
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Grow and Develop

- Learning from the Energy Efficiency Audit & Renewable Energy Options Analysis, we will complete quick wins to reduce energy usage, (e.g. sub-metering & LED light replacements). Work will progress to design water source heat pump heating solution for the Castle.
- We will establish the carbon footprint of the Estate, plan a realistic route to Net Zero & establish a modelling solution to enable ongoing monitoring of progress. This work will largely be funded by National Lottery Heritage Fund Resilience Grant.
- We will develop Castle Repair & Kitchen Garden Projects, to enable external funding bids to be written during 2026.
- We will seek planning permission for eight new year-round lodges to replace the seasonal glamping tents at Maze end of Estate. If successful, we will progress infrastructure works in Autumn 2024 & Lodge Build/installation in Spring 2025.

Risk

The Charity manages risk actively through a dynamic Risk Register that is reviewed and amended quarterly at Finance, Audit & Risk Committee (FARC). This enables staff and Trustees to manage risk proactively and flag emerging issues to the Board.

The top risks identified in year were related to income generation in the post pandemic period and the substantial increases in labour and energy costs, given the heavy, largely fixed cost of caring for the Castle and Estate that must be borne irrespective of the fortunes of our trading activities. Aside from a catastrophic disaster such as fire, income generation not meeting commitments remains the most critical risk for the Foundation.

To manage any catastrophic occurrences, business continuity measures are in place (e.g. a new generator has been installed to supply electricity across the site should the supply from the National Grid fail).

The year saw the introduction of Vipre Security awareness training, a compulsory online training platform to educate employees on information security best practices and current security threats.

The Foundation takes the health and safety of its staff, volunteers and visitors very seriously. The Leadership Team is committed to ensuring that staff operate safe systems and processes and that visitors are able to enjoy their time with us without incident. All activities on the estate are risk-assessed and incidents logged, with follow-up action closely monitored. A quarterly Health and Safety Committee monitors progress, with the aid of an external Health and Safety consultant and staff are encouraged to submit concerns and ideas for action. However, with increasing risks highlighted it is planned to return to having a Health & Safety Manager on the payroll.

Given the level of complexity in the Leeds Castle operation and the need for ongoing statutory training, a Training Officer has been recruited to ensure staff are trained in all aspects of delivering a safe environment for everyone. The backlog of necessary training is being addressed in a systematic fashion and is proving effective.

There will always be extraneous risks over which we have little control. The most significant of these is poor weather, which affects the number of visitors, but increasingly, issues such as traffic congestion and controls relating to Dover Port are also having a significant negative impact on visitor numbers too. The situation may well worsen when the new entry/exit system comes into force during winter 2024.

Section 172 Statement

The Board of Trustees are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- The likely consequences of any decision in the long term.
 - The interests of the Company's employees.
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- The need to foster the Company's business relationships with suppliers, customers and others.
- The impact of the Company's operations on the community and the environment.
- The desirability of the Company maintaining a reputation for high standards of business conduct.
- The need to act fairly as between members of the Company, (the "s.172(1) Matters")

Engagement with employees

Enhancing employee engagement is an integral part of the culture of the Foundation. Senior Leaders provide regular communications and review input of staff representatives to the Staff Consultation Forum. A cyclical staff survey is carried out and action taken on the results. Much focus has been given to ensuring a safe working environment following the pandemic, including supporting employees' physical and mental health and wellbeing, whilst working or in their private lives. The Chief Executive shares a frequent blog, which is complemented by a staff newsletter produced by the HR Department.

Engagement with stakeholders

The Trustees recognise the importance of external stakeholders and the Foundation will engage and collaborate with these institutions and individuals on an ongoing basis with the aim to become more welcoming to our local communities and industry colleagues. This includes liaising with local parish councils, Maidstone and Kent County Council, Visit Kent, Association of Leading Visitor Attractions and other local and industry stakeholders as appropriate.

Structure, Governance and Management

The Leeds Castle Foundation was established as a company limited by guarantee by the last private owner of the Castle, Lady Baillie, to preserve the Castle for the benefit of the public. It is governed by its Memorandum and Articles of Association (1974) and it is registered as a charity with the Charity Commission. The Charity is administered by a Board of Trustees. As set out in the Articles of Association, the Chair of the Trustees is elected by their fellow Trustees.

The Foundation uses a variety of methods to recruit new Trustees and is committed to an open and inclusive formal application/interview process for all vacancies. This usually involves external headhunters to broaden the pool of potential applicants. There is a Nominations Committee chaired by the Foundation Chair, supported by two other Trustees. After interviews with this sub-committee, a recommendation is made to the full Board.

At the end of 2023, Mr Richard Laing concluded his tenure as Foundation Vice Chair, as well as Chair of both the Finance and Investment Committees, after two successful terms and 11 years of dedicated service on the Leeds Castle Board, including during the challenging pandemic period. Ms Laura Nesfield also stepped down after completing two successful terms and 10 years of service, during which she provided invaluable expertise in estate and property matters. The Trustees extend their deep gratitude to both for their unwavering dedication, commitment, and the specialist skills that have significantly contributed to the leadership and success of the Foundation over the past decade.

In 2023, four new Trustees began their terms, bringing expertise in key areas identified during a recent skills audit. Each new Trustee received a comprehensive induction prior to joining the Board to ensure a smooth transition and effective contribution.

The Board's standing subcommittees cover Finance, Audit & Risk, Investment, Remuneration, Curatorial & Nominations. An estates committee will be introduced in 2024.

Activities outside of the main objects of the Charity are undertaken on its behalf by Leeds Castle Enterprises Limited, a wholly owned subsidiary.

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Two Trustee nominated individuals also sit on the Leeds Castle Retirement Benefits Scheme Board, the liability for the scheme being borne by Leeds Castle Enterprises Limited.

The Chief Executive is appointed by the Trustees to advise on strategy and development, and manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has authority, within terms of delegation approved by the Trustees, for all operational matters. She is supported by a team of senior managers, including the Finance Director, who is also company secretary.

The Foundation derives the vast majority of its income from day visiting and hospitality and balances this income generation need carefully with the impact on the historic buildings and environment.

Remuneration of key management personnel

Salaries for the Senior Leadership team are reviewed annually by Trustees and benchmarked against other members of the Treasure Houses Association as required.

Employee involvement and disabled persons

The management of Leeds Castle Foundation and its subsidiary Leeds Castle Enterprises Limited, (which together form the group), establish and maintain close communication with staff and volunteers, to ensure all are fully informed about the progress of the group's activities. There are informal and formal two-way briefing sessions and a Staff Consultation Forum, which meets quarterly with the Chief Executive to discuss staff suggestions for improvements. Each employee receives at least one formal performance review with their manager each year. We strive to provide a workplace that offers equality of opportunity for all our staff, whatever their gender, race, nationality, religion, sexual orientation, age or ability.

Fundraising

The charity carries out its fundraising in a fair and responsible way in line with the requirements of the Fundraising Regulator. The Foundation ensures that funds raised are spent effectively to bring maximum benefit to the beneficiaries.

Whilst all efforts will be made to perform to the highest standards, occasionally issues happen. Any complaints made are fully investigated and action taken to deal with any problems. The charity received no complaints during the year under review. The Trustees recognise the importance of the reputation of the charity in maintaining the trust and confidence of its donors and grant givers and this principle sits at the heart of all fundraising activities.

Governance

The Trustees note the importance of the Charity Code of Governance and are committed to reviewing the Charity's governance procedures based upon its recommendations.

Trustees Responsibility

The Trustees (who are also directors of Leeds Castle Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 28 MARCH 2024

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

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

In so far as the Trustees are aware:

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

Auditors

Crowe U.K. LLP were appointed as auditors in the year and have expressed their willingness to remain in office.

The Report of the Trustees, which includes the Strategic Report, was approved by the Board on 27th September 2024 and signed on their behalf by:



.....
Ms Ros Kerslake CBE
Chair of Trustees

LEEDS CASTLE FOUNDATION

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 28 MARCH 2024

Opinion

We have audited the financial statements of Leeds Castle Foundation for the year ended 28 March 2024 which comprise the consolidated statement of financial activities, consolidated balance sheet, foundation balance sheet, consolidated cashflow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 28 March 2024 and of the group's incoming resources and application of resources for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

LEEDS CASTLE FOUNDATION

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 28 MARCH 2024

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

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

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

LEEDS CASTLE FOUNDATION

**INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 28 MARCH 2024**

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

- reviewed the design and implementation of controls over significant audit risks; and
- we reviewed the revenue recognition policy and considered whether this was being applied correctly for a sample of transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance where meetings took place;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Ian Weekes
(Senior Statutory Auditor)
For and on behalf of

Crowe U.K. LLP

**Chartered Accountants
Statutory Auditors**

Maidstone, Kent

Date: 30 September 2024

LEEDS CASTLE FOUNDATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD ENDED 28 MARCH 2024**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
Income and endowments from					
donations and legacies	6	17	4	21	20
Other trading activities	7	5,760	-	5,760	5,829
Investments	8	117	-	117	100
Charitable activities	9	6,012	-	6,012	4,973
Total income and endowments		11,906	4	11,910	10,922
Expenditure on					
Raising funds	7	(5,353)	-	(5,353)	(5,196)
Charitable activities	9	(6,530)	(38)	(6,568)	(5,560)
Total expenditure		(11,883)	(38)	(11,921)	(10,756)
Net (losses)/gains on investments	21	150	-	150	(185)
Net income/(expenditure)		173	(34)	139	(19)
Exceptional items		-	-	-	-
Other recognised gains/(losses)					
Gains/(losses) on revaluation of					
Fixed assets and investment properties	20	(537)	-	(537)	680
Actuarial gains/(losses) on defined benefit pension scheme (net of deferred tax)	29	(167)	-	(167)	(173)
Net movement in funds		(531)	(34)	(565)	488
Reconciliation of funds					
Total funds brought forward		22,733	11	22,744	22,256
Total funds carried forward	28	22,202	(23)	22,179	22,744

The notes on pages 25 to 49 form part of these financial statements.

The Charity has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.


LEEDS CASTLE FOUNDATION

**CONSOLIDATED BALANCE SHEET
AS AT 28 MARCH 2024**

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	17		4,295		3,556
Heritage assets	18		-		-
			<u>4,295</u>		<u>3,556</u>
Investments:					
Properties	20	9,060		9,597	
Listed investments	21	8,366		8,379	
Cash held as an investment	21	147		49	
			<u>17,573</u>		<u>18,025</u>
			<u>21,868</u>		<u>21,581</u>
Current assets					
Stocks	22	245		170	
Debtors	23	1,216		1,288	
Cash at bank and in hand	24	914		2,113	
		<u>2,375</u>		<u>3,571</u>	
Creditors: amounts falling due within one year	25	<u>(1,958)</u>		<u>(2,274)</u>	
Net current assets			417		1,297
Creditors: amounts falling due within more than one year	26		(106)		(134)
			<u>22,179</u>		<u>22,744</u>
Total assets less current liabilities					
Funds					
Expendable endowment fund	28		2,740		2,740
Restricted income fund	28		44		78
Total restricted funds			<u>2,784</u>		<u>2,818</u>
Unrestricted general fund	28		15,645		14,178
Unrestricted designated fund	28		3,750		5,748
Unrestricted pension reserve	28&29		-		-
Total charity funds			<u>22,179</u>		<u>22,744</u>

The notes on pages 25 to 49 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Trustees and Directors on 27th September 2024 and were signed on its behalf by:


 Ms Ros Kerslake, CBE
 Chair of Trustees

LEEDS CASTLE FOUNDATION

FOUNDATION BALANCE SHEET


CHARITY BALANCE SHEET AS AT 28 MARCH 2024

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	17		4,295		3,549
Heritage assets	18		-		-
			<u>4,295</u>		<u>3,549</u>
Investments:					
Subsidiary company	19	866		866	
Properties	20	9,060		9,597	
Listed investments	21	8,366		8,379	
Cash held as an investment	21	147		49	
			<u>18,439</u>		<u>18,891</u>
			22,734		22,440
Current assets					
Stocks	22	-		-	
Debtors	23	366		591	
Cash at bank and in hand	24	467		835	
		<u>833</u>		<u>1,426</u>	
Creditors: amounts falling due within one year	25	<u>(2,201)</u>		<u>(2,058)</u>	
Net current assets			<u>(1,368)</u>		<u>(632)</u>
Total assets less current liabilities			<u>21,366</u>		<u>21,808</u>
Funds					
Expendable endowment fund	28		2,740		2,740
Restricted income fund	28		44		78
Total restricted funds			<u>2,784</u>		<u>2,818</u>
Unrestricted general fund	28		14,832		13,242
Unrestricted designated fund	28		3,750		5,748
Total charity funds			<u>21,366</u>		<u>21,808</u>

The surplus for the financial year dealt with in the financial statements of the parent Company was £442,000 – (2023: Surplus of £579,000).

The notes on pages 25 to 49 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Trustees and Directors on 27th September 2024 and were signed on its behalf by:


Ms Ros Kerslake, CBE
 Chair of Trustees

Company number: 1172263

LEEDS CASTLE FOUNDATION

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 28 MARCH 2024**

	Note	2024 £'000	2023 £'000
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	30	(185)	(305)
Cash flows from investing activities:			
Dividends, interest and rents from investments	8	117	100
Purchase of fixed assets		(1,196)	(48)
Purchase of investment property		-	-
Proceeds from sale of investments		3,762	4,099
Purchase of investments		(3,599)	(4,383)
Net cash provided by/(used in) investing activities		<u>(916)</u>	<u>(232)</u>
Change in cash and cash equivalents in the reporting period		(1,101)	(537)
Cash and cash equivalents at the beginning of the reporting period		<u>2,162</u>	<u>2,699</u>
Cash and cash equivalents at the end of the reporting period		<u>1,061</u>	<u>2,162</u>
Reconciliation of cash and cash equivalents			
	Note	2024 £'000	2023 £'000
Cash in hand	24	914	2,113
Cash held as an investment	21	147	49
Total cash and cash equivalents		<u>1,061</u>	<u>2,162</u>

Analysis of changes in net debt

	At 1 April 2023 £'000	Cash flow £'000	At 28 March 2024 £'000
Cash at bank	2,113	(1,199)	914

The notes on pages 25 to 49 form part of these financial statements.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2024

1.1 **Company information**

The company is limited by guarantee, registered in England and Wales, and a registered charity. The registered office is Leeds Castle, Maidstone, Kent ME17 1PL.

2.1 **Accounting policies**

2.1 **Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities SORP (FRS102) as it applies from 1 January 2015 and the Companies Act 2006. The statements have been prepared on the basis of a going concern. The principal accounting policies adopted in the preparation of the financial statements are set out below and are consistent with those of the previous year.

Leeds Castle Foundation meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The Trustees have assessed whether the use of going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the Trustees have considered the charitable company's forecasts and projections and have taken account of pressures on income. After making enquiries, the Trustees have concluded that there is a reasonable expectation that following the approved structural and cost saving measures that have been agreed, that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

The Trustees have assessed the consequences of the current Covid-19 pandemic and recognise that, whilst this will impact the operating climate, the Foundation's reserves are such that it expects to maintain positive cash flows and reserves for at least one year from the date of approval of these financial statements and, as such, the Trustees are confident that the Foundation will continue to operate as a going concern.

The individual entity accounts of Leeds Castle Foundation have taken advantage of the disclosure exemption under FRS 102 to separately disclose categories of financial instruments and items of income, expenses, gains or losses relating to instruments as these have been presented on a group basis in the notes to the accounts.

2.2 **Basis of consolidation**

The group financial statements consolidate the financial statements of the Foundation and its subsidiary for the period ended 28 March 2024. The statement of financial activities (SOFA) and the balance sheet consolidate the financial statements on a line by line basis where appropriate. No separate SOFA has been presented for the Charity alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP 2015. Details concerning the subsidiary company, results and financial position are set out in note 5.

2.3 **Stocks**

Stocks are valued at the lower of cost and net realisable value.

2 **Accounting policies** (continued)

2.4 **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at net incoming/(outgoing) resources.

2.5 **Form of financial statements**

The funds of the Charity comprise four distinct categories, which are:

a) **Heritage and Development fund**

This restricted expendable endowment fund relates to changes to the infrastructure of the estate carried out to improve the facilities available to support public access. Such assets are, for all practical purposes, integral with the bequeathed estate and are therefore also regarded as being inalienable. See note 28 for more information regarding this fund.

b) **Restricted funds**

Restricted funds are those funds subject to specific trusts declared by the donor, or in relation to funds generated from the sale of certain heritage assets. The funds are expendable by the Charity at the discretion of the Trustees in accordance with the terms of their receipt.

c) **General unrestricted fund**

The Fund was created from a pecuniary legacy bequeathed by the late Lady Baillie, together with additional funds realised from the authorised sale of certain items included in the original transfer of the property.

The capital and income of the Fund are available for expenditure by the Trustees on the Foundation's charitable objectives, including development expenditure.

d) **Designated funds**

Designated funds are those funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

2.6 **Incoming resources**

Incoming resources represents total income receivable, excluding value added tax, from admission fees, the sale of goods, services supplied, investment income and sundry income. Donations are recognised when received. All incoming resources are included in the SOFA when the Charity is legally entitled to recognise the income and the amount can be quantified with reasonable accuracy. Any income received in relation to future periods is deferred as appropriate.

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Retail income is recognised at the point of sale for sales in shops.

Event income is recognised on the date of the event.

Lettings and accommodation income is recognised on the date the lettings occur.

2.7 **Investment income**

Dividends and interest on listed investments are accounted for on an accruals basis. Interest on bank deposits is accounted for on an accruals basis.

2 **Accounting policies** (continued)

2.8 **Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each of the Charity's activities. Support costs which cannot be directly attributed to a specific activity have been allocated to activities on a basis consistent with their use of the resources. Governance costs are included within support costs.

Costs of raising funds includes all costs associated with the trading and management of the Charity's subsidiary.

Governance costs are incurred in meeting the constitutional and statutory requirements of the charity and are included within support costs.

2.9 **Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on the straight-line basis over the lease term.

2.10 **Deferred taxation**

Deferred tax is provided in full in respect of taxation, deferred by timing difference between the treatment of certain items for taxation and accounting purposes. Deferred tax balances are not discounted.

2.11 **Pension scheme arrangements**

The group accounts for pension schemes in accordance with Financial Reporting Standard 102 "Retirement Benefits".

For defined contribution schemes, contributions are charged to resources expended in the statement of financial activities as payable in respect of the accounting period. This includes contributions made to the personal pension schemes of employees.

For defined benefit schemes the amounts charged to resources expended include the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as part of investment income. Actuarial gains and losses are recognised immediately as part of other recognised gains and losses within the statement of financial activities.

The assets of the group's defined benefit scheme are held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred taxation, is presented after other net assets on the face of the balance sheet and is represented by the unrestricted pension reserve.

If the actuarial valuation of the defined benefit pension scheme results in a surplus then no asset is recognised in accordance with the requirements of FRS 102.

2 Accounting policies (continued)

2.12 Tangible fixed assets and depreciation

a) Heritage assets

Heritage assets are the tangible assets of the Charity that are of historical importance and are held to advance the preservation, conservation and educational objectives of the Charity and, through public access, contribute to the nation's culture and education.

The Castle, grounds and contents bequeathed by the late Lady Baillie, in 1974 and subsequent development expenditure in these assets, are considered to be heritage assets and are integral to the Leeds Castle Estate.

Due to the historic and unique nature of the assets concerned conventional valuation approaches lack sufficient reliability. As a consequence, the value of heritage assets has not been included in the financial statements.

Included in the assets bequeathed were certain inalienable assets which are not considered to be heritage assets but cannot be realised and so no value is attributed to these assets.

Costs incurred which, in the Trustees' view, are required to preserve the heritage assets are recognised as expenditure as incurred. Capital improvements to the Maidens Tower have been capitalised at cost and included as fixed assets since the Trustees consider that the improvements are operational in nature. Further information on the maintenance of the heritage assets is given in note 12 to the accounts.

b) Other tangible assets

Functional assets are those tangible assets which are used for charitable purposes, including fundraising, but are not considered to be heritage assets. This includes modern buildings utilised for charitable purposes, such as education, and ancillary purposes such as catering outlets. It also includes plant and equipment used for charitable purposes.

Depreciation has been provided on buildings on a straight-line basis over their remaining economic lives of ten or twenty-five years.

Plant and equipment are included in the balance sheet at cost and depreciated on a straight-line basis over their useful economic life estimated to be 4 years. Assets costing less than £1,000 are written off in the year of purchase. Assets are disposed of and replaced when it is no longer economically viable to keep them in working use.

2.13 Investment

a) Investment land and properties

Investment land and properties relate to interests in land and buildings which are held for their investment potential, and which are not utilised by the company or its group in the course of their operations. However, some of these holdings have strategic value to the Foundation, securing boundaries from unwanted development. The property assets are included within investments at their open market valuation, based on a professional valuation undertaken at 28 March 2024. The land at index linked valuation is pending further review. Further professional valuations will be obtained every five years. In the intermediate years the carrying value of the investment properties will be reviewed by the Trustees and any material movement in their valuation recognised.

2 Accounting policies (continued)

2.13 Investment (continued)

b) Listed investments

These are included in the balance sheet at market valuation. Realised and unrealised gains/(losses) arising on the disposal or revaluation of investments are included in the Statement of Financial Activities and credited or charged to the Unrestricted General Fund. The fees charged for the purchase and sale of investments in the portfolio are included within the Foundation's resources expended.

3 Financial instruments

Leeds Castle Foundation has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise stock, cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise, trade, other creditors and accruals.

Investments, including bonds held as part of an investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in note 2, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Pension assets/liabilities – The charity recognises its asset/liability to its defined benefit pension scheme which involves a number of estimations as disclosed in note 29.

Valuation of investment properties– The charity's investment properties are stated at their estimated fair value based on professional valuations as disclosed in note 20.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2024

5 Net income from trading activities of subsidiary

The Charity has one wholly owned subsidiary, Leeds Castle Enterprises Limited, company no: 01413563, which is registered in England and Wales. The registered office of the subsidiary is the same address as for the parent charity (see note 1.1). A summary of the company's trading results is shown below:

	2024 £'000	2023 £'000
Turnover	5,721	5,788
Costs of trading activities and administrative expenses	(4,714)	(4,639)
Operating profit	1,007	1,149
Interest receivable	109	86
Interest payable to Leeds Castle Foundation on long term loan	-	-
Other finance income/(costs)	-	-
Profit/(loss) before donation and taxation	1,116	1,235
Taxation	-	(2)
Retained profit for the period	1,116	1,233
Actuarial gain/(loss) related to pension scheme, net of deferred tax	(176)	(173)
Total recognised losses for the period	940	1,060
Distribution – gift aid	(1,063)	(1,409)
Retained profit brought forward	935	1,284
Profit retained in subsidiary	812	935

The net current assets of Leeds Castle Enterprises Limited are £1,785,000 as at 28 March 2024 (2023: net assets £1,928,000)

Leeds Castle Enterprises Limited's activities are those trading activities of the group deemed to be non-charitable, such as shop trading, golf, certain special events, conferences and weddings, with the intention of any profits generated being donated to the Foundation for the furtherance of its charitable activities.

6 Income from donations and legacies

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
Grants	-	-	-	-
Other donations and voluntary income	17	4	21	20
	17	4	21	20

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2024

7 Other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
Income				
Concerts and other special events	664	-	664	464
Functions	1,964	-	1,964	2,547
Shops	873	-	873	771
Golf	349	-	349	335
Holiday lettings	1,353	-	1,353	1,329
Ancillary services	257	-	257	231
Other sundry income	300	-	300	152
	<u>5,760</u>	<u>-</u>	<u>5,760</u>	<u>5,829</u>
Expenditure on raising funds				
Cost of sales	2,028	-	2,028	2,175
Staff costs (see note 13)	1,800	-	1,800	1,720
Property and equipment costs	562	-	562	382
Administration costs	169	-	169	158
Marketing and fundraising costs	147	-	147	109
Finance costs	335	-	335	383
Investment management costs	52	-	52	54
Proportion of support costs (see note 10)	260	-	260	215
	<u>5,353</u>	<u>-</u>	<u>5,353</u>	<u>5,196</u>
Net income from activities for generating funds	<u>407</u>	<u>-</u>	<u>407</u>	<u>633</u>

Activities for generating funds are those trading and other fundraising activities carried out by the Foundation and its subsidiary undertaking Leeds Castle Enterprises Limited primarily to generate incoming resources which will be used to undertake the charitable activities of the Foundation. It includes trading activities such as shop trading, golf, certain special events, conferences and weddings.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2024

8 Income from investments

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
Income from investment properties	53	-	53	54
Income from listed investments	64	-	64	46
	<u>117</u>	<u>-</u>	<u>117</u>	<u>100</u>

9 Charitable activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
Income from Charitable activities				
Day visitor admissions	5,999	-	5,999	4,958
Other sundry income	13	-	13	15
	<u>6,012</u>	<u>-</u>	<u>6,012</u>	<u>4,973</u>
Expenditure on Charitable activities				
Cost of sales	575	-	575	368
Staff costs: visitor team, estate and Castle maintenance (see note 13)	1,655	-	1,655	1,387
Estate and equipment costs	2,290	38	2,328	1,950
Marketing costs	489	-	489	449
Finance costs	102	-	102	80
Preservation and security of heritage assets	122	-	122	216
Proportion of support costs (see note 10)	1,297	-	1,297	1,110
	<u>6,530</u>	<u>38</u>	<u>6,568</u>	<u>5,560</u>
Net resources expended from charitable activities	<u>(518)</u>	<u>(38)</u>	<u>(556)</u>	<u>(587)</u>

Income from charitable activities comprises income from the admission of day visitors to Leeds Castle (primary purpose trading) and related ancillary income.

In addition to expenditure related to these activities, costs include amounts incurred in acquiring new heritage assets, maintaining the Castle and other existing heritage and assets and ensuring their security (see note 12).

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2024

10 Support costs

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
Staff costs	785	-	785	683
Administration costs	714	-	714	601
Corporation tax charge	-	-	-	2
Deferred tax charge (see note 14)	9	-	9	-
Governance costs (Auditors' remuneration)	49	-	49	39
	<u>1,557</u>	<u>-</u>	<u>1,557</u>	<u>1,325</u>
Allocated as follows:				
Activities for generating funds	260	-	260	215
Charitable activities	1,297	-	1,297	1,110
	<u>1,557</u>	<u>-</u>	<u>1,557</u>	<u>1,325</u>

Wherever possible costs are allocated to a specific activity as they arise. Those costs that cannot be allocated to a specific activity are deemed support costs. Support costs are allocated to the activities of the Foundation on the basis of their level of activity during the year under review.

11 Governance costs

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
Auditor's remuneration (see below)	49	-	49	39

Auditors' remuneration comprises amounts incurred by the charity itself in respect of its governance and not of the group as a whole. The total amount payable to the charity's auditors by the group, including associated pension schemes, is as follows:

	2024 £'000	2023 £'000
Fees payable to the charity's auditor for the audit of the charity's annual Accounts	26	22
Fees payable to the charity's auditor for other services:		
- The audit of the charity's subsidiary	9	7
- Tax services	6	4
Fees in respect of the group pension scheme		
- audit	8	6

LEEDS CASTLE FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2024**

12 Preservation and security of heritage assets

In compliance with the disclosure requirements of Financial Reporting Standard 102: Heritage Assets, costs relating to the preservation and security of the Castle, grounds and contents, classed as being heritage assets which have been expensed in the last five years are summarised below:

	2024	2023	2022	2021	2020
	£'000	£'000	£'000	£'000	£'000
Renovation of Castle Library	-	-	-	-	11
Renovation of Yellow Drawing Room	-	-	-	12	25
Renovation of Lady Baillie Suite	-	-	54	31	41
Renovation of tapestries	-	-	5	-	12
Renovation of Castle Bedrooms	16	15	18	7	29
Castle interior	-	-	-	21	16
Stonework repairs	36	190	629	11	18
Castle representation	-	-	-	1	58
Castle Roof	-	12	-	-	-
Moat Bridge repairs	71	-	-	-	-

13 Staff costs

	Unrestricted Funds	Restricted Funds	Total Funds 2024	Total Funds 2023
	£'000	£'000	£'000	£'000
Staff costs during the year were:				
Wages and salaries	3,747	-	3,747	3,441
Social security costs	291	-	291	262
Other pension costs	153	-	153	129
Redundancy	101	-	101	-
Training, recruitment and welfare	184	-	184	187
	<u>4,476</u>	<u>-</u>	<u>4,476</u>	<u>4,019</u>

The average weekly number of employees, including directors, during the year was as follows:

	Group 2024	2023	Foundation 2024	2023
	No	No	No	No
Full time	71	63	45	42
Part time	130	137	75	75
	<u>201</u>	<u>200</u>	<u>120</u>	<u>117</u>
This equates to a full time equivalent of	<u>110</u>	<u>110</u>		

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2024**

13 **Staff costs (continued)**

Analysis of average employee numbers for the group by department is as follows:

	2024		2023	
	Full Time	Part Time	Full Time	Part Time
Admin/Support Staff	15	7	13	6
DV Ops	12	66	11	65
Golf	3	-	2	1
Retail	5	21	5	25
Hospitality	16	34	14	36
Maintenance/Security	17	1	15	3
Grounds/Gardens	3	1	3	1
Totals	71	130	63	137
		201		200

The number of employees with annual remuneration packages in excess of £60,000 was as follows:

	Group		Foundation	
	2024	2023	2024	2023
	No	No	No	No
£60,000 to £70,000	-	1	-	1
£70,000 to £80,000	1	1	1	1
£80,000 to £90,000	1	2	1	2
£90,000 to £100,000	1	-	1	-
£100,000 to £110,000	1	-	1	-
£110,000 to £120,000	1	-	1	-
£120,000 to £130,000	1	-	1	-
£150,000 to £160,000	-	1	-	1
£170,000 to £180,000	1	1	1	1
	7	6	7	6

During the period the group paid contributions totalling £131,876 (2023: £96,539) in respect of the personal pension schemes of seven of the above higher-paid employees (2023: six).

Pension contributions to defined contribution schemes in the period totalled £344,138 (2023 - £268,236).

No remuneration was paid to the Trustees and Directors of the Charity or any persons connected with them during this period or the previous period.

Travelling and other costs amounting to £1,782 (2023: £965) were reimbursed to four trustees (2023: two)

The company considers that the key management personnel comprise the Senior Leadership Team as listed in the administrative details. During the period the group made remuneration payments to key management personnel totalling £772,129 (2023: £655,771).

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**NOTES TO THE FINANCIAL STATEMENTS
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14 Taxation

The Foundation, as a charitable company, is exempt from corporation tax on its charitable activities, including primary purpose trading, and investment income. Leeds Castle Enterprises Limited, the Foundation's operating subsidiary is subject to corporation tax on its trading profits, in as far as they are not donated to the Foundation.

Details relating to the tax charge of Leeds Castle Enterprises Limited are disclosed in that company's financial statements. The corporation tax liability in the period for the company was £nil (2023: £nil).

Deferred tax

	Group 2024 £'000	2023 £'000	Foundation 2024 £'000	2023 £'000
At 31 March 2023	9	11	-	-
Movement for the period	-	-	-	-
Deferred tax asset/(liability) at 28 March 2024	<u>9</u>	<u>11</u>	<u>-</u>	<u>-</u>
The deferred tax asset/(liability) is made up of the following:				
Other timing differences	9	11	-	-
	<u>9</u>	<u>11</u>	<u>-</u>	<u>-</u>

The credit for the period for deferred tax is included within support costs (see note 10).

15 Net outgoing resources

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
Net outgoing resources are stated after (crediting)/charging:				
Depreciation: owned assets	458	-	458	421
Operating lease rentals:				
Hire of plant and equipment	38	-	38	4
	<u>38</u>	<u>-</u>	<u>38</u>	<u>4</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2024

16 Consolidated statement of financial activities for the period ended 31 March 2023

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2023 £'000
Income and endowments from			
Donations and legacies	15	5	20
Other trading activities	5,829	-	5,829
Investments	100	-	100
Charitable activities	4,973	-	4,973
Total income and endowments	<u>10,917</u>	<u>5</u>	<u>10,922</u>
Expenditure on			
Raising funds	(5,196)	-	(5,196)
Charitable activities	(5,555)	(5)	(5,560)
Total expenditure	<u>(10,751)</u>	<u>(5)</u>	<u>(10,756)</u>
Net gains/(losses) on investments	(185)	-	(185)
Net income/(expenditure)	<u>(19)</u>	<u>-</u>	<u>(19)</u>
Exceptional items	-	-	-
Other recognised gains/(losses)			
Gains/(losses) on revaluation of			
Fixed assets and investment properties	680	-	680
Actuarial losses on defined benefit pension scheme (net of deferred tax)	(173)	-	(173)
Net movement in funds	<u>488</u>	<u>-</u>	<u>488</u>
Reconciliation of funds			
Total funds brought forward	<u>22,245</u>	<u>11</u>	<u>22,256</u>
Total funds carried forward	<u><u>22,733</u></u>	<u><u>11</u></u>	<u><u>22,744</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2024

17 Tangible fixed assets

a) Group

	Freehold Land and buildings £'000	Plant and equipment £'000	Total £'000
Cost			
At 31 March 2023	7,287	2,536	9,823
Additions	849	347	1,196
Disposals	-	(3)	(3)
At 28 March 2024	<u>8,136</u>	<u>2,880</u>	<u>11,016</u>
Depreciation			
At 31 March 2023	4,083	2,184	6,267
Charge for the period	338	119	457
Disposals	-	(3)	(3)
At 28 March 2024	<u>4,421</u>	<u>2,300</u>	<u>6,721</u>
Net book value			
At 28 March 2024	<u>3,715</u>	<u>580</u>	<u>4,295</u>
At 31 March 2023	<u>3,204</u>	<u>352</u>	<u>3,556</u>

b) Foundation

	Freehold Land and buildings £'000	Plant and equipment £'000	Total £'000
Cost			
At 31 March 2023	7,287	1,698	8,985
Additions	849	347	1,196
Disposals	-	(3)	(3)
At 28 March 2024	<u>8,136</u>	<u>2,042</u>	<u>10,178</u>
Depreciation			
At 31 March 2023	4,083	1,353	5,436
Charge for the period	338	112	450
Disposals	-	(3)	(3)
At 28 March 2024	<u>4,421</u>	<u>1,462</u>	<u>5,883</u>
Net book value			
At 28 March 2024	<u>3,715</u>	<u>580</u>	<u>4,295</u>
At 31 March 2023	<u>3,204</u>	<u>345</u>	<u>3,549</u>

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2024

18 Heritage assets (Group and Foundation)

In accordance with the Foundation's accounting policy, heritage assets are not included in the financial statements, because due to their historic and unique nature, conventional valuation approaches lack sufficient reliability. Furthermore, they are inalienable under the terms that created the foundation.

The Castle island buildings are insured for £52.0m and other estate buildings for £17.2m. Castle contents which include various pieces of furniture, pictures and prints, silverware and textiles have been valued for insurance purposes with Ecclesiastical Insurance at £26.4m, which includes loaned items valued at £11.1m.

19 Investment in subsidiary company

	2024	2023
	£'000	£'000
100 Ordinary shares of £1 each at cost	866	866
	<u>866</u>	<u>866</u>

Leeds Castle Foundation owns 100% of the voting rights and nominal share capital of Leeds Castle Enterprises Limited. The subsidiary's accounts have been consolidated with the Foundation's accounts.

20 Investment land and properties (Group and Foundation)

	2024	2023
	£'000	£'000
Market value of properties at 31 March 2023	9,597	8,917
Revaluation	(537)	680
Market value of properties at 28 March 2024	<u>9,060</u>	<u>9,597</u>
Historical cost value of assets	<u>2,073</u>	<u>2,073</u>

All investment land and properties are located within the United Kingdom.

The land and properties were valued by Hen & Duckhurst Professional Services Ltd, a firm of independent surveyors and valuers on an open market basis as at 28 March 2024.

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**NOTES TO THE FINANCIAL STATEMENTS
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20 Investment land and properties (Group and Foundation) (continued)

Five properties are provided with a lifetime occupancy at zero rent and seven are used for job related accommodation. Other property and land is rented out at a commercial rent. Future minimum lease receivables under non-cancellable operating leases are as follows:

	Group		Foundation	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Rent received:				
Within one year	21	41	21	41
Between two and five years	2	23	2	23
Between six and ten years	-	-	-	-
	<u>23</u>	<u>64</u>	<u>23</u>	<u>64</u>

21 Listed investments (Group and Foundation)

These comprise listed investments, Certificates of Deposit and other cash holdings.

	2024	2023
	£'000	£'000
Market value of listed investment at 31 March 2023	8,379	8,280
Acquisitions at cost	3,599	4,383
Disposal proceeds	(3,762)	(4,099)
(Losses)/gains for the year	150	(185)
Market value at 28 March 2024	<u>8,366</u>	<u>8,379</u>
Cash holdings at 28 March 2024	147	49
Total value of fixed asset investments	<u>8,513</u>	<u>8,428</u>
Historical cost value of assets	<u>8,270</u>	<u>7,911</u>

As at 28 March 2024 the market value of the investments split between UK investment assets and overseas assets was as follows:

	2024	2023
	£'000	£'000
UK investments	2,869	2,270
Overseas investments	5,644	6,158
	<u>8,513</u>	<u>8,428</u>

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2024

21 **Listed investments (Group and Foundation) (continued)**

The portfolio at 28 March 2024 contained investments managed by Ruffer LLP and Sarasin & Partners LLP. The following investments exceed 3% by value of the total portfolio and are deemed to be material:

	2024		2023	
	£'000	%	£'000	%
Sarasin Climate Active Endowments Fund	3,972	47.5	3,582	42.7
USA FRN 31/10/2025	336	4.0	-	-
Ruffer Illiquid Multi Strategies Fund	296	3.5	422	5.0
Ruffer SICAV Fixed Income Z GBP Cap	1,334	15.9	1,299	15.5
Ruffer Protection Strategies	296	3.5	362	4.3
Wisdom Tree Brent	72	0.9	275	3.3
	<u>6,306</u>	<u>75.3</u>	<u>5,940</u>	<u>70.8</u>
Other investments (all less than 3%)	<u>2,060</u>	<u>24.7</u>	<u>2,439</u>	<u>29.2</u>
	<u>8,366</u>	<u>100.0</u>	<u>8,379</u>	<u>100.0</u>

22 **Stocks**

	Group		Foundation	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Goods for resale	<u>245</u>	<u>170</u>	<u>-</u>	<u>-</u>

23 **Debtors**

	Group		Foundation	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Amounts falling due after more than one year:				
Trade debtors	48	158	-	-
Amounts falling due within one year:				
Trade debtors	760	473	74	46
Other debtors	55	17	22	10
Prepayments and accrued income	344	631	270	535
Deferred tax asset (see note 14)	9	9	-	-
	<u>1,216</u>	<u>1,288</u>	<u>366</u>	<u>591</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2024

24 Cash at bank and in hand

	Group		Foundation	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Cash in hand	9	8	-	-
Cash at bank – Current accounts	390	965	251	281
Cash at bank – Deposit accounts	515	1,140	216	554
	<u>914</u>	<u>2,113</u>	<u>467</u>	<u>835</u>

In addition to the cash at bank and in hand and deposits above, included within the investment portfolio were cash holdings of £146,651 (2023: £49,178) (see note 21).

25 Creditors: Amounts falling due within one year

	Group		Foundation	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade creditors	520	655	435	462
Other taxation and social security				
Payable	105	154	31	69
Other creditors	42	35	4	1
Amounts owed to group undertakings	-	-	1,486	1,360
Accruals	217	239	146	95
Deposits in advance	1,074	1,191	99	71
	<u>1,958</u>	<u>2,274</u>	<u>2,201</u>	<u>2,058</u>

26 Creditors: Amounts falling due after one year

	Group		Foundation	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Deposits in advance	<u>106</u>	<u>134</u>	<u>-</u>	<u>-</u>

The company has received deposits in advance for events occurring in over one year of which £94,466 (2023: £134,685) relates to events occurring within 1-2 years and £12,083 (2023: £0) relates to events occurring within 2-5 years.

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**NOTES TO THE FINANCIAL STATEMENTS
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27 Financial commitments

At 28 March 2024 the group had future minimum payments under non-cancellable operating leases of plant and equipment as follows:

	Group 2024 £'000	2023 £'000	Foundation 2024 £'000	2023 £'000
Payments made:				
Within one year	38	39	-	26
Between two and five years	110	148	-	-
	<u>148</u>	<u>187</u>	<u>-</u>	<u>26</u>

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NOTES TO THE FINANCIAL STATEMENTS
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28 Group funds

	Restricted Funds			Unrestricted Funds		Total Funds £'000
	H&D Fund £'000	Chattels Fund £'000	NLHF Grant	M&D Fund £'000	General Fund £'000	
Fund balances at 28 March 2024 are represented by						
Tangible assets	2,504	-		-	1,791	4,295
Investments	225	-		3,750	13,598	17,573
Current assets	11	78		-	2,286	2,375
Liabilities	-	-	(34)	-	(2,030)	(2,064)
At 28 March 2024	2,740	78	(34)	3,750	15,645	22,179

**Movement of funds
during the year**

	As at 31 March 2023 (£)	Income (£)	Expenditure (£)	Gains/ Losses (£)	As at 28 March 2024 (£)
Restricted Funds					
Heritage and Development Fund	2,740	4	(4)	-	2,740
Chattels Fund	78	-	-	-	78
NLHF Grant	-		(34)		(34)
	<u>2,818</u>	<u>4</u>	<u>(38)</u>	<u>-</u>	<u>2,784</u>
Unrestricted Funds					
Maintenance and Development Fund	5,748	-	-	(1,998)	3,750
General Fund	14,178	11,906	(12,050)	1,611	15,645
	<u>19,926</u>	<u>11,906</u>	<u>(12,050)</u>	<u>(387)</u>	<u>19,395</u>
Total Funds	22,744	11,910	(12,088)	(387)	22,179

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2024

28 Group Funds (continued)

	Restricted Funds		Unrestricted Funds		Total Funds £'000
	H&D Fund £'000	Restated Chattels Fund £'000	M&D Fund £'000	General Fund £'000	
Fund balances at 31 March 2023 are represented by					
Tangible assets	2,504	-	-	1,052	3,556
Investments	225	-	5,291	12,509	18,025
Current assets	11	78	457	3,025	3,571
Liabilities	-	-	-	(2,408)	(2,408)
At 31 March 2023	<u>2,740</u>	<u>78</u>	<u>5,748</u>	<u>14,178</u>	<u>22,744</u>
Movement of funds during the year					
	As at 31 March 2022 (£)	Income (£)	Expenditure (£)	Gains/losses (£)	As at 31 March 2023 (£)
Restricted funds					
Heritage and Development Fund	2,740	5	(5)	-	2,740
Chattels Fund	78	-	-	-	78
	<u>2,818</u>	<u>5</u>	<u>(5)</u>	<u>-</u>	<u>2,818</u>
Unrestricted funds					
Maintenance and Development Fund	4,150	-	-	1,598	5,748
General Fund	15,288	10,917	(10,924)	(1,103)	14,178
	<u>19,438</u>	<u>10,917</u>	<u>(10,924)</u>	<u>495</u>	<u>19,926</u>
Total funds	<u>22,256</u>	<u>10,922</u>	<u>(10,929)</u>	<u>495</u>	<u>22,744</u>

The H&D (Heritage and Development) Fund, which is an expendable endowment fund, represents freehold land and buildings classified as functional tangible assets, as these are considered to be integral to the bequeathed estate (see note 2.5(a)) and investment properties included within investment properties.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2024

28 Group Funds (continued)

The Chattels Fund, which is a restricted income fund, represents the proceeds from disposal of items formerly held for display and presentation purposes. This fund is utilised to acquire furniture, works of art or other antiques. The unrestricted General Fund represents surpluses generated from activities for generating funds, charitable activities and investment performance. This fund is utilised in acquiring new heritage assets and the preservation and maintenance of existing heritage assets.

The M&D (maintenance and development) fund is an unrestricted, designated fund which the trustees have allocated for future capital development and the ongoing maintenance programme of the Castle and the wider estate. Details of the planned expenditure of £4,150,000 are detailed in the Trustees report.

The Heritage and Development Fund and the Chattels Fund relate entirely to the Foundation. The proportion of the Unrestricted General Fund attributable to the Foundation amounts to £12,636,000 (2021: £11,742,000).

29 Pension scheme

Leeds Castle Enterprises Ltd (LCE) sponsors Leeds Castle Retirement Benefits Scheme, a funded defined benefit pension scheme in the UK, which was closed to future accrual in 2005. The scheme is set up on a tax relieved basis as a separate trust independent of LCE and is supervised by independent trustees. The trustees are responsible for ensuring that the correct benefits are paid, that the scheme is appropriately funded and that scheme assets are appropriately invested.

The Trustees are required to use prudent assumptions to value the liabilities and costs of the scheme whereas the accounting assumptions must be best estimates.

A formal actuarial valuation was carried out as at 1 April 2022. The results of that valuation have been projected to 28 March 2024 with allowance for payroll and benefit information and using the assumptions set out below. The figures in the following disclosure were measured using the Projected Unit Method.

Valuation date 1 April	2022	2019
The value of the technical provisions was:	7,245,000	6,260,000
The value of the assets at that date was:	5,927,000	4,911,000

To ensure the Statutory Funding Objective is met the Trustees and Employer have agreed that additional Employer contributions will be paid to the Scheme of £81,666 in 2024/25 under the Scheme's subsequent recovery plan dated 6th July 2023.

The amounts recognised in the statement of financial position are as follows:

	2024	2023
	£'000	£'000
Defined benefit obligation	(3,736)	(3,855)
Fair value of plan assets	4,355	4,534
Restriction on recognition of asset	(619)	(679)
Net defined benefit (liability)/asset	-	-

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29 Pension scheme (continued)

The current and past service costs, settlements and curtailments, together with the net interest expense for the year are included in profit or loss. Re-measurements of the net defined benefit liability are included in other comprehensive income.

	Period ended 28/03/2024 £'000	Period ended 31/03/2023 £'000
Service cost:		
Current service cost (net of employee contributions)	-	-
Administration expenses	-	-
Restriction of recognition of asset deemed irrecoverable	-	-
Net interest expense/(credit)	(36)	(33)
Charge/(credit) recognised in profit or loss	<u>(36)</u>	<u>(33)</u>
Re-measurements of the net liability:		
Return on scheme assets (excluding amount included in net interest expense)	367	1,523
Actuarial (gains)/losses	(131)	(898)
Charge/(credit) recorded in other recognised gains or losses	<u>236</u>	<u>625</u>
Total defined benefit cost/(credit)	<u><u>200</u></u>	<u><u>592</u></u>

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FOR THE PERIOD ENDED 28 MARCH 2024**

29 **Pension scheme** (continued)

The principal actuarial assumptions used were:

	28/03/2024	31/03/2023
Liability discount rate	4.85%	4.80%
Inflation assumption - RPI	3.25%	3.35%
Inflation assumption - CPI	2.75%	2.80%
Rate of increase in salaries	n/a	n/a
Revaluation of deferred pensions: all benefits accrued	2.75%	2.80%
Increases for pensions in payment: benefits accrued prior to 6 April 1997	0.00%	0.00%
benefits accrued after 5 April 1997	2.70%	2.75%
Proportion of employees opting for early retirement	0.00%	0.00%
Proportion of employees commuting pension for cash	50.00%	50.00%
Expected age at death of current pensioner at age 65:		
Male aged 65 at year end:	86.4	86.9
Female aged 65 at year end:	88.7	89.1
Expected age at death of future pensioner at age 65:		
Male aged 45 at year end:	87.4	87.9
Female aged 45 at year end:	89.8	90.2

Reconciliation of scheme assets and liabilities

	Assets	Liabilities	Total
	£'000	£'000	£'000
At start of period	4,534	(3,855)	679
Benefits paid	(169)	169	-
Administration expenses	-	-	-
Contributions from the employer	140	-	140
Interest income / (expense)	217	(181)	36
Return on assets (excluding amount included in net interest expense)	(367)	-	(367)
Actuarial gains/(losses)	-	131	131
Gain/(loss) on plan introductions and changes	-	-	-
At end of period	4,355	(3,736)	619

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FOR THE PERIOD ENDED 28 MARCH 2024

29 Pension scheme (continued)

The return on scheme assets was:

	28/03/2024	31/03/2023
	£'000	£'000
Interest income	217	164
Return on scheme assets (excluding amount included in net interest expense)	(367)	(1,523)
Total return on scheme assets	<u>(150)</u>	<u>(1,356)</u>

The major categories of scheme assets are as follows:

	28/03/2024	31/03/2023
	£'000	£'000
UK Equities	-	-
Overseas Equities	-	-
Gilts	1,341	1,342
Index Linked	2,964	3,119
Alternative Assets	-	-
Cash	50	73
Total market value of assets	<u>4,355</u>	<u>4,534</u>

The Scheme has no investments in the Company or in property occupied by the Company.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

30 **Reconciliation of cash flows from operating activities**

	2024	2023
	£'000	£'000
Net income/(expenditure)	139	(19)
Net (gains)/losses on investments	(150)	185
Depreciation charges on fixed assets	457	421
(Gain)/Write off of fixed asset	-	(3)
Tax charge	9	10
Dividends, interest and rents from investments	(117)	(100)
Contributions on defined benefit pension scheme	(140)	(140)
Finance expense on defined benefit pension scheme	(36)	(33)
Movement in components of working capital:		
Decrease/(increase) in stocks	(75)	(24)
(Increase)/decrease in debtors	72	(307)
(Decrease)/increase in creditors	(344)	(295)
Net cash inflow/(outflow) from operating activities	<u>(185)</u>	<u>(305)</u>

31 **Limited by Guarantee**

The company is limited by guarantee and does not have a share capital. The liability of each member is limited to £1.

32 **Capital commitments and contingent liability**

At 28 March 2024 the Foundation and the group had no contractual commitments for development expenditure (2023: nil).

33 **Related party transactions**

At the year end the trading subsidiary, Leeds Castle Enterprises Limited had a net intercompany debtor balance, owing £1,486,000 by the Charity (2023: net debtor balance of £1,360,000). During the period the Charity received gift aid payments totalling £1,063,000 from Leeds Castle Enterprises Limited, but with no further payment accrued at the year end.

34 **Parent company exemption**

As permitted by Section 408 of the Companies Act 2006, the parent company's statement of financial activities has not been included in the financial statements.

35 **Financial instruments**

At the balance sheet date, the consolidated group held financial assets at amortised cost comprising cash and short-term deposits, trade debtors, other debtors and accrued income of £1,921,000 (2023: £2,872,000) and financial liabilities at amortised cost, comprising trade creditors, other creditors and accruals of £846,000 (2023: £1,029,000). Total interest income received in respect of financial assets held at amortised cost totalled £nil (2023: £nil).

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The charity held assets at fair value through income and expenditure of £8,366,000 (2023: £8,379,000). Movements in the year through the statement of financial activities comprised income of £nil (2023: £nil) and gains of £249,000 (2023: gains of £494,000).

LEEDS CASTLE FOUNDATION

England & Wales - Charity number 268354

Accounts



Company Registration No. 1172263 (England and Wales)
Charity Registered No. 268354 (England and Wales)

LEEDS CASTLE FOUNDATION

REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

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LEEDS CASTLE FOUNDATION

ADMINISTRATIVE DETAILS

Trustees
Ms Ros Kerslake CBE (Chair)
Ms Judith Armit
Mrs Helen Deeble CBE
Mrs Anna Eavis
Mrs Ruth Knight
Mrs Sarah Masotti
Mr Richard G Laing
Mrs Laura C A Nesfield
Ms Sarah Roots
Mr Julian Smith
Mr Adrian J Tinniswood OBE
Mr Thomas C Wright, CBE

Company Secretary Mr R Richman

Charity Number 268354

Company number 1172263

Registered Office
Leeds Castle
Broomfield
Nr. Maidstone
Kent
ME17 1PL

Statutory Auditors
Crowe U.K. LLP
Riverside House
40-46 High Street
Maidstone
Kent
ME14 1JH

Bankers
Royal Bank of Scotland
38 Market Place
Wigan
W1 1PJ

Investment managers
Ruffer LLP
80 Victoria Street
London
SW1E 5JL

Sarasin & Partners
100 St Paul's Churchyard
London
EC4M 8BU

LEEDS CASTLE FOUNDATION

ADMINISTRATIVE DETAILS

Sub-committee membership

Finance, Audit and Risk Committee	Mr Richard G Laing Ms Judith Armitt Mr Julian Smith Mr Thomas C Wright, CBE	Chairman
Investment Committee	Mr Richard G Laing Mrs Laura C A Nesfield	Chairman
Nominations Committee	Ms Ros Kerslake, CBE Mr Julian Smith Mr Richard G Laing	Chairman
Directors, Leeds Castle Enterprises Ltd	Mr Thomas C Wright, CBE Ms Ros Kerslake CBE Mr David Bridgford Ms Sarah Roots Mrs Helen Bonser-Wilton Mr Robin Richman	Chairman Chief Executive Finance Director and Secretary
Senior Management Team of the Foundation	Mrs H Bonser-Wilton Mr R Richman Mrs D Matthews Mrs S Prichard Mrs L Hutchings Mr N Johnstone	Chief Executive Finance Director Head of Sales & Marketing Head Curator Commercial Operations Director Interim Head of Estate Services

LEEDS CASTLE FOUNDATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Trustees of the Leeds Castle Foundation, (Charity number: 268354 and company registration number: 1172263), who are also the directors of the charity, present their report and the financial statements for the Foundation and its trading subsidiary (the group) for the period ended 31st March 2023. These have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2015) and the Companies Act 2006.

Accounts have been prepared this year for the period from 1st April 2022 to 31st March 2023. The Foundation regularly alters its financial year end to ensure there is only one Easter Bank Holiday weekend within each financial year, but this was not necessary for either year covered by this report.

Objects

The Foundation's objects are wide ranging, and are set out in full in the memorandum and articles. However, the key focus of the charity is summarised as follows:

1. To preserve the Castle and its estate for public benefit.
2. To provide an excellent, enjoyable and authentic experience for every visitor.
3. To inspire visitors of all ages through educational resources and facilities.
4. To promote health and other charitable purposes.

Trustees

The following Trustees have held office in the twelve months from 1st April 2022.

Ms R Kerslake (appointed 16 December 2022)
Mr N Dickson, CBE (resigned 16 December 2022)
Mr J Neame, CBE (resigned 16 December 2022)
Ms H Deeble, CBE
Ms A Eavis
Mr R Laing
Ms L Nesfield
Mr J Smith
Mr A Tinniswood
Mr T Wright, CBE

Strategic Report

Sections in this report noted below constitute the Strategic Report for the purposes of the Companies Act 2006:

- Review of the year.
- Incoming resources.
- Costs and application of operating surpluses.
- Reserves Policy.
- Investment Policy and Objectives
- Core Activities – Public Benefit.
- Plans for the Future.
- Risk.
- Section 172 Statement.

LEEDS CASTLE FOUNDATION
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2023

Review of the year

The year commenced with the business continuing to recover from the earlier COVID-19 pandemic and the subsequent changes in visitor behaviour. All areas of activity remain some way behind previous operating levels and we anticipate it will be several years before these are achieved, if ever.

As the year progressed, it became clear that many were taking advantage of increased overseas travel opportunities and whilst strong, accommodation bookings fell substantially when compared to the previous financial year.

Visitor numbers started strongly in the first quarter exceeding the previous year, giving rise to an early degree of optimism that recovery was well underway. However, numbers stalled over the key summer school holiday period and again in December. Overall, during the year we welcomed 362,000 guests to the site, which was 35,500 less than in 2021/22. This number included 12,000 learning visitors and 40,000 group visitors.

The staycation boom which was experienced in 2021/22 when there was little availability or certainty around overseas travel had boosted accommodation occupancy to record levels. While this was not repeated at the same levels it was encouraging that profits from these operations were almost three times higher than those that were achieved in the pre-pandemic years.

Throughout the lockdowns, hospitality and accommodation sales staff had maintained close contact with customers, enabling all those with COVID-impacted bookings to hold an alternative date for their function. For some customers, this took multiple attempts due to the constantly changing restrictions. Those who did not wish to rebook were refunded in full. However, the majority appreciated this flexible approach and re-booked, meaning functions activities commenced the year with a strong diary of confirmed bookings. These strong sales levels and stringent cost control resulted in a record contribution from these activities at £660,000, almost £200,000 up on pre-pandemic results.

The annual Leeds Castle Concert was well attended. Early indications suggest Heritage Events will look to renew the activity for a further period. The Fireworks Spectacular went ahead in November, attracting sell out audiences both nights, Trustees took the decision to self-insure this event as insurance market rates were prohibitive.

The major new activity of the year was a joint venture with Raymond Gubbay Limited, a subsidiary of Sony Music, to run a Christmas Lights Trail through the grounds. This attracted a further 66,500 visitors to the site. This produced a positive return in the first of a five-year contract.

A glamorous Christmas offer was installed inside the Castle for day visitors, but, while well received, this failed to attract usual numbers. It is considered likely that with the high cost of living biting hard, visitors chose to attend the new Christmas Lights Trail instead.

The Leeds Castle Golf Club has continued to benefit from the desire to partake in outdoor exercise which saw a resurgence in the pandemic period. Membership remains high, reducing the dependence on green fee income, which can be heavily weather and competitor activity dependent. Golf generates a modest profit, sufficient to pay back the capital investment made in the course. This was pleasing affirmation of the investment in the course and facilities, as well as the work of the PGA Professional to establish an enjoyable club experience for members.

In another uncertain year, the business overall was managed with agility and carefully controlled costs, focussing on the visitor and guest experience. Volunteers have become an essential part of the Castle's work, providing learning & social inclusion, with 80 people currently volunteering across areas such as falconry, gardens, grounds, wildlife & conservation, education and visitor operations.

Financial modelling using prudent growth assumptions confirms that the estate can generate sufficient cash to invest in heritage assets, facilities and experiences over the next few years, although larger projects will require drawing on Reserves.

LEEDS CASTLE FOUNDATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2023

Chief Executive Helen Bonser-Wilton has continued to lead work to review the Foundation's business model & to deliver new strategy with Board and staff team in year.

Incoming resources

Total incoming resources increased by £490,000 over the last year as operations continue to return to more regular levels than those seen during the pandemic.

The Fireworks Spectacular, Leeds Castle Concert and the new Christmas Lights Trail continue to supplement the standard visitor and hospitality income streams.

Hospitality and accommodation were no longer restricted, both in terms of operational calendar and occupancy, and both are encouragingly above pre-pandemic levels of contribution.

The investment portfolio continued to benefit from the significant bounce back in markets. The investment properties also saw a significant rise in values, most notably in the farmland valuations

Costs and application of operating surpluses

Our focus remained on managing the cost base in a climate of extreme economic uncertainty while ensuring visitor and guest service levels were maintained and investment in the product continued. Further to the heavy reduction in staffing numbers that took place in 2020 as a result of the devastating financial impact of the pandemic, we continued to gradually increase staff numbers to cope with the restoration of year round full trading, moving from 98 full time equivalent staff in 2021/22 to 113 full time equivalent staff in 2022/23.

There will always be a need for considerable investment programmes, not least in the fabric of the Castle buildings. In addition to planned and preventative maintenance, there are times when unexpected repairs are required. The operating surplus will be used to continue the preservation of the Castle, the estate and the collections, and the ongoing enhancement of the visitor experience, which needs regular refreshment to ensure that there is always a new reason to visit and to update/replace facilities as needed.

The latest phase of Castle stonework repairs that commenced in October 2021 was completed slightly late in May 2022, due to delays in stone supply. The certainty that the whole of the Castle will need restoring over time requires the designation of the majority of the Estate's cash reserve. For this phase, we were delighted to secure support from the COVID Cultural Recovery Fund, administered through Historic England, amounting to £607,000 of support towards the total £800,000 cost of the Stonework, as well as repairs to the Causeway and Ivy Tower. This was received in full in the 2021/22 financial year.

In line with the agreed three-year pension deficit reduction plan, there was a further special contribution of £140,000 towards the Leeds Castle Retirement Benefits Scheme. The scheme has been closed to new members since 2005. A triennial revaluation was undertaken as at 1st April 2022 and contributions remain at £140,000 (w.e.f. 1st April 2020) which are planned to eliminate the scheme liability on the technical provisions basis by 31st October 2024.

Reserves policy

The reserves policy is reviewed annually by the Trustees, taking into account the predominant risks to the Foundation and its anticipated working capital requirements.

The review of risk highlights major events, (e.g. a fire), causing severe impact on income, mitigated by both direct and business interruption insurance cover. The impact on income of other risks, such as closure or periods of low visitor numbers due to prolonged bad weather or other factors, are uninsurable. In recent years, to mitigate these risks, Trustees have invested to diversify income generation, reducing the dependence on day visitors. The Trustees

LEEDS CASTLE FOUNDATION
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2023

have concluded that funds are required to be held as free reserves to enable us to meet regular commitments and working capital requirements, should there be short term volatility in revenues.

Taking into account core cost needs, the Trustees consider it is appropriate to hold free reserves representing two years of charitable activities expenditure.

At 31st March 2023 the total consolidated funds in the accounts stand at £22.7m (2022 - £22.3m), of which £2.8m (2022 - £2.8m) is restricted and £3.5m (2022 - £3.9m) relates to unrestricted tangible fixed assets. After deducting these amounts and the designated funds of £5.7m (2022 - £4.1m), this leaves general free reserves of £10.7m (2022 - £11.5m), which is in line with the aim of holding two years of charitable activities expenditure, currently running at £5.2m (2022 £5.7m) per year as general free reserves. The free reserves include investment properties with a value of £9.6m (2022 - £8.9m) which are not readily realisable, thus leaving £1.1m (2022 - £2.6m) as liquid free reserves. This in line with the Trustees target of holding £1.3m (2022 - £1.4m), based on three months of charitable activities expenditure.

The Foundation's funds comprise a number of restricted and unrestricted funds within which a number of designations have been made by the Trustees. Restricted funds comprise the Heritage and Development Fund and the Chattels Fund. The Heritage and Development Fund is an Expendable Endowment Fund and represents freehold land and buildings classified as functional tangible assets, considered to be integral to the bequeathed estate. The Heritage and Development Fund relates entirely to the Foundation. The Chattels Fund represents proceeds from the disposal of heritage assets. These proceeds are to be used solely for the purpose of acquiring replacement heritage assets.

The Trustees have concluded that Designated Reserves should be set up to cover the estimate of potential spending on specific projects which have been identified as part of the five-year planning process, in order to:

- Fund the Foundation's primary responsibility of preserving the Castle and its collections for public benefit.
- Invest in developments to enhance the visitor experience and enjoyment of the Castle.
- Develop income generating opportunities.
- Improve or replace operating facilities and infrastructure.

As at 31st March 2023, the Designated Reserves have been assigned to:

- Income generating Accommodation Development – Lakeside Lodges (£928k).
- Continuing the remaining phases of Castle stonework repairs, initially the West and Southwest elevations (£2,250k).
- Maze and Family area infrastructure developments and Glamping replacement (£1,700k)
- Infrastructure upgrades to the Building Management System to reduce energy consumption and costs (£120k).

In addition, the Foundation carries business interruption insurance to cover the cost of core liabilities in the event that the Castle was unable to generate income as a consequence of exceptional insurable incidents.

In discussion with Trustees of the Leeds Castle Retirement Benefits Scheme, the Foundation is reviewing options to secure the future liabilities of the Scheme. This would be funded from Reserves.

LEEDS CASTLE FOUNDATION
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FOR THE YEAR ENDED 31 MARCH 2023

Investment policy and objectives

a) Investment land and properties

Investment land and properties relate to interests in land and buildings which are held for their investment potential, and which are not used by the Foundation or its subsidiary in the course of their operations, other than for generating rental income. These properties are considered annually by the Investment Committee as part of its review of the combined portfolio of properties and other investments.

The 2022 purchase of Forge House and surrounding land has added to this investment land bank and has secured a vulnerable boundary of the estate, removing significant noise pollution, however alternative uses for the property have not been identified, so intent is to dispose of property with restrictive covenants, retaining the surrounding land as a buffer for the estate.

b) Cash and managed investments

The fundamental objective in managing the investment assets is to generate a good rate of return to help fund the Foundation's charitable objectives.

In 2020 the Trustees reviewed and ratified the investment policy, which states that the portfolio should aim to achieve a rate of return of RPI plus 2% over the long term and that the rate in any particular year should not be negative. The Trustees also undertook a tender process and decided to split the portfolio equally between Ruffer LLP and Sarasin to mitigate management risk with effect from March 2021. During the current period of market fluctuations, Ruffer have continued to outperform Sarasin.

Core Activities

Public benefit

The Trustees referred to the Charity Commission's guidance on public benefit when reviewing how to deliver its mission of Caring for Leeds Castle & Estate for ever, for public benefit. In particular, the Trustees considered how planned activities will deliver against core charitable objectives, which are as follows: ,

To preserve the Castle & Estate for public benefit, to provide an excellent, enjoyable & authentic experience, to inspire visitors with educational resources & to promote health and other charitable purposes.

The Trustees have agreed a strategic plan which seeks to deliver core charitable objectives under the following four strategic headings.

- *Welcome and Engage* (staff, volunteers, guests, community)
- *Surprise and Delight* (with amazing & relevant experiences)
- *Nurture & Care* (for land, buildings, collection, staff, volunteers, visitors, wildlife)
- *Grow & Develop* (finances, new business streams, experiences, environmental sustainability, audiences, reputation, charitable support).

Review of activity will therefore be outlined against these strategic objectives.

1) *Welcome and Engage* (staff, volunteers, guests, community)

- A number of positive initiatives were completed in year to deliver a much improved guest welcome;
- During 2021, Trustees agreed the Foundation's Spirit of Place, a glamorous retreat, for centuries a place of luxury, entertainment, influence and enchanting beauty. This serves to underpin all strategic planning, with the brand character flowing from this. Brand was confirmed as Playing Hostess to History.

- New brand visual identity, tone of voice, design & photographic assets, were developed and launched during the year, drawing on the female, design led & glamorous attributes of the brand.
- These were rolled out across site signage, interior design of the new Visitor Centre, all marketing & social media campaigns, leaflets and website in year to complement the launch of clear new storylines.
- The Leeds Castle website had become outdated in terms of functionality and was not delivering a good visitor experience, nor able to run videos to show visitors the experience they could expect before booking. During the year, the website was completely re-built, offering 21st century functionality and catering for the diverse and complex business that we run. The new brand identity gives a warm and welcoming first impression of Leeds Castle and enables use of pre-visit videos to help guests plan their visit, event or stay.
- The Leeds Castle Visitor Reception is a modular wooden building, which had not been refurbished for many years, thereby giving a poor guest arrival and orientation experience. Over Winter/ Spring 2022 extensive works were completed to remove a dividing wall, install new contemporary flooring, redecorate and completely re-fit the ticketing & retail spaces. This light and airy space now offers an excellent start to the visit, an opportunity for visitors to understand the visitor experience, plan their day and start their immersion into the story. This space was completed in its entirety at end May 2022.
- The Accommodation Reception was located in a sub-optimal space, which did not offer a welcome appropriate for a luxury accommodation experience. Work was undertaken to relocate this to a better space and to refurbish it in glamorous 1930's country house style, to give arriving guests the immediate immersion into our story. This was completed at end May 2023. Alongside this, we installed a new accommodation booking system, Guestline, in September 2022. This brings a more customer-friendly interface and introduction to our accommodation offer and has been integrated within the new website build.

2) *Surprise and Delight* (with amazing & relevant experiences)

It is essential to provide new reasons for visit each year, through introduction of new experiences. During this financial year, we completed the following new experiences:

- The Castle experience had not been changed in some decades. Due to a lack of clarity around story, the storyline was confused, unengaging and in some places, inauthentic. The agreement of Spirit of Place as 'A Glamorous Retreat' enabled us to clarify what core story we should tell to bring the Castle to life. The decision was taken to present the Castle in the era of the 1930's country house party, with the visitor entering as a guest of Lady Baillie. In reality, despite the medieval appearance, very little fabric inside the Castle dates from earlier than 1926. Inauthentic 'medieval' sets were removed from the Gloriette and extensive set dressings & soundscapes that complemented the 1930's interiors, were introduced. Phase one of this work launched in April 2022.
- In July 2022, we launched the new 'Queens with Means' cinematic projected experience, featuring the portraits of the seven medieval Queens associated with Leeds Castle coming to life and telling their stories. This was complemented by additional interpretation showing the architectural development of the Castle over 900 years and bridging the storytelling gap between the Tudor period and 1926. This experience launched at end July 2022.
- The retail ranges at Leeds Castle, in the absence of a clear overall storyline had become somewhat confused, with product, pricing, merchandising & fixtures all requiring a fundamental update. Working with specialist consultants Drinkall Dean and T & C Consulting, a complete refit of the Visitor Centre shop and complete change of 90% of retail ranges was undertaken. This launched in stages from end April 2022 and has driven a significant uplift in conversion, average transaction value and spend per head, while also clearly telling the Leeds Castle story.
- The Falconry & Wildlife Team installed a new Wildlife Garden at the Maze end of the estate, featuring multiple interactive elements for visitors to learn & enjoy.
- Major events at Leeds Castle have been instrumental in driving visiting over the years. With the advent of COVID, all events activity ceased and only the Concert and Fireworks events ran during 2021/22. 2022/23 was the year we aimed to get the events programme back on track, but in recognition of the significantly lower resources available across the Foundation, this was built back differently, aiming to create month-long events that spread set up resource, costs, visitor traffic & weather risk.

- In May, we reinstated the popular Joust, renaming it 'The Queens Joust', featuring female jousters, in line with our Spirit of Place. This also included an extensive medieval encampment.
- The second year of the Sculpture Trail was set within a new September event of Design Month, reflecting many of the design themes of the Castle.
- Focus was given to maximising the popular Christmas season, with a new Christmas Lights Trail in partnership with Raymond Gubbay Limited and Culture Creative, which ran from the end of November to early January, turning a small profit in Year 1 with over 66,000 attendees. This will continue in 2023 with 80% new light installations.
- Investment was made into the Christmas Castle Day Visitor offer to re-create a glamorous Christmas for Lady Baillie's house guests. This received excellent feedback from those who attended, but numbers were lower than budgeted, perhaps due to the limited offer for the family audience, which will be addressed for 2023.
- Work commenced with an external catering consultant to decide on the way forward for our catering contract. This has resulted in a tender process, which will conclude in Spring 2023, with a new catering contractor likely to be in position by Summer 2023.

3) Nurture & Care (for land, buildings, collection, staff, volunteers, visitors, wildlife)

A number of initiatives and projects were completed during the year, to care for our assets and people;

- Successful completion of two further phases of Castle stonework repairs, covering the South West aspect and part of the East side of the Castle façade. While this project ran behind schedule, due to the persistently late supply of Kentish ragstone from the quarry, the work was completed to a very high standard and was financially supported by the Cultural Recovery Fund.
- Work to make repairs on the Causeway and to repair the Castle Ivory Tower were also completed and supported by the Cultural Recovery Fund.
- A series of Castle Roof Repairs were completed to deal with cyclical deterioration.
- First stage of a 5 year programme of work to repair and renew deteriorating roadways was completed.
- Twenty First Line Managers attended multiple modules of a Management Development Training Programme, developed for Leeds Castle and delivered over a six month period by an external facilitator.

4) Grow & Develop (finances, new business streams, experiences, environmental sustainability, audiences, reputation, charitable support).

A number of initiatives to grow and develop the charity's activities were undertaken during the year.

- Battel Hall Cottage on the edge of the estate became free for repurposing into a holiday cottage. After refurbishment, this went on the market in September 2022.
- Initial work on a replacement accommodation solution for Glamping, that could operate year round, was put on hold due to the likely high cost & complexity of infrastructure installation. This will be revisited during 2023 and an off grid solution considered. Work progressed instead on development and installation of Lakeside Lodges, situated by the Great Water out of view of the Castle. This project will be brought to conclusion and launched in late 2023.
- With arrival of new Fundraising Manager in January 2023, work was completed on Case for Support, Fundraising Strategy and initial list of grant application prospects, which will be actioned during 2023/24 financial year.
- With the 450% increase in energy bills negatively affecting the financial position, a number of immediate actions were taken to reduce usage, including adjusting control settings, turning off decorative Castle lights and replacement of some boilers. Further work will be done to install Building Management Systems & other energy reducing measures during 2023/24.

Plans for the future

The 10-year vision for Leeds Castle Foundation is:

'To be the South's top heritage destination for relaxation, hospitality & experiences that surprise & delight'

LEEDS CASTLE FOUNDATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2023

This will be achieved through four key strategic objectives:

- *Welcome and Engage* (staff, volunteers, guests, community)
- *Surprise and Delight* (with amazing & relevant experiences)
- *Nurture & Care* (for land, buildings, collection, staff, volunteers, visitors, wildlife)
- *Grow & Develop* (finances, new business streams, experiences, environmental sustainability, audiences, reputation, charitable support).

In Year 2 of the strategy, activities that will deliver these objectives will include:

Welcome & Engage

- Work will commence on a consultant review of access provision (in all its forms) at Leeds Castle, to establish how the place can better welcome people of all abilities. Projects will then be embedded in fundraising bids.
- Work will continue to scope out programme, costs and best construction methods for multi year car parks project, with ground surveys being completed in year.

Surprise & Delight

- In response to audience evaluation carried out in Autumn 2022, Year 2 of the programme to Bring the Castle to Life will include further development of showrooms to enhance the 1930's theming, the introduction of a UV Torch children's trail in the Castle and the introduction of a multi-media Castle guide telling the 900 year history of the Castle in 8 languages.
- New Souvenir Guidebook with new photography and storytelling was launched Easter 2023.
- New Pricing Strategy designed to drive online sales & maximise value for customers in a difficult year was launched Easter 2023.
- Three new slides will be installed in Knight's Stronghold Playground, launched end May 2023.
- A pop up Beach installed in early summer 2023 and accompanied by Punch and Judy, Sand Sculpture and Jazz on the Beach events.
- Catering contract tender completed late spring 2023, with new catering contractor in place July 2023. A refurbishment of Castle View Restaurant is likely to be completed during winter 2023/24
- Further development of the September Design Month will include a new 3-day Artisan and Food Fair, as well as a major expansion of the free specialist talks & tours in month.
- Work will continue on the Lakeside Lodges with expected launch December 2023.
- A more family-friendly Christmas day visitor offer will be implemented, with The Lion, the Witch and the Wardrobe taking over the Castle from late November to early January.
- Year two of the Christmas Lights Trail will take place from late November to early January, with 80% new light installations. Customers will be able to buy a joint ticket for both experiences.
- Work with a specialist hospitality consultant will get underway in early 2024, to evaluate ways of driving new approaches to this crucial business stream, in partnership with new caterer and events catering supplier list.
- Work will progress on a year round accommodation solution to replace Glamping, with off-grid solutions being considered, due to the high cost of infrastructure.
- Year 1 of Snowdrop Experience will roll out during January/February 2024, further to the planting of 5000 new snowdrop plants in spring 2023.

Nurture and Care

- Work will be completed to rebuild the Wishing Bridge in the Princess Alexandra Gardens and to repair the cobbles in the Grotto at the centre of the Maze

LEEDS CASTLE FOUNDATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2023

- A major project to renew pipes on Castle Island and safeguard water supply for the future will be carried out during winter 2024.
- Sluice refurbishments will be completed during Winter 2023/24.
- Second phase of Management Training will roll out, encompassing new line managers plus members of the Middle Management cohort who do not line manage currently.

Grow and Develop

- £250,000 bid to National Lottery Heritage Fund Resilience Funding was made in summer 2023, covering monies for additional resources to work up major projects that we will be seeking external funding for (Castle Repairs/Internal Conservation Works and Kitchen Garden), as well as consultancy work on audience development, access & sustainability.
- New Buildings Management System and Sub Metering installed to help manage energy usage for winter 2023/24.
- Mechanical and Electrical Engineer consultant's report to establish how we can drive down energy usage further and what options there are for renewable energy installation.
- Review Options for potential Final Salary Pension Scheme buy out.

Risk

The Charity manages risk actively through a dynamic Risk Register that is reviewed and amended quarterly at Finance, Audit & Risk Committee (FARC). This enables staff and Trustees to manage risk proactively and flag emerging issues to the Board.

The top risks identified in year were related to income generation in the post pandemic period and the substantial increases in labour and energy costs, given the heavy, largely fixed cost of caring for the Castle and Estate that must be borne irrespective of the fortunes of our trading activities. Aside from a catastrophic disaster such as fire, income generation not meeting commitments remains the most critical risk for the Foundation.

To manage any catastrophic occurrences, business continuity measures are in place (e.g. a new generator has been installed to supply electricity across the site should the supply from the National Grid fail).

The Foundation takes the health and safety of its staff, volunteers and visitors very seriously. The Leadership Team is committed to ensuring that staff operate safe systems and processes and that visitors are able to enjoy their time with us without incident. All activities on the estate are risk-assessed and incidents logged, with follow-up action closely monitored. A quarterly Health and Safety Committee monitors progress, with the aid of an external Health and Safety consultant and staff are encouraged to submit concerns and ideas for action.

Given the level of complexity in the Leeds Castle operation and the need for ongoing statutory training, a Training Officer has been recruited to ensure staff are trained in all aspects of delivering a safe environment for everyone.

There will always be extraneous risks over which we have little control. The most significant of these is poor weather, which affects the number of visitors, but increasingly, issues such as traffic congestion and controls relating to Dover Port are also having a significant negative impact on visitor numbers too.

Section 172 Statement

The Board of Trustees are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- The likely consequences of any decision in the long term.
 - The interests of the Company's employees.
 - The need to foster the Company's business relationships with suppliers, customers and others.
 - The impact of the Company's operations on the community and the environment.
-

LEEDS CASTLE FOUNDATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2023

- The desirability of the Company maintaining a reputation for high standards of business conduct.
- The need to act fairly as between members of the Company, (the “s.172(1) Matters”)

Engagement with employees

Enhancing employee engagement is an integral part of the culture of the Foundation. Senior Leaders provide regular communications and review input of staff representatives to the Staff Consultation Forum. A cyclical staff survey is carried out by an external provider and action taken on the results. Much focus has been given to ensuring a safe working environment during the pandemic, including supporting employees' physical and mental health and wellbeing, whilst working either remotely or onsite. The Chief Executive shares a monthly blog, which is complemented by a staff newsletter produced by the HR Department.

Engagement with stakeholders

The Trustees recognise the importance of external stakeholders and the Foundation aims to engage these institutions and individuals with our work on an ongoing basis. This includes liaising with local parish councils, Maidstone and Kent County Council, Visit Kent, Association of Leading Visitor Attractions and other local and industry stakeholders as appropriate.

Structure, Governance and Management

The Leeds Castle Foundation was established as a company limited by guarantee by the last private owner of the Castle, Lady Baillie, to preserve the Castle for the benefit of the public. It is governed by its Memorandum and Articles of Association (1974) and it is registered as a charity with the Charity Commission. The Charity is administered by a Board of Trustees. As set out in the Articles of Association, the Chair of the Trustees is elected by their fellow Trustees.

The Foundation uses a variety of methods to recruit new Trustees and is committed to an open and inclusive formal application/interview process for all vacancies. This usually involves external headhunters to broaden the pool of potential applicants. There is a Nominations Committee chaired by the Foundation Chair, supported by two other Trustees. After interviews with this sub-committee, a recommendation is made to the full Board.

At the end of 2022, Niall Dickson, CBE stepped down from his role of Foundation Chairman after two successful terms of office as Chair and 15 years total service on the Leeds Castle Board. The Trustees thank Mr Dickson for his dedication, commitment and excellent leadership over the past ten years, not least since he stepped into the vacancy on the untimely passing of previous chair, Sir Brandon Gough.

His tenure has been marked by considerable development of the Leeds Castle offer and his clear and decisive leadership during the COVID pandemic period was very much valued. This considered approach allowed the Foundation to survive the pandemic with reserves largely intact, while providing a safe environment for visitors to enjoy as restrictions were eased.

An open recruitment exercise was carried out for a replacement Chair, with Ms Ros Kerlake CBE appointed. Ms Kerlake brings excellent skills and experience in heritage, regeneration, commercial and audience development to the Board, having previously been Chief Executive for the Prince's Regeneration Trust and the National Lottery Heritage Fund. She took over the Chair role in January 2023.

Three other Trustees will also complete their terms of office during 2023 and recruitment is underway for replacements, who will start with the Foundation in summer 2023. All new Trustees are provided with a comprehensive induction ahead of joining the Board.

The Board's standing subcommittees cover Finance, Audit & Risk, Investment, Remuneration & Nominations.

Activities outside of the main objects of the Charity are undertaken on its behalf by Leeds Castle Enterprises Limited, a wholly owned subsidiary.

LEEDS CASTLE FOUNDATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2023

Two Trustee nominated individuals also sit on the Leeds Castle Retirement Benefits Scheme Board, the liability for the scheme being borne by Leeds Castle Enterprises.

The Chief Executive is appointed by the Trustees to advise on strategy and development, and manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has authority, within terms of delegation approved by the Trustees, for all operational matters. She is supported by a team of senior managers, including the Finance Director, who is also company secretary.

The Foundation derives the vast majority of its income from day visiting and hospitality and balances this income generation need carefully with the impact on the historic buildings and environment.

Remuneration of key management personnel

Salaries for the Senior Leadership team are reviewed annually by Trustees and benchmarked against other members of the Treasure Houses Association as required.

Employee involvement and disabled persons

The management of Leeds Castle Foundation and its subsidiary Leeds Castle Enterprises Limited, (which together form the group), establish and maintain close communication with staff and volunteers, to ensure all are fully informed about the progress of the group's activities. There are informal and formal two-way briefing sessions and a Staff Consultation Forum, which meets quarterly with the Chief Executive to discuss staff suggestions for improvements. Each employee receives at least one formal performance review with their manager each year. We strive to provide a workplace that offers equality of opportunity for all our staff, whatever their gender, race, nationality, religion, sexual orientation, age or ability. Some of this is repetition of earlier text on p12 about employee engagement.

Fundraising

The charity carries out its fundraising in a fair and responsible way in line with the requirements of the Fundraising Regulator. The Foundation ensures that funds raised are spent effectively to bring maximum benefit to the beneficiaries.

Whilst all efforts will be made to perform to the highest standards, occasionally issues happen. Any complaints made are fully investigated and action taken to deal with any problems. The charity received no complaints during the year under review. The Trustees recognise the importance of the reputation of the charity in maintaining the trust and confidence of its donors and grant givers and this principle sits at the heart of all fundraising activities.

Governance

The Trustees note the importance of the Charity Code of Governance and are committed to reviewing the Charity's governance procedures based upon its recommendations.

Trustees Responsibility

The Trustees (who are also directors of Leeds Castle Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

LEEDS CASTLE FOUNDATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2023

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

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

In so far as the Trustees are aware:

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

Auditors

Crowe U.K. LLP were appointed as auditors in the year and have expressed their willingness to remain in office.

The Report of the Trustees, which includes the Strategic Report, was approved by the Board on 15th December 2023 and signed on their behalf by:



Ms Ros Kerslake CBE
Chair of Trustees

LEEDS CASTLE FOUNDATION

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

Opinion

We have audited the financial statements of Leeds Castle Foundation for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, consolidated balance sheet, foundation balance sheet, consolidated cashflow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the [strategic report or the] directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

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

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

LEEDS CASTLE FOUNDATION

**INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

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

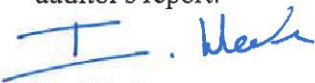
- reviewed the design and implementation of controls over significant audit risks; and
- we reviewed the revenue recognition policy and considered whether this was being applied correctly for a sample of transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance where meetings took place;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Ian Weekes
(Senior Statutory Auditor)
For and on behalf of

Crowe U.K. LLP

**Chartered Accountants
Statutory Auditors**

Maidstone, Kent

Date: 19th December 2023

LEEDS CASTLE FOUNDATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD ENDED 31 MARCH 2023**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
Income and endowments from					
donations and legacies	6	15	5	20	655
Other trading activities	7	5,829	-	5,829	4,597
Investments	8	100	-	100	111
Charitable activities	9	4,973	-	4,973	4,248
Total income and endowments		10,917	5	10,922	9,611
Expenditure on					
Raising funds	7	(5,196)	-	(5,196)	(4,328)
Charitable activities	9	(5,555)	(5)	(5,560)	(5,690)
Total expenditure		(10,751)	(5)	(10,756)	(10,018)
Net (losses)/gains on investments	22	(185)	-	(185)	489
Net income/(expenditure)		(19)	-	(19)	82
Exceptional items	10	-	-	-	202
Other recognised gains/(losses)					
Gains/(losses) on revaluation of					
Fixed assets and investment properties	21	680	-	680	940
Actuarial gains/(losses) on defined benefit					
pension scheme (net of deferred tax)	30	(173)	-	(173)	431
Net movement in funds		488	-	488	1,655
Reconciliation of funds					
Total funds brought forward		22,245	11	22,256	20,601
Total funds carried forward	29	22,733	11	22,744	22,256

The notes on pages 22 to 48 form part of these financial statements.

The Charity has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

LEEDS CASTLE FOUNDATION

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	18		3,556		3,945
Heritage assets	19		-		-
			<u>3,556</u>		<u>3,945</u>
Investments:					
Properties	21	9,597		8,917	
Listed investments	22	8,379		8,280	
Cash held as an investment	22	49		389	
			<u>18,025</u>	<u>17,586</u>	
			21,581		21,531
Current assets					
Stocks	23	170		146	
Debtors	24	1,288		972	
Cash at bank and in hand	25	2,113		2,310	
		<u>3,571</u>		<u>3,428</u>	
Creditors: amounts falling due within one year	26	(2,274)		(2,702)	
Net current assets			1,297		726
Creditors: amounts falling due within more than one year	27		(134)		(1)
Total assets less current liabilities			<u>22,744</u>		<u>22,256</u>
Funds					
Expendable endowment fund	29		2,740		2,740
Restricted income fund	29		78		78
Total restricted funds			<u>2,818</u>		<u>2,818</u>
Unrestricted general fund	29		14,178		15,288
Unrestricted designated fund	29		5,748		4,150
Unrestricted pension reserve	29&30		-		-
Total charity funds			<u>22,744</u>		<u>22,256</u>

The notes on pages 24 to 50 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Trustees and Directors on 15th December 2023 and were signed on its behalf by:



Ms Ros Kerslake, CBE
Chair of Trustees
Company number: 1172263

LEEDS CASTLE FOUNDATION
FOUNDATION BALANCE SHEET
AS AT 31 MARCH 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	18		3,549		3,930
Heritage assets	19		-		-
			<u>3,549</u>		<u>3,930</u>
Investments:					
Subsidiary company	20	866		866	
Properties	21	9,597		8,917	
Listed investments	22	8,379		8,280	
Cash held as an investment	22	49		389	
			<u>18,891</u>		<u>18,452</u>
			<u>22,440</u>		<u>22,382</u>
Current assets					
Stocks	23	-		-	
Debtors	24	591		273	
Cash at bank and in hand	25	835		1,592	
		<u>1,426</u>		<u>1,865</u>	
Creditors: amounts falling due within one year	26	<u>(2,058)</u>		<u>(3,269)</u>	
Net current assets			<u>(632)</u>		<u>(1,404)</u>
Total assets less current liabilities			<u>21,808</u>		<u>20,978</u>
Funds					
Expendable endowment fund	29		2,740		2,740
Restricted income fund	29		78		78
Total restricted funds			<u>2,818</u>		<u>2,818</u>
Unrestricted general fund	29		13,242		14,010
Unrestricted designated fund	29		5,748		4,150
Total charity funds			<u>21,808</u>		<u>20,978</u>

The profit for the financial year dealt with in the financial statements of the parent Company was £579,000 – (2022: £373,000).

The notes on pages 24 to 40 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Trustees and Directors on 15th December 2023 and were signed on its behalf by:



Ms Ros Kerslake, CBE
Chair of Trustees

Company number: 1172263

LEEDS CASTLE FOUNDATION

CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2023

	Note	2023 £'000	2022 £'000
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	31	(305)	1,376
Cash flows from investing activities:			
Dividends, interest and rents from investments	8	100	111
Purchase of fixed assets		(48)	(23)
Purchase of investment property		-	(625)
Proceeds from sale of investments		4,099	2,846
Purchase of investments		(4,383)	(2,785)
Net cash provided by/(used in) investing activities		<u>(232)</u>	<u>(476)</u>
Change in cash and cash equivalents in the reporting period		(537)	900
Cash and cash equivalents at the beginning of the reporting period		<u>2,699</u>	<u>1,799</u>
Cash and cash equivalents at the end of the reporting period		<u>2,162</u>	<u>2,699</u>
Reconciliation of cash and cash equivalents			
	Note	2023 £'000	2022 £'000
Cash in hand	25	2,113	2,310
Cash held as an investment	22	49	389
Total cash and cash equivalents		<u>2,162</u>	<u>2,699</u>

Analysis of changes in net debt

	At 1 April 2022 £'000	Cash flow £'000	At 31 March 2022 £'000
Cash at bank	2,310	(197)	2,113

The notes on pages 24 to 50 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

1.1 **Company information**

The company is limited by guarantee, registered in England and Wales, and a registered charity. The registered office is Leeds Castle, Maidstone, Kent ME17 1PL.

2.1 **Accounting policies**

2.1 **Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities SORP (FRS102) as it applies from 1 January 2015 and the Companies Act 2006. The statements have been prepared on the basis of a going concern. The principal accounting policies adopted in the preparation of the financial statements are set out below and are consistent with those of the previous year.

Leeds Castle Foundation meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The Trustees have assessed whether the use of going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the Trustees have considered the charitable company's forecasts and projections and have taken account of pressures on income. After making enquiries, the Trustees have concluded that there is a reasonable expectation that following the approved structural and cost saving measures that have been agreed, that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

The Trustees have assessed the consequences of the current Covid-19 pandemic and recognise that, whilst this will impact the operating climate, the Foundation's reserves are such that it expects to maintain positive cash flows and reserves for at least one year from the date of approval of these financial statements and, as such, the Trustees are confident that the Foundation will continue to operate as a going concern.

The individual entity accounts of Leeds Castle Foundation have taken advantage of the disclosure exemption under FRS 102 to separately disclose categories of financial instruments and items of income, expenses, gains or losses relating to instruments as these have been presented on a group basis in the notes to the accounts.

2.2 **Basis of consolidation**

The group financial statements consolidate the financial statements of the Foundation and its subsidiary for the period ended 31 March 2021. The statement of financial activities (SOFA) and the balance sheet consolidate the financial statements on a line by line basis where appropriate. No separate SOFA has been presented for the Charity alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP 2015. Details concerning the subsidiary company, results and financial position are set out in note 5.

2.3 **Stocks**

Stocks are valued at the lower of cost and net realisable value.

2 **Accounting policies** (continued)

2.4 **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at net incoming/(outgoing) resources.

2.5 **Form of financial statements**

The funds of the Charity comprise four distinct categories, which are:

a) **Heritage and Development fund**

This restricted expendable endowment fund relates to changes to the infrastructure of the estate carried out to improve the facilities available to support public access. Such assets are, for all practical purposes, integral with the bequeathed estate and are therefore also regarded as being inalienable. See note 29 for more information regarding this fund.

b) **Restricted funds**

Restricted funds are those funds subject to specific trusts declared by the donor, or in relation to funds generated from the sale of certain heritage assets. The funds are expendable by the Charity at the discretion of the Trustees in accordance with the terms of their receipt.

c) **General unrestricted fund**

The Fund was created from a pecuniary legacy bequeathed by the late Lady Baillie, together with additional funds realised from the authorised sale of certain items included in the original transfer of the property.

The capital and income of the Fund are available for expenditure by the Trustees on the Foundation's charitable objectives, including development expenditure.

d) **Designated funds**

Designated funds are those funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

2.7 **Incoming resources**

Incoming resources represents total income receivable, excluding value added tax, from admission fees, the sale of goods, services supplied, investment income and sundry income. Donations are recognised when received. All incoming resources are included in the SOFA when the Charity is legally entitled to recognise the income and the amount can be quantified with reasonable accuracy. Any income received in relation to future periods is deferred as appropriate.

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Retail income is recognised at the point of sale for sales in shops.

Event income is recognised on the date of the event.

Lettings and accommodation income is recognised on the date the lettings occur.

2.8 **Investment income**

Dividends and interest on listed investments are accounted for on an accruals basis. Interest on bank deposits is accounted for on an accruals basis.

2 **Accounting policies** (continued)

2.9 **Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each of the Charity's activities. Support costs which cannot be directly attributed to a specific activity have been allocated to activities on a basis consistent with their use of the resources. Governance costs are included within support costs.

Costs of raising funds includes all costs associated with the trading and management of the Charity's subsidiary.

Governance costs are incurred in meeting the constitutional and statutory requirements of the charity and are included within support costs.

2.10 **Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on the straight-line basis over the lease term.

2.11 **Deferred taxation**

Deferred tax is provided in full in respect of taxation, deferred by timing difference between the treatment of certain items for taxation and accounting purposes. Deferred tax balances are not discounted.

2.12 **Pension scheme arrangements**

The group accounts for pension schemes in accordance with Financial Reporting Standard 102 "Retirement Benefits".

For defined contribution schemes, contributions are charged to resources expended in the statement of financial activities as payable in respect of the accounting period. This includes contributions made to the personal pension schemes of employees.

For defined benefit schemes the amounts charged to resources expended include the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as part of investment income. Actuarial gains and losses are recognised immediately as part of other recognised gains and losses within the statement of financial activities.

The assets of the group's defined benefit scheme are held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred taxation, is presented after other net assets on the face of the balance sheet and is represented by the unrestricted pension reserve.

If the actuarial valuation of the defined benefit pension scheme results in a surplus then no asset is recognised in accordance with the requirements of FRS 102.

2 **Accounting policies** (continued)

2.13 **Tangible fixed assets and depreciation**

a) **Heritage assets**

Heritage assets are the tangible assets of the Charity that are of historical importance and are held to advance the preservation, conservation and educational objectives of the Charity and, through public access, contribute to the nation's culture and education.

The Castle, grounds and contents bequeathed by the late Lady Baillie, in 1974 and subsequent development expenditure in these assets, are considered to be heritage assets and are integral to the Leeds Castle Estate.

Due to the historic and unique nature of the assets concerned conventional valuation approaches lack sufficient reliability. As a consequence, the value of heritage assets has not been included in the financial statements.

Included in the assets bequeathed were certain inalienable assets which are not considered to be heritage assets but cannot be realised and so no value is attributed to these assets.

Costs incurred which, in the Trustees' view, are required to preserve the heritage assets are recognised as expenditure as incurred. Capital improvements to the Maidens Tower have been capitalised at cost and included as fixed assets since the Trustees consider that the improvements are operational in nature. Further information on the maintenance of the heritage assets is given in note 13 to the accounts.

b) **Other tangible assets**

Functional assets are those tangible assets which are used for charitable purposes, including fundraising, but are not considered to be heritage assets. This includes modern buildings utilised for charitable purposes, such as education, and ancillary purposes such as catering outlets. It also includes plant and equipment used for charitable purposes.

Depreciation has been provided on buildings on a straight-line basis over their remaining economic lives of ten or twenty-five years.

Plant and equipment are included in the balance sheet at cost and depreciated on a straight-line basis over their useful economic life estimated to be 4 years. Assets costing less than £1,000 are written off in the year of purchase. Assets are disposed of and replaced when it is no longer economically viable to keep them in working use.

2.14 **Investment**

a) **Investment land and properties**

Investment land and properties relate to interests in land and buildings which are held for their investment potential, and which are not utilised by the company or its group in the course of their operations. However, some of these holdings have strategic value to the Foundation, securing boundaries from unwanted development. The property assets are included within investments at their open market valuation, based on a professional valuation undertaken at 31 March 2020. The land at index linked valuation is pending further review. Further professional valuations will be obtained every five years. In the intermediate years the carrying value of the investment properties will be reviewed by the Trustees and any material movement in their valuation recognised.

2 Accounting policies (continued)

2.14 Investment (continued)

b) Listed investments

These are included in the balance sheet at market valuation. Realised and unrealised gains/(losses) arising on the disposal or revaluation of investments are included in the Statement of Financial Activities and credited or charged to the Unrestricted General Fund. The fees charged for the purchase and sale of investments in the portfolio are included within the Foundation's resources expended.

3 Financial instruments

Leeds Castle Foundation has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise stock, cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise, trade, other creditors and accruals.

Investments, including bonds held as part of an investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in note 2, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Pension assets/liabilities – The charity recognises its asset/liability to its defined benefit pension scheme which involves a number of estimations as disclosed in note 30.

Valuation of investment properties– The charity's investment properties are stated at their estimated fair value based on professional valuations as disclosed in note 21.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

5 Net income from trading activities of subsidiary

The Charity has one wholly owned subsidiary, Leeds Castle Enterprises Limited, company no: 01413563, which is registered in England and Wales. The registered office of the subsidiary is the same address as for the parent charity (see note 1.1). A summary of the company's trading results is shown below:

	2023	2022
	£'000	£'000
Turnover	5,788	4,550
Costs of trading activities and administrative expenses	(4,639)	(3,921)
Operating profit	<u>1,149</u>	<u>629</u>
Interest receivable	86	203
Interest payable to Leeds Castle Foundation on long term loan		-
Other finance income/(costs)	-	145
Profit/(loss) before donation and taxation	<u>1,235</u>	<u>977</u>
Taxation	(2)	108
Retained profit for the period	<u>1,233</u>	<u>1,085</u>
Actuarial gain/(loss) related to pension scheme, net of deferred tax	(173)	323
Total recognised losses for the period	<u>1,060</u>	<u>1,408</u>
Distribution – gift aid	(1,409)	(124)
Retained profit brought forward	1,284	1,284
Profit retained in subsidiary	<u><u>935</u></u>	<u><u>1,284</u></u>

The net current assets of Leeds Castle Enterprises Limited are £1,928,000 as at 31 March 2023 (2022: net assets £2,150,000).

Leeds Castle Enterprises Limited's activities are those trading activities of the group deemed to be non-charitable, such as shop trading, golf, certain special events, conferences and weddings, with the intention of any profits generated being donated to the Foundation for the furtherance of its charitable activities.

6 Income from donations and legacies

	Unrestricted	Restricted	Total Funds	Total Funds
	Funds	Funds	2023	2022
	£'000	£'000	£'000	£'000
Grants	-	-	-	650
Other donations and voluntary income	15	5	20	5
	<u>15</u>	<u>5</u>	<u>20</u>	<u>655</u>

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

7 Other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
Income				
Concerts and other special events	464	-	464	389
Functions	2,547	-	2,547	1,871
Shops	771	-	771	588
Golf	335	-	335	299
Holiday lettings	1,329	-	1,329	1,155
Ancillary services	231	-	231	199
Other sundry income	152	-	152	96
	<u>5,829</u>	<u>-</u>	<u>5,829</u>	<u>4,597</u>
Expenditure on raising funds				
Cost of sales	2,175	-	2,175	1,455
Staff costs (see note 14)	1,720	-	1,720	1,755
Property and equipment costs	382	-	382	345
Administration costs	158	-	158	161
Marketing and fundraising costs	109	-	109	61
Finance costs	383	-	383	289
Investment management costs	54	-	54	51
Proportion of support costs (see note 11)	215	-	215	211
	<u>5,196</u>	<u>-</u>	<u>5,196</u>	<u>4,328</u>
Net income from activities for generating funds	<u>633</u>	<u>-</u>	<u>633</u>	<u>269</u>

Activities for generating funds are those trading and other fundraising activities carried out by the Foundation and its subsidiary undertaking Leeds Castle Enterprises Limited primarily to generate incoming resources which will be used to undertake the charitable activities of the Foundation. It includes trading activities such as shop trading, golf, certain special events, conferences and weddings.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

8 **Income from investments**

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
Income from investment properties	54	-	54	54
Income from listed investments	57	-	57	57
	<u>100</u>	<u>-</u>	<u>100</u>	<u>111</u>

9 **Charitable activities**

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
Income from Charitable activities				
Day visitor admissions	4,958	-	4,958	4,238
Other sundry income	15	-	15	10
	<u>4,973</u>	<u>-</u>	<u>4,973</u>	<u>4,248</u>
Expenditure on Charitable activities				
Cost of sales	368	-	368	283
Staff costs: visitor team, estate and Castle maintenance (see note 14)	1,387	-	1,387	1,302
Estate and equipment costs	1,945	5	1,950	1,960
Marketing costs	449	-	449	278
Finance costs	79	-	79	88
Preservation and security of heritage assets	217	-	216	689
Proportion of support costs (see note 11)	1,110	-	1,110	1,090
	<u>5,555</u>	<u>5</u>	<u>5,560</u>	<u>5,690</u>
Net resources expended from charitable activities	<u>(582)</u>	<u>(5)</u>	<u>(587)</u>	<u>(1,442)</u>

Income from charitable activities comprises income from the admission of day visitors to Leeds Castle (primary purpose trading) and related ancillary income.

In addition to expenditure related to these activities, costs include amounts incurred in acquiring new heritage assets, maintaining the Castle and other existing heritage and assets and ensuring their security (see note 13).

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

10 Government grants

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
Hospitality & Leisure grant	-	-	-	100
Coronavirus Job Retention scheme income	-	-	-	102
Government grants	-	-	-	202

11 Support costs

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
Staff costs	683	-	683	1,010
Administration costs	601	-	149	679
Corporation tax charge	2	-	2	-
Deferred tax charge (see note 15)	-	-	-	-
Governance costs (Auditors' remuneration)	39	-	39	43
	<u>1,325</u>	<u>-</u>	<u>1,325</u>	<u>1,732</u>
Allocated as follows:				
Activities for generating funds	215	-	215	1,642
Charitable activities	1,110	-	1,110	1,090
	<u>1,325</u>	<u>-</u>	<u>1,325</u>	<u>1,732</u>

Wherever possible costs are allocated to a specific activity as they arise. Those costs that cannot be allocated to a specific activity are deemed support costs. Support costs are allocated to the activities of the Foundation on the basis of their level of activity during the year under review.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

12 Governance costs

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
Auditor's remuneration (see below)	39	-	39	43

Auditors' remuneration comprises amounts incurred by the charity itself in respect of its governance and not of the group as a whole. The total amount payable to the charity's auditors by the group, including associated pension schemes, is as follows:

	2023 £'000	2022 £'000
Fees payable to the charity's auditor for the audit of the charity's annual Accounts	22	26
Fees payable to the charity's auditor for other services:		
- The audit of the charity's subsidiary	7	7
- Tax services	4	4
Fees in respect of the group pension scheme		
- audit	6	6

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

13 **Preservation and security of heritage assets**

In compliance with the disclosure requirements of Financial Reporting Standard 102: Heritage Assets, costs relating to the preservation and security of the Castle, grounds and contents, classed as being heritage assets which have been expensed in the last five years are summarised below:

	2023	2022	2021	2020	2019
	£'000	£'000	£'000	£'000	£'000
Renovation of Castle Library	-	-	-	11	-
Renovation of Yellow Drawing Room	-	-	12	25	-
Renovation of Lady Baillie Suite	-	54	31	41	-
Renovation of tapestries	-	5	-	12	-
Renovation of Castle Bedrooms	15	18	7	29	-
Castle interior	-	-	21	16	56
Stonework repairs	190	629	11	18	327
Castle representation	-	-	1	58	30
Castle Roof	12	-	-	-	-

14 **Staff costs**

	Unrestricted	Restricted	Total Funds	Total Funds
	Funds	Funds	2023	2022
	£'000	£'000	£'000	£'000
Staff costs during the year were:				
Wages and salaries	3,441	-	3,441	2,841
Social security costs	262	-	262	204
Other pension costs	129	-	129	125
Redundancy	-	-	-	43
Training, recruitment and welfare	187	-	187	136
	<u>4,019</u>	<u>-</u>	<u>4,019</u>	<u>3,349</u>

The average weekly number of employees, including directors, during the year was as follows:

	Group		Foundation	
	2023	2022	2023	2022
	No	No	No	No
Full time	63	56	42	32
Part time	137	113	75	79
	<u>200</u>	<u>169</u>	<u>117</u>	<u>111</u>
This equates to a full time equivalent of	<u>110</u>	<u>98</u>		

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
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14 Staff costs (continued)

Analysis of average employee numbers for the group by department is as follows:

	2023		2022	
	Full	Part	Full	Part
	Time	Time	Time	Time
Admin/Support Staff	13	6	12	5
DV Ops	11	65	9	72
Golf	2	1	2	2
Retail	5	25	3	23
Hospitality	14	36	10	35
Maintenance/Security	15	4	17	4
Grounds/Gardens	3	1	3	1
Totals	63	137	56	140
		200		196

The number of employees with annual remuneration packages in excess of £60,000 was as follows:

	Group		Foundation	
	2023	2022	2023	2022
	No	No	No	No
£60,000 to £70,000	1	-	1	-
£70,000 to £80,000	1	2	1	2
£80,000 to £90,000	2	-	2	-
£130,000 to £140,000	-	1	-	1
£150,000 to £160,000	1	-	1	-
£160,000 to £170,000	-	1	-	1
£170,000 to £180,000	1	-	1	-
	6	4	4	6

During the period the group paid contributions totalling £96,539 (2022: £74,936) in respect of the personal pension schemes of six of the above higher-paid employees (2022: four).

Pension contributions to defined contribution schemes in the period totalled £205,000 (2022 - £205,000).

No remuneration was paid to the Trustees and Directors of the Charity or any persons connected with them during this period or the previous period.

Travelling and other costs amounting to £965 (2022: £396) were reimbursed to two trustees (2022: one)

The company considers that the key management personnel comprise the Senior Leadership Team as listed in the administrative details. During the period the group made remuneration payments to key management personnel totalling £655,771 (2022: £317,202).

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

15 **Taxation**

The Foundation, as a charitable company, is exempt from corporation tax on its charitable activities, including primary purpose trading, and investment income. Leeds Castle Enterprises Limited, the Foundation's operating subsidiary is subject to corporation tax on its trading profits, in as far as they are not donated to the Foundation.

Details relating to the tax charge of Leeds Castle Enterprises Limited are disclosed in that company's financial statements. The corporation tax liability in the period for the company was £nil (2021: £nil).

Deferred tax

	Group		Foundation	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
At 31 March 2022	11	11	-	-
Movement for the period	(2)	-	-	-
Deferred tax asset/(liability) at 31 March 2023	<u>9</u>	<u>11</u>	<u>-</u>	<u>-</u>
The deferred tax asset/(liability) is made up of the following:				
Other timing differences	9	11	-	-
	<u>9</u>	<u>11</u>	<u>-</u>	<u>-</u>

The credit for the period for deferred tax is included within support costs (see note 11).

16 **Net outgoing resources**

	Unrestricted	Restricted	Total Funds	Total Funds
	Funds	Funds	2023	2022
	£'000	£'000	£'000	£'000
Net outgoing resources are stated after (crediting)/charging:				
Depreciation: owned assets	421	-	421	597
Operating lease rentals:				
Hire of plant and equipment	4	-	4	11
	<u>4</u>	<u>-</u>	<u>4</u>	<u>11</u>

17 Consolidated statement of financial activities for the period ended 31 March 2022

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2022 £'000
Income and endowments from			
Donations and legacies	15	640	655
Other trading activities	4,597	-	4,597
Investments	111	-	111
Charitable activities	4,248	-	4,248
Total income and endowments	<u>8,971</u>	<u>640</u>	<u>9,611</u>
Expenditure on			
Raising funds	(4,328)	-	(4,328)
Charitable activities	(5,061)	(629)	(5,690)
Total expenditure	<u>(9,389)</u>	<u>(629)</u>	<u>(10,018)</u>
Net gains/(losses) on investments	489		489
Net income/(expenditure)	<u>71</u>	<u>11</u>	<u>82</u>
Exceptional items	202	-	202
Other recognised gains/(losses)			
Gains/(losses) on revaluation of			
Fixed assets and investment properties	940	-	940
Actuarial losses on defined benefit pension scheme (net of deferred tax)	431	-	431
Net movement in funds	<u>1,644</u>	<u>-</u>	<u>1,644</u>
Reconciliation of funds			
Total funds brought forward	20,601	-	20,601
Total funds carried forward	<u>22,245</u>	<u>11</u>	<u>22,256</u>

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

18 Tangible fixed assets

a) Group

	Freehold Land and buildings £'000	Plant and equipment £'000	Total £'000
Cost			
At 31 March 2022	7,287	2,551	9,838
Additions	-	48	48
Disposals	-	(63)	(63)
At 31 March 2023	<u>7,287</u>	<u>2,536</u>	<u>9,823</u>
Depreciation			
At 31 March 2022	3,764	2,129	5,893
Charge for the period	319	102	421
Disposals	-	(47)	(47)
At 31 March 2023	<u>4,083</u>	<u>2,184</u>	<u>6,267</u>
Net book value			
At 31 March 2023	<u>3,204</u>	<u>352</u>	<u>3,556</u>
At 31 March 2022	<u>3,523</u>	<u>422</u>	<u>3,945</u>

b) Foundation

	Freehold Land and buildings £'000	Plant and equipment £'000	Total £'000
Cost			
At 31 March 2022	7,287	1,713	9,000
Additions	-	48	48
Disposals	-	(63)	(63)
At 31 March 2023	<u>7,287</u>	<u>1,713</u>	<u>9,000</u>
Depreciation			
At 31 March 2022	3,764	1,306	5,070
Charge for the period	319	94	413
Disposals	-	(51)	(51)
At 31 March 2023	<u>4,083</u>	<u>1,349</u>	<u>5,432</u>
Net book value			
At 31 March 2023	<u>3,204</u>	<u>345</u>	<u>3,549</u>
At 31 March 2022	<u>3,523</u>	<u>407</u>	<u>3,930</u>

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

19 Heritage assets (Group and Foundation)

In accordance with the Foundation's accounting policy, heritage assets are not included within the financial statements as, due to the historic and unique nature of the assets concerned, conventional valuation approaches lack sufficient reliability.

The Castle island buildings are insured for £52.0m and other estate buildings for £17.2m. Castle contents which include various pieces of furniture, pictures and prints, silverware and textiles have been valued for insurance purposes with Ecclesiastical Insurance at £26.4m, which includes loaned items valued at £11.1m.

20 Investment in subsidiary company

	2023 £'000	2022 £'000
100 Ordinary shares of £1 each at cost	866	866
	<u>866</u>	<u>866</u>

Leeds Castle Foundation owns 100% of the voting rights and nominal share capital of Leeds Castle Enterprises Limited. The subsidiary's accounts have been consolidated with the Foundation's accounts.

21 Investment land and properties (Group and Foundation)

	2023 £'000	2022 £'000
Market value of properties at 31 March 2022	8,917	7,352
Purchase	-	625
Revaluation	680	940
Market value of properties at 31 March 2023	<u>9,597</u>	<u>8,917</u>
Historical cost value of assets	<u>2,073</u>	<u>2,073</u>

All investment land and properties are located within the United Kingdom.

The land and properties were valued by Hen & Duckhurst Professional Services Ltd, a firm of independent surveyors and valuers on an open market basis as at 31 March 2020.

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NOTES TO THE FINANCIAL STATEMENTS
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21 **Investment land and properties (Group and Foundation) (continued)**

Five properties are provided with a lifetime occupancy at zero rent and seven are used for job related accommodation. Other property and land is rented out at a commercial rent. Future minimum lease receivables under non-cancellable operating leases are as follows:

	Group		Foundation	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Rent received:				
Within one year	41	41	41	41
Between two and five years	23	64	23	64
Between six and ten years	-	-	-	-
	<u>105</u>	<u>105</u>	<u>105</u>	<u>105</u>

22 **Listed investments (Group and Foundation)**

These comprise listed investments, Certificates of Deposit and other cash holdings.

	2023	2022
	£'000	£'000
Market value of listed investment at 31 March 2022	8,280	7,852
Acquisitions at cost	4,383	2,785
Disposal proceeds	(4,099)	(2,846)
(Losses)/gains for the year	<u>(185)</u>	<u>489</u>
Market value at 31 March 2023	8,379	8,280
Cash holdings at 31 March 2023	<u>49</u>	<u>389</u>
Total value of fixed asset investments	<u>8,428</u>	<u>8,669</u>
Historical cost value of assets	<u>7,911</u>	<u>7,465</u>

As at 31 March 2023 the market value of the investments split between UK investment assets and overseas assets was as follows:

	2023	2022
	£'000	£'000
UK investments	2,270	2,607
Overseas investments	<u>6,158</u>	<u>6,062</u>
	<u>8,428</u>	<u>8,669</u>

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

22 **Listed investments (Group and Foundation) (continued)**

The portfolio at 31 March 2023 contained investments managed by Ruffer LLP and Sarasin & Partners LLP. The following investments exceed 3% by value of the total portfolio and are deemed to be material:

	2023		2022	
	£'000	%	£'000	%
Sarasin Climate Active Endowments Fund	3,582	42.7	3,726	45.0
UK 0.125% Treasury Stock 2068	145	1.7	264	3.2
Ruffer Illiquid Multi Strategies Fund	422	5.0	417	5.0
Ruffer SICAV Fixed Income Z GBP Cap	1,299	15.5	727	8.8
Ruffer Protection Strategies	362	4.3	274	3.3
Ruffer SICAV UK Mid & Smaller Cos	162	1.9	233	2.8
Wisdom Tree Brent	275	3.3	-	-
	<u>6,247</u>	<u>74.4</u>	<u>5,641</u>	<u>68.1</u>
Other investments (all less than 3%)	2,132	25.6	2,639	31.9
	<u>8,280</u>	<u>100.0</u>	<u>8,280</u>	<u>100.0</u>

23 **Stocks**

	Group		Foundation	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Goods for resale	<u>170</u>	<u>146</u>	<u>-</u>	<u>-</u>

24 **Debtors**

	Group		Foundation	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Amounts falling due after more than one year:				
Trade debtors	158	-	-	-
Amounts falling due within one year:				
Trade debtors	473	471	46	47
Other debtors	17	126	10	4
Prepayments and accrued income	631	364	535	222
Deferred tax asset (see note 15)	9	11	-	-
	<u>1,288</u>	<u>972</u>	<u>591</u>	<u>273</u>

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

25 **Cash at bank and in hand**

	Group		Foundation	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Cash in hand	8	24	-	-
Cash at bank – Current accounts	965	605	281	619
Cash at bank – Deposit accounts	1,140	1,481	554	973
	<u>2,113</u>	<u>2,310</u>	<u>835</u>	<u>1,592</u>

In addition to the cash at bank and in hand and deposits above, included within the investment portfolio were cash holdings of £388,566 (2022: £388,566) (see note 22).

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

	Group		Foundation	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade creditors	655	503	462	332
Other taxation and social security				
Payable	154	89	69	13
Other creditors	35	43	1	1
Amounts owed to group undertakings	-	-	1,360	2,366
Accruals	239	586	95	43
Deposits in advance	1,191	1,481	71	64
	<u>2,274</u>	<u>2,702</u>	<u>2,058</u>	<u>3,269</u>

27 **Creditors: Amounts falling due after one year**

	Group		Foundation	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Deposits in advance	<u>134</u>	<u>1</u>	<u>-</u>	<u>-</u>

The company has received deposits in advance for events occurring in over one year of which £134,685 (2022: £1,654) relates to events occurring within 1-2 years and £0 (2022: £0) relates to events occurring within 2-5 years.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

28 **Financial commitments**

At 31 March 2023 the group had future minimum payments under non-cancellable operating leases of plant and equipment as follows:

	Group		Foundation	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Payments made:				
Within one year	39	26	26	12
Between two and five years	148	-	-	-
	187	26	26	12

29 Group funds

	Restricted Funds		Unrestricted Funds		Total Funds £'000
	H&D Fund £'000	Chattels Fund £'000	M&D Fund £'000	General Fund £'000	
Fund balances at 31 March 2023 are represented by					
Tangible assets	2,504	-	-	1,052	3,556
Investments	225	-	5,291	2,509	18,025
Current assets	11	78	457	3,025	3,571
Liabilities	-	-	-	(2,408)	(2,408)
At 31 March 2023	2,740	78	5,748	14,178	22,744
Movement of funds during the year	As at 31 March 2022 (£)	Income (£)	Expenditure (£)	Gains/ Losses (£)	As at 31 March 2023 (£)
Restricted Funds					
Heritage and Development Fund	2,740	5	(5)	-	2,740
Chattels Fund	78	-	-	-	78
	2,818	5	(5)	-	2,818
Unrestricted Funds					
Maintenance and Development Fund	4,150	-	-	1,598	5,748
General Fund	15,288	10,917	(10,924)	(1,103)	14,178
	19,437	10,917	(10,924)	495	19,926
Total Funds	22,256	10,922	(10,929)	495	22,744

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

29 Group Funds (continued)

	Restricted Funds		Unrestricted Funds		Total Funds £'000
	H&D Fund £'000	Restated Chattels Fund £'000	M&D Fund £'000	General Fund £'000	
Fund balances at 31 March 2022 are represented by					
Tangible assets	2,504	-	-	1,441	3,945
Investments	225	-	3,693	13,688	17,586
Current assets	11	78	457	2,882	3,428
Liabilities	-	-	-	(2,703)	(2,703)
At 31 March 2022	<u>2,740</u>	<u>78</u>	<u>4,150</u>	<u>15,288</u>	<u>22,256</u>
Movement of funds during the year					
	As at 31 March 2021 (£)	Income (£)	Expenditure (£)	Gains/losses (£)	As at 31 March 2022 (£)
Restricted funds					
Heritage and Development Fund	2,729	640	(629)	-	2,740
Chattels Fund	78	-	-	-	78
	<u>2,807</u>	<u>640</u>	<u>(629)</u>	<u>-</u>	<u>2,818</u>
Unrestricted funds					
Maintenance and Development Fund	4,055	-	-	95	4,150
General Fund	13,739	9,173	(9,389)	1,765	15,288
	<u>17,794</u>	<u>9,173</u>	<u>(10,018)</u>	<u>1,860</u>	<u>19,438</u>
Total funds	<u>20,601</u>	<u>9,813</u>	<u>(10,018)</u>	<u>1,860</u>	<u>22,256</u>

The H&D (Heritage and Development) Fund, which is an expendable endowment fund, represents freehold land and buildings classified as functional tangible assets, as these are considered to be integral to the bequeathed estate (see note 2.6(a)) and investment properties included within investment properties.

29 **Group Funds** (continued)

The Chattels Fund, which is a restricted income fund, represents the proceeds from disposal of items formerly held for display and presentation purposes. This fund is utilised to acquire furniture, works of art or other antiques. The unrestricted General Fund represents surpluses generated from activities for generating funds, charitable activities and investment performance. This fund is utilised in acquiring new heritage assets and the preservation and maintenance of existing heritage assets.

The M&D (maintenance and development) fund is an unrestricted, designated fund which the trustees have allocated for future capital development and the ongoing maintenance programme of the Castle and the wider estate. Details of the planned expenditure of £4,150,000 are detailed in the Trustees report.

The Heritage and Development Fund and the Chattels Fund relate entirely to the Foundation. The proportion of the Unrestricted General Fund attributable to the Foundation amounts to £12,636,000 (2021: £11,742,000).

30 **Pension scheme**

Leeds Castle Enterprises Ltd (LCE) sponsors Leeds Castle Retirement Benefits Scheme, a funded defined benefit pension scheme in the UK, which was closed to future accrual in 2005. The scheme is set up on a tax relieved basis as a separate trust independent of LCE and is supervised by independent trustees. The trustees are responsible for ensuring that the correct benefits are paid, that the scheme is appropriately funded and that scheme assets are appropriately invested.

The Trustees are required to use prudent assumptions to value the liabilities and costs of the scheme whereas the accounting assumptions must be best estimates.

A formal actuarial valuation was carried out as at 1 April 2022. The results of that valuation have been projected to 31 March 2023 with allowance for payroll and benefit information and using the assumptions set out below. The figures in the following disclosure were measured using the Projected Unit Method.

Valuation date 1 April	2022	2019
The value of the technical provisions was:	7,245,000	6,260,000
The value of the assets at that date was:	5,927,000	4,911,000

To ensure the Statutory Funding Objective is met the Trustees and Employer have agreed that additional Employer contributions will be paid to the Scheme of £140,000 in 2023/24 and £81,666 in 2024/25 under the Scheme's subsequent recovery plan dated 6th July 2023.

The amounts recognised in the statement of financial position are as follows:

	2023	2022
	£'000	£'000
Defined benefit obligation	(3,855)	(4,912)
Fair value of plan assets	4,534	6,043
Restriction on recognition of asset	(679)	(1,131)
Net defined benefit (liability)/asset	-	-

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

30 Pension scheme (continued)

The current and past service costs, settlements and curtailments, together with the net interest expense for the year are included in profit or loss. Re-measurements of the net defined benefit liability are included in other comprehensive income.

	Period ended 31/03/2023 £'000	Period ended 31/03/2022 £'000
Service cost:		
Current service cost (net of employee contributions)	-	-
Administration expenses	-	46
Restriction of recognition of asset deemed irrecoverable	-	-
Net interest expense/(credit)	(33)	(13)
	<u>(33)</u>	<u>33</u>
Charge/(credit) recognised in profit or loss		
Re-measurements of the net liability:		
Return on scheme assets (excluding amount included in net interest expense)	1,523	(134)
Actuarial (gains)/losses	(898)	(297)
	<u>625</u>	<u>(431)</u>
Charge/(credit) recorded in other recognised gains or losses		
Total defined benefit cost/(credit)	<u>592</u>	<u>(398)</u>

30 Pension scheme (continued)

The principal actuarial assumptions used were:

	31/03/2023	31/03/2022
Liability discount rate	4.80%	2.75%
Inflation assumption - RPI	3.35%	3.80%
Inflation assumption - CPI	2.80%	3.25%
Rate of increase in salaries	n/a	n/a
Revaluation of deferred pensions: all benefits accrued	2.80%	3.25%
Increases for pensions in payment: benefits accrued prior to 6 April 1997	0.00%	0.00%
benefits accrued after 5 April 1997	2.75%	3.15%
Proportion of employees opting for early retirement	0.00%	0.00%
Proportion of employees commuting pension for cash	50.00%	50.00%
Expected age at death of current pensioner at age 65: Male aged 65 at year end:	86.9	86.9
Female aged 65 at year end:	89.1	89.3
Expected age at death of future pensioner at age 65: Male aged 45 at year end:	87.9	87.9
Female aged 45 at year end:	90.2	90.4

Reconciliation of scheme assets and liabilities

	Assets £'000	Liabilities £'000	Total £'000
At start of period	6,043	(4,912)	1,131
Benefits paid	(290)	290	-
Administration expenses	-	-	-
Contributions from the employer	140	-	140
Interest income / (expense)	164	(131)	33
Return on assets (excluding amount included in net interest expense)	(1,523)	-	(1,523)
Actuarial gains/(losses)	-	-	-
Gain/(loss) on plan introductions and changes	-	-	-
At end of period	<u>4,534</u>	<u>(3,855)</u>	<u>679</u>

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

30 Pension scheme (continued)

The return on scheme assets was:

	31/03/2023	31/03/2022
	£'000	£'000
Interest income	164	117
Return on scheme assets (excluding amount included in net interest expense)	(1,523)	134
Total return on scheme assets	<u>(1,359)</u>	<u>251</u>

The major categories of scheme assets are as follows:

	31/03/2023	31/03/2022
	£'000	£'000
UK Equities	-	626
Overseas Equities	-	775
Gilts	1,342	910
Index Linked	3,119	2,344
Alternative Assets	-	924
Cash	73	454
Total market value of assets	<u>4,534</u>	<u>6,043</u>

The Scheme has no investments in the Company or in property occupied by the Company.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

31 Reconciliation of cash flows from operating activities

	2023	2022
	£'000	£'000
Net income/(expenditure)	(192)	715
Net (gains)/losses on investments	185	(489)
Depreciation charges on fixed assets	421	597
(Gain)/Write off of fixed asset	(3)	16
Tax charge	2	-
Dividends, interest and rents from investments	(100)	(111)
Movements on defined benefit pension scheme	-	-
Movement in components of working capital:		
Decrease/(increase) in stocks	(24)	108
(Increase)/decrease in debtors	(299)	(102)
(Decrease)/increase in creditors	(295)	642
Net cash inflow/(outflow) from operating activities	<u>(305)</u>	<u>1,376</u>

32 Limited by Guarantee

The company is limited by guarantee and does not have a share capital. The liability of each member is limited to £1.

33 Capital commitments and contingent liability

At 31 March 2023 the Foundation and the group had no contractual commitments for development expenditure (2022: nil).

34 Related party transactions

At the year end the trading subsidiary, Leeds Castle Enterprises Limited had a net intercompany debtor balance, owing £2,769,000 by the Charity (2022: net debtor balance of £2,367,000). During the period the Charity received gift aid payments totalling £141,000 from Leeds Castle Enterprises Limited, but with no further payment accrued at the year end.

35 Parent company exemption

As permitted by Section 408 of the Companies Act 2006, the parent company's statement of financial activities has not been included in the financial statements.

36 Financial instruments

At the balance sheet date, the consolidated group held financial assets at amortised cost comprising cash and short-term deposits, trade debtors, other debtors and accrued income of £2,872,000 (2022: £2,952,000) and financial liabilities at amortised cost, comprising trade creditors, other creditors and accruals of £1,029,000 (2022: £468,000). Total interest income received in respect of financial assets held at amortised cost totalled £nil (2021: £nil).

The charity held assets at fair value through income and expenditure of £8,379,000 (2022: £8,280,000). Movements in the year through the statement of financial activities comprised income of £nil (2022: £nil) and gains of £494,000 (2022: gains of £1,429,000).

LEEDS CASTLE FOUNDATION

England & Wales - Charity number 268354

Accounts



Company Registration No. 1172263 (England and Wales)
Charity Registered No. 268354 (England and Wales)

LEEDS CASTLE FOUNDATION

REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022

LEEDS CASTLE FOUNDATION

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LEEDS CASTLE FOUNDATION

ADMINISTRATIVE DETAILS

Trustees	Mr Niall F R Dickson CBE (Chairman) Mrs Helen Deeble CBE Mrs Anna Eavis Ms Ros Kerslake CBE (Appointed September 2022) Mr Richard G Laing Mr Jonathan B Neame, DL Mrs Laura C A Nesfield Mr Andrew Ross (Resigned December 2021) Mr Julian Smith Mr Adrian J Tinniswood OBE Mr Thomas C Wright, CBE
Company Secretary	Mr R Richman
Charity Number	268354
Company number	1172263
Registered Office	Leeds Castle Broomfield Nr. Maidstone Kent ME17 1PL
Statutory Auditors	Crowe U.K. LLP Riverside House 40-46 High Street Maidstone Kent ME14 1JH
Bankers	Royal Bank of Scotland London Corporate Banking Centre PO Box 39952 21/2 Devonshire Square London EC2M 4XJ
Investment managers	Ruffer LLP 80 Victoria Street London SW1E 5JL Sarasin & Partners 100 St Paul's Churchyard London EC4M 8BU

LEEDS CASTLE FOUNDATION

ADMINISTRATIVE DETAILS

Sub-committee membership

Finance, Audit and Risk Committee	Mr Richard G Laing Mr Julian Smith Mr Thomas C Wright, CBE	Chairman
Investment Committee	Mr Andrew Ross Mr Richard G Laing Mrs Laura C A Nesfield	Chairman
Nominations Committee	Mr Niall F R Dickson, CBE Mr Julian Smith Mr Richard G Laing	Chairman
Directors, Leeds Castle Enterprises Ltd	Mr Thomas C Wright, CBE Mr Niall F R Dickson, CBE Mr David Bridgford Mrs Helen Bonser-Wilton Mr Robin Richman	Chairman Chief Executive Finance Director and Secretary
Senior Management Team of the Foundation	Mrs H Bonser-Wilton Mr R Richman Mrs D Matthews Mr J Jordan Mrs S Prichard	Chief Executive Finance Director Head of Sales & Marketing Head of Estate Services Head Curator

LEEDS CASTLE FOUNDATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022

The Trustees of the Leeds Castle Foundation, (Charity number: 268354 and company registration number: 1172263), who are also the directors of the charity, present their report and the financial statements for the Foundation and its trading subsidiary (the group) for the period ended 31st March 2022. These have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2015) and the Companies Act 2006.

Accounts have been prepared this year for the period from 1st April 2021 to 31st March 2022. The Foundation regularly alters its financial year end to ensure there is only one Easter Bank Holiday weekend within each financial year, but this was not necessary for either year covered by this report.

Objects

The Foundation's objects are wide ranging, and are set out in full in the memorandum and articles. However, the key focus of the charity is summarised as follows:

1. To preserve the Castle and its estate for public benefit.
2. To provide an excellent, enjoyable and authentic experience for every visitor.
3. To inspire visitors of all ages through educational resources and facilities.
4. To promote health and other charitable purposes.

Strategic Report

Sections in this report noted below constitute the Strategic Report for the purposes of the Companies Act 2006:

- Review of the year.
- Incoming resources.
- Costs and application of operating surpluses.
- Reserves Policy.
- Investment Policy and Objectives
- Core Activities – Public Benefit.
- Plans for the Future.
- Risk.
- Section 172 Statement.

Review of the year

The year commenced with the business still subject to COVID-19 operating restrictions. In accordance with Government instructions, visitors were allowed in to the grounds and gardens, but not inside buildings.

As the year progressed, further staged relaxation of restrictions saw self-catering accommodation open from April, with serviced accommodation, indoor catering and the Castle re-opening in mid-May. Limits on numbers attending functions were lifted in mid-July, as were social distancing requirements, which meant that the pandemic one-way system around the estate and the requirement to pre-book time slots for day visitors could also be lifted.

Audience research showed that both staff and visitors were keen to maintain additional safety measures such as hand sanitisers and extra cleaning regimes. While this came at a cost, it provided reassurance to guests that they were visiting a safe place and staff appreciated their wellbeing was seen as a key priority.

LEEDS CASTLE FOUNDATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022

Visitor numbers recovered gradually during April to June 2021, with growth really starting once restrictions were lifted in mid-July. The estate benefitted strongly from the staycation trend and the strong local repeat audience, which led to excellent levels of summer visiting. Budgets were set with the expectation that groups and international visitors would not return in the year, which proved to be accurate. Even so, nearly 400,000 visitors were welcomed to the site.

The staycation boom also boosted accommodation occupancy to record levels, necessitating bringing staff back from furlough more quickly than anticipated. It was encouraging to see new audiences trying out the accommodation for the first time, although at times this brought challenges with guest expectations.

From August, a substantial number of weddings and functions took place that had been delayed by pandemic restrictions, leading to an extremely busy and positive summer and autumn for hospitality.

Throughout the lockdowns, hospitality and accommodation sales staff had maintained close contact with customers, enabling all those with COVID-impacted bookings to hold an alternative date for their function. For some customers, this took multiple attempts due to the constantly changing restrictions. Those who did not wish to rebook were refunded in full. However, the majority appreciated this flexible approach and re-booked, meaning functions activities recommenced with a strong diary of confirmed bookings.

As a result of the COVID restrictions and low audience confidence in attending large scale gatherings, no large events were held during the peak visiting season. A new obstacle course was installed for summer 2021 and a programme of 50 Leeds Castle-y Challenges was launched for families to enjoy the Great Outdoors during this staycation summer, with both being well received.

The annual Leeds Castle Concert, was postponed from July to September but was well attended. In the light of this success, the Fireworks Spectacular went ahead in November, attracting sell out audiences both nights. We provided a modest Christmas offer, with an outdoor Twelve Days of Christmas Trail and the Castle decorated with trees on the same theme.

The Leeds Castle Golf Club, which re-opened in March 2021, continued to benefit from the desire to partake in outdoor exercise in a safe and pleasant environment, with membership rising to 450 for the first time. This was pleasing affirmation of the investment in the course and facilities, as well as the work of the PGA Professional to establish an enjoyable club experience for members.

In another uncertain year, the business was managed with agility and carefully controlled costs, focussing on the safety of guests, staff & volunteers. Volunteers have become an essential part of the Castle's work, providing learning & social inclusion, with 80 currently volunteering across areas such as falconry, gardens, grounds, wildlife & conservation, education and visitor operations.

Financial modelling using prudent growth assumptions confirms that the estate can generate sufficient cash to invest in heritage assets, facilities and experiences over the next few years. Groups and international visitor audiences are not expected to fully return until 2024/25, leading to a focus on driving the yield and new experiences to fill the financial gap.

New Chief Executive, Helen Bonser-Wilton arrived in March 2021 and has been working with the Board and staff team over the year on various pieces of strategic work to inform post-COVID strategic direction.

The first piece of work was to define Leeds Castle's Spirit of Place, what makes it genuinely distinctive, significant and cherished. Insight was gathered through consultation with curatorial experts in castles, medieval history and 20th century country house life, alongside reviewing guest feedback. This drew out the important learning that Leeds has never been a fortified, defensive castle, but has, throughout her 900-year history, been used as a place of relaxation and entertainment, often en-route somewhere.

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FOR THE YEAR ENDED 31 MARCH 2022

Strategy Development Work

This resulted in the following statement, which underpins our whole future strategy:

A Glamorous Retreat: a place of luxury, entertainment, influence & enchanting beauty.

Work was then undertaken on the brand and how we present this Spirit of Place to the world in an engaging manner that appeals to our audiences. Using an expert branding consultant, Scott Sherrard, and working with Board and staff members, we devised the following brand positioning which will underpin our marketing:

Playing Hostess to History.

Work was also completed on audience segmentation to understand the motivations of both existing and potential visiting audiences and to enable closer tailoring of experiences and products to their preferences. Working with the specialist visitor research company, Morris Hargreaves McIntyre (MHM), a full audience segmentation was completed, covering day visiting, events and accommodation, which has informed our future product development and marketing strategy.

The outputs of all of this have informed the creation of the Leeds Castle strategy and business plan, the highlights of which are outlined further on in this report.

Incoming resources

Total incoming resources increased by £82,000 over the last year as a result of restricted operations continuing due to the pandemic.

The Fireworks Spectacular and Leeds Castle Concert were the only major events held during the year.

Hospitality and accommodation were restricted, both in terms of operational calendar and occupancy, which had a major impact on the larger rental properties. However, it was encouraging carried forward bookings allowed an immediate return to operations once restrictions were lifted, though with higher operational costs.

The investment portfolio continued to benefit from the significant bounce back in markets.

The estate was also pleased to secure a government COVID business support grant of £100,000, administered by Maidstone Borough Council.

Costs and application of operating surpluses

Our focus remained on managing the cost base in a climate of extreme economic uncertainty. Further to the restructuring that took place in 2020 as a result of the devastating financial impact of the pandemic, we started 2021/22 financial year with 89 full time equivalent staff, and added back a limited number of staff as business streams came on line and where a different role was now needed to operate the new-look business. We therefore finished the year with 98 full time equivalent staff.

There will always be a need for considerable investment programmes, not least in the fabric of the Castle buildings. In addition to planned and preventative maintenance, there are times when unexpected repairs are required. The operating surplus will be used to continue the preservation of the Castle, the estate and the collections, and the ongoing enhancement of the visitor experience, which needs regular refreshment to ensure that there is always a new reason to visit and to update/replace facilities as needed.

LEEDS CASTLE FOUNDATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022

With positive summer 2021 trading, the decision was taken to progress two combined phases of Castle stonework repairs commencing in October 2021 and completing in May 2022. The entirety of this major programme of works requires the designation of a large part of the Estate's cash reserve to complete. We were delighted to secure support from the COVID Cultural Recovery Fund, administered through Historic England, amounting to £607,000 of support towards the total £800,000 cost of the Stonework, as well as repairs to the Causeway and Ivy Tower.

In line with the agreed three-year pension deficit reduction plan, there was a further special contribution of £140,000 towards the Leeds Castle Retirement Benefits Scheme. The scheme has been closed to new members since 2005. A triennial revaluation was undertaken as at 1st April 2019 and contributions increased to £140,000 with effect from 1st April 2020. Subject to the result of the next triennial valuation as at 1st April 2022, the results of which are expected in January 2023, contributions will again be reviewed.

Reserves policy

The reserves policy is reviewed annually by the Trustees, taking into account the predominant risks to the Foundation and its anticipated working capital requirements.

The review of risk highlights major events, (e.g. a fire), causing severe impact on income, mitigated by both direct and business interruption insurance cover. The impact on income of other risks, such as closure or periods of low visitor numbers due to prolonged bad weather or other factors, are uninsurable. In recent years, to mitigate these risks, Trustees have invested to diversify income generation, reducing the dependence on day visitors. The Trustees have concluded that funds are required to be held as free reserves to enable us to meet regular commitments and working capital requirements, should there be short term volatility in revenues. Taking into account core cost needs over a twenty-four month period, the Trustees consider it is appropriate to hold free reserves of at least £5.2m.

At 31st March 2022, the total consolidated funds in the accounts stand at £20.6m (2020 - £20.9m), of which £2.8m (2021 - £2.8m) is restricted and £2.5m (2021 - £2.5m) relates to unrestricted tangible fixed assets. After deducting the designated funds of £4.2m (2021 - £4.0m) this leaves general free reserves of £12.8m (2021 - £11.2m). The free reserves include investment properties with a value of £8.9m (2021 - £7.4m) which are not readily realisable. The Foundation had liquid free reserves of £3.9m (2021 - £3.9m) in line with the Trustees target of £5.2m. Operating costs in a full year of normal activity can reach £10m.

The Foundation's funds comprise a number of restricted and unrestricted funds within which a number of designations have been made by the Trustees.

Restricted funds comprise the Heritage and Development Fund and the Chattels Fund. The Heritage and Development Fund is an Expendable Endowment Fund and represents freehold land and buildings classified as functional tangible assets, considered to be integral to the bequeathed estate. The Heritage and Development Fund relates entirely to the Foundation.

The Chattels Fund represents proceeds from the disposal of heritage assets. These proceeds are to be used solely for the purpose of acquiring replacement heritage assets.

The Trustees have concluded that Designated Reserves should be set up to cover the estimate of potential spending on specific projects which have been identified as part of the five-year planning process, in order to:

- Fund the Foundation's primary responsibility of preserving the Castle and its collections for public benefit.
- Invest in developments to enhance the visitor experience and enjoyment of the Castle.
- Develop income generating opportunities.
- Improve or replace operating facilities and infrastructure.

LEEDS CASTLE FOUNDATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022

As at 31st March 2022, the Designated Reserves have been assigned to:

- Bringing the Castle to Life visitor experience development - over 4 years from 2022 (£1m).
- Accommodation Development Phase 1 – Lakeside Lodges (£450k).
- Accommodation Development Phase 2 – glamping replacement (£1m).
- Continuing the remaining phases of Castle stonework repairs, initially the West and Southwest elevations (£1m).
- Infrastructure upgrades to the Maze area of the estate (£700k).

In addition, the Foundation carries business interruption insurance to cover the cost of core liabilities in the event that the Castle was unable to generate income as a consequence of exceptional insurable incidents.

In discussion with Trustees of the Leeds Castle Retirement Benefits Scheme, the Foundation is reviewing options to secure the future liabilities of the Scheme. This would be funded from Reserves.

Investment policy and objectives

a) Investment land and properties

Investment land and properties relate to interests in land and buildings which are held for their investment potential, and which are not used by the Foundation or its subsidiary in the course of their operations, other than for generating rental income. These properties are considered annually by the Investment Committee as part of its review of the combined portfolio of properties and other investments. The 2021 purchase of Forge House and surrounding land has added to this investment land bank and has secured a vulnerable boundary of the estate, removing significant noise pollution.

b) Cash and managed investments

The fundamental objective in managing the investment assets is to generate a rate of return to help meet the Foundation's charitable objectives.

In 2020 the Trustees reviewed and ratified the investment policy, which states that the portfolio should achieve a rate of return of RPI plus 2% over the long term and that the rate in any particular year should not be negative. The Trustees also undertook a tender process and decided to split the portfolio equally between Ruffer LLP and Sarasin to mitigate management risk with effect from March 2021.

Core Activities

Public benefit

The Trustees referred to the Charity Commission's guidance on public benefit when reviewing the aims and objectives and in planning future activities. In particular, the Trustees considered how planned activities will contribute to the aims and objectives they have set. The Trustees are confident that the Foundation's current activities deliver public benefit, as follows:

a) Objective 1 – To preserve the Castle and its estate for public benefit.

A large proportion of the Foundation's income is devoted to activities which preserve the Castle, its collections, the estate buildings and its grounds for public benefit. The Foundation recognises the importance of both caring for its built and natural assets to ensure that future generations can enjoy them. During this financial year, the following key investment projects were undertaken:

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- The conservation of Lady Baillie's Bedroom Suite, involving the renewal of 1950's electrics, the conservation of 1930's paint schemes, and the repair and restoration of carpentry.
- Completion of two further phases of Castle stonework repairs, covering the South West aspect and part of the East side of the Castle façade.

b) Objective 2 – To provide an excellent, enjoyable and authentic experience for every visitor.

Virtually the whole of the Foundation's income is derived from visitors and hospitality, meaning that regular investment in refreshing existing and creating new experiences is crucial to create income to deliver our mission. During this financial year, the following key investment projects were undertaken:

- In line with the '*Glamorous Retreat*' Spirit of Place, work has been underway to re-create the Castle visit as a 1930's country house experience, removing longstanding faux medieval interiors and completing enabling works for Phase 1 of Bringing the Castle to Life (launch April 2022).
- A complete rebuild of the interior of the Visitor Reception Building has been undertaken, removing interior walls to create an open plan arrival space, installing new lighting, flooring, reception desks, retail fittings and starting to tell the story on arrival.
- A complete rebuild of the Accommodation Reception, creating a fit for purpose arrival for guests.
- Installation of a new obstacle course in the Maze area in summer 2021.
- Refurbishment of a number of Stable Courtyard bedrooms ahead of re-opening in May 2021.

c) Objective 3 – To inspire visitors of all ages through educational resources and facilities.

Despite the restrictions imposed by the multiple lockdowns, the education programme began to receive visits again from summer 2021, with a total of over 3,000 school visitors by year end.

As education in its widest sense is at the heart of what we aim to deliver for all visitors, flexibility and forward planning have continued through the year to allow the earliest introduction of provision as allowed.

d) Objective 4 – To promote health and other charitable purposes

The Foundation has played a key role in healthy living for the local community during the pandemic, providing free access to the grounds through the public footpath network. For locals seeking beautiful gardens and grounds during the lockdowns, the Estate has played a crucial role in providing relaxation and exercise, including providing high quality playgrounds for local families.

Many people also took the opportunity to play more golf during the lockdowns, leading to healthy growth in golf memberships and a valuable opportunity for people to exercise in beautiful surroundings.

Plans for the future

Work has been underway to develop a new strategic vision and plan in-year, underpinned by the work completed on Spirit of Place, brand and audiences. Working with the Board and staff teams, the 10-year vision is agreed as:

'To be the South's top heritage destination for relaxation, hospitality & experiences that surprise & delight'

This will be achieved through four key strategic objectives:

- *Welcome and Engage* (staff, volunteers, guests, community)
 - *Surprise and Delight* (with amazing & relevant experiences)
 - *Nurture & Care* (for land, buildings, collection, staff, volunteers, visitors, wildlife)
 - *Grow & Develop* (finances, new business streams, experiences, environmental sustainability, audiences, reputation, charitable support).
-

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Over the coming year, activities that will start delivering against these objectives will include:

Bringing the Castle to Life

Stage 1 of this ambitious multi-year project was launched in April 2022 and will restore the Castle to its 1930's country house party heyday, with further enhancements in-year. In July 2022, we launched a new Medieval Queens filmed experience in the Gatehouse, along with new interpretation about the Queens who owned the Castle and the interim period between the Tudor era and Lady Baillie.

Marketing and Website Development

New marketing campaigns, site signage, audience segment-focussed communications strategy and new website build will be developed and roll out in-year to complement the launch of new storylines.

Visitor Centre and New Retail Ranges

The new Visitor Centre was launched in April 2022, along with the introduction of 90% new retail ranges to reflect the clearer storyline emerging from Spirit of Place. This will enhance visitor experience and drive profitability.

Christmas Lights Programme

Christmas is a key business opportunity for Leeds Castle and we will explore potential for partnering with an external provider to create a 5-6 week high quality Christmas Lights Event to maximise potential of this traditional holiday.

Accommodation Development

Accommodation is an excellent fit with the Leeds Castle Spirit of Place and a key income generation opportunity, so development of Phases 1 & 2 of new accommodation is a key workstream for 2022. Phase 1 is waterside accommodation pods for Autumn 2023, Phase 2 is planning & preparation for the launch of eight Eco Pods, located in the current Glamping field.

Car Park Development

Car parking infrastructure is sub standard with a limited number of hardstanding spaces and spaces in the wider parkland. This limits potential for growing business outside of peak periods. During the coming year, we aim to progress planning for a long term solution to car parking, with delivery phased over a number of years.

Future Development of Maze Family Area

The local family market is a crucial part of the Leeds Castle business and the offer at the Maze area requires refreshing. We will create and start to deliver on a 5-year plan of refreshment, including more indoor provision.

Risk

The Charity manages risk actively through a dynamic Risk Register that is reviewed and amended quarterly at Finance, Audit & Risk Committee (FARC). This enables staff and Trustees to manage risk proactively and flag emerging issues to the Board.

The top risks identified in year were related to income generation in the wake of COVID and the anticipated increases in labour and energy costs, given the heavy, largely fixed cost of caring for the Castle and Estate that must be borne irrespective of the fortunes of our trading activities. Aside from a catastrophic disaster such as fire, income generation not meeting commitments remains the most critical risk for the Foundation.

To manage any catastrophic occurrences, business continuity measures are in place (e.g. a new generator has been installed to supply electricity across the site should the supply from the National Grid fail).

The Foundation takes the health and safety of its staff, volunteers and visitors very seriously. The Leadership Team is committed to ensuring that staff operate safe systems and processes and that visitors are able to enjoy their time

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with us without incident. All activities on the estate are risk-assessed and incidents logged, with follow-up action closely monitored. A quarterly Health and Safety Committee monitors progress, with the aid of an external Health and Safety consultant and staff are encouraged to submit concerns and ideas for action.

Given the level of complexity in the Leeds Castle operation and the need for ongoing statutory training, a Training Officer has been recruited to ensure staff are trained in all aspects of delivering a safe environment for everyone.

There will always be extraneous risks over which we have little control. The most significant of these is poor weather, which affects the number of visitors, but increasingly, issues such as traffic congestion and controls relating to Dover Port are also having a significant negative impact on visitor numbers too.

Section 172 Statement

The Board of Trustees are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- The likely consequences of any decision in the long term.
- The interests of the Company's employees.
- The need to foster the Company's business relationships with suppliers, customers and others.
- The impact of the Company's operations on the community and the environment.
- The desirability of the Company maintaining a reputation for high standards of business conduct.
- The need to act fairly as between members of the Company, (the "s.172(1) Matters")

Engagement with employees

Enhancing employee engagement is an integral part of the culture of the Foundation. Senior Leaders provide regular communications and input via staff representatives to the Staff Consultation Forum. An annual staff survey is carried out by an external provider and action taken on the results. Much focus has been given to ensuring a safe working environment during the pandemic, including supporting employees' physical and mental health and wellbeing, whilst working either remotely or onsite.

Engagement with stakeholders

The Trustees recognise the importance of external stakeholders and the Foundation aims to engage these institutions and individuals with our work on an ongoing basis. This includes liaising with local parish councils, Maidstone and Kent County Council, Visit Kent, Association of Leading Visitor Attractions and other stakeholders as appropriate.

Structure, Governance and Management

The Leeds Castle Foundation was established as a company limited by guarantee by the last private owner of the Castle, Lady Baillie, to preserve the Castle for the benefit of the public. It is governed by its Memorandum and Articles of Association (1974) and it is registered as a charity with the Charity Commission. The Charity is administered by a Board of Trustees. As set out in the Articles of Association, the Chair of the Trustees is elected by their fellow Trustees.

The Foundation uses a variety of methods to recruit new Trustees including advertising, head-hunters, and personal contacts. The Board aims to keep the costs of recruitment down, but is keen to make sure it is able to access the skills and attributes required. It has a Nominations Committee chaired by the Foundation Chairman, supported by two other Trustees. Whenever a vacancy arises, candidates are invited to submit their CV and following shortlisting and subsequent interviews, a recommendation is made to the full Board.

The year saw the appointment of Ms Ros Kerslake CBE to the Board of Trustees, bringing a wide range of specialist experience including charity governance and leadership. Ms Kerslake will replace Mr Dickson as Chair on completion of his term.

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By way of induction, new Trustees are provided with a comprehensive briefing pack, and spend a day with the Chief Executive and Senior Leadership Team. If they do not have experience of working with charities, they are offered additional training and support.

The Board's standing subcommittees cover Finance, Audit & Risk, Investment & Nominations.

Activities outside of the main objects of the Charity are undertaken on its behalf by Leeds Castle Enterprises Limited, a wholly owned subsidiary.

Two Trustees also sit on the Leeds Castle Retirement Benefits Scheme Board, the liability for the scheme being borne by Leeds Castle Enterprises.

The Chief Executive is appointed by the Trustees to advise on strategy and development, and manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has authority, within terms of delegation approved by the Trustees, for all operational matters. She is supported by a Finance Director, who is also company secretary and a team of senior managers.

The Foundation derives the vast majority of its income from day visiting and hospitality and balances this income generation need carefully with the impact on the historic buildings and environment.

Remuneration of key management personnel

Salaries for the Senior Leadership team are reviewed annually by Trustees and benchmarked against other members of the Treasure Houses Association as required.

Employee involvement and disabled persons

The management of Leeds Castle Foundation and its subsidiary Leeds Castle Enterprises Limited, (which together form the group), establish and maintain close communication with staff and volunteers, to ensure all are fully informed about the progress of the group's activities. There are informal and formal two-way briefing sessions and a Staff Consultation Forum, which meets quarterly with the Chief Executive to discuss staff suggestions for improvements. Each employee receives at least one formal Performance Review with their manager each year. We strive to provide a workplace that offers equality of opportunity for all our staff, whatever their gender, race, nationality, religion, sexual orientation, age or ability.

Fundraising

The charity carries out its fundraising in a fair and responsible way in line with the requirements of the Fundraising Regulator. The Foundation ensures that funds raised are spent effectively to bring maximum benefit to the beneficiaries.

Whilst all efforts will be made to perform to the highest standards, occasionally, issues happen. Any complaints made are fully investigated and action taken to deal with any problems. The charity received no complaints during the year under review. The Trustees recognise the importance of the reputation of the charity in maintaining the trust and confidence of its donors & grant givers and this principle sits at the heart of all fundraising activities.

LEEDS CASTLE FOUNDATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022

Governance

The Trustees note the importance of the Charity Code of Governance and are committed to reviewing the charity's governance procedures based upon its recommendations.

Trustees Responsibility

The Trustees (who are also directors of Leeds Castle Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

In so far as the Trustees are aware:

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

Auditors

Crowe U.K. LLP were appointed as auditors in the year and have expressed their willingness to remain in office.

The Report of the Trustees, which includes the Strategic Report, was approved by the Board on 16th December 2022 and signed on their behalf by:



.....
Mr Niall F R Dickson CBE
Chairman of Trustees

LEEDS CASTLE FOUNDATION

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of Leeds Castle Foundation for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, consolidated balance sheet, foundation balance sheet, consolidated cashflow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

LEEDS CASTLE FOUNDATION

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the [strategic report or the] directors' report included within the trustees' report.

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

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

LEEDS CASTLE FOUNDATION

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

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

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

LEEDS CASTLE FOUNDATION

**INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

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

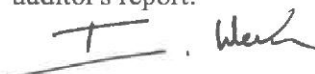
- reviewed the design and implementation of controls over significant audit risks; and
- we reviewed the revenue recognition policy and considered whether this was being applied correctly for a sample of transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance where meetings took place;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Ian Weekes
(Senior Statutory Auditor)
For and on behalf of

Crowe U.K. LLP

**Chartered Accountants
Statutory Auditors**

Maidstone, Kent

Date: 21st Dec 2022

LEEDS CASTLE FOUNDATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD ENDED 31 MARCH 2022**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
Income and endowments from					
Donations and legacies	6	15	640	655	6
Other trading activities	7	4,597	-	4,597	1,207
Investments	8	111	-	111	92
Charitable activities	9	4,248	-	4,248	2,460
Total income and endowments		8,971	640	9,611	3,765
Expenditure on					
Raising funds	7	(4,328)	-	(4,328)	(2,010)
Charitable activities	9	(5,061)	(629)	(5,690)	(4,865)
Total expenditure		(9,389)	(629)	(10,018)	(6,875)
Net (losses)/gains on investments	22	489	-	489	1,527
Net income/(expenditure)		71	11	82	(1,583)
Exceptional items	10	202		202	1,208
Other recognised gains/(losses)					
Gains/(losses) on revaluation of					
Fixed assets and investment properties	21	940	-	940	199
Actuarial gains/(losses) on defined benefit pension scheme (net of deferred tax)	30	431	-	431	(130)
Net movement in funds		1,644	11	1,655	(306)
Reconciliation of funds					
Total funds brought forward		20,601	-	20,601	20,907
Total funds carried forward	29	22,245	11	22,256	20,601

The notes on pages 22 to 48 form part of these financial statements.

The Charity has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

LEEDS CASTLE FOUNDATION

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	18		3,945		4,536
Heritage assets	19		-		-
			<u>3,945</u>		<u>4,536</u>
Investments:					
Properties	21	8,917		7,352	
Listed investments	22	8,280		7,852	
Cash held as an investment	22	389		382	
			<u>17,586</u>		<u>15,586</u>
			21,531		20,122
Current assets					
Stocks	23	146		254	
Debtors	24	972		870	
Cash at bank and in hand	25	2,310		1,417	
		<u>3,428</u>		<u>2,541</u>	
Creditors: amounts falling due within one year	26	(2,702)		(1,675)	
Net current assets			726		866
Creditors: amounts falling due within more than one year	27		(1)		(387)
Total assets less current liabilities			<u>22,256</u>		<u>20,601</u>
Funds					
Expendable endowment fund	29		2,740		2,729
Restricted income fund	29		78		78
Total restricted funds			<u>2,818</u>		<u>2,807</u>
Unrestricted general fund	29		15,288		13,739
Unrestricted designated fund	29		4,150		4,055
Unrestricted pension reserve	29&30		-		-
Total charity funds			<u>22,256</u>		<u>20,601</u>

The notes on pages 22 to 48 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Trustees and Directors on 16th December 2022 and were signed on its behalf by:



Mr Niall F R Dickson, CBE
Chairman of Trustees
Company number: 1172263

LEEDS CASTLE FOUNDATION

**FOUNDATION BALANCE SHEET
AS AT 31 MARCH 2022**

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	18		3,930		4,515
Heritage assets	19		-		-
			<u>3,930</u>		<u>4,515</u>
Investments:					
Subsidiary company	20	866		866	
Properties	21	8,917		7,352	
Listed investments	22	8,280		7,852	
Cash held as an investment	22	389		382	
			<u>18,452</u>		<u>16,452</u>
			<u>22,382</u>		<u>20,967</u>
Current assets					
Stocks	23	-		-	
Debtors	24	273		143	
Cash at bank and in hand	25	1,592		951	
		<u>1,865</u>		<u>1,094</u>	
Creditors: amounts falling due within one year	26	<u>(3,269)</u>		<u>(1,456)</u>	
Net current assets			<u>(1,404)</u>		<u>(362)</u>
Total assets less current liabilities			<u>20,978</u>		<u>20,605</u>
Funds					
Expendable endowment fund	29		2,740		2,729
Restricted income fund	29		78		78
Total restricted funds			<u>2,818</u>		<u>2,807</u>
Unrestricted general fund	29		14,010		13,743
Unrestricted designated fund	29		4,150		4,055
Total charity funds			<u>20,978</u>		<u>20,605</u>

The profit for the financial year dealt with in the financial statements of the parent Company was £373,000 – (2021:£824,000).

The notes on pages 22 to 48 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Trustees and Directors on 16th December 2022 and were signed on its behalf by:



Mr Niall F R Dickson, CBE
Chairman of Trustees

Company number: 1172263

LEEDS CASTLE FOUNDATION

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2022**

	Note	2022 £'000	2021 £'000
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	31	1,376	(576)
Cash flows from investing activities:			
Dividends, interest and rents from investments	8	111	92
Purchase of fixed assets		(23)	(24)
Purchase of investment property		(625)	
Proceeds from sale of investments		2,846	7,119
Purchase of investments		(2,785)	(7,102)
Net cash provided by/(used in) investing activities		<u>(476)</u>	<u>85</u>
Change in cash and cash equivalents in the reporting period		900	(491)
Cash and cash equivalents at the beginning of the reporting period		<u>1,799</u>	<u>2,290</u>
Cash and cash equivalents at the end of the reporting period		<u>2,699</u>	<u>1,799</u>
Reconciliation of cash and cash equivalents			
	Note	2022 £'000	2021 £'000
Cash in hand	25	2,310	1,417
Cash held as an investment	22	<u>389</u>	<u>382</u>
Total cash and cash equivalents		<u>2,699</u>	<u>1,799</u>
Analysis of changes in net debt			
	At 1 April 2021	Cash flow	At 31 March 2022
	£'000	£'000	£'000
Cash at bank	1,417	893	2,310

The notes on pages 22 to 48 form part of these financial statements.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

1.1 **Company information**

The company is limited by guarantee, registered in England and Wales, and a registered charity. The registered office is Leeds Castle, Maidstone, Kent ME17 1PL.

2.1 **Accounting policies**

2.1 **Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities SORP (FRS102) as it applies from 1 January 2015 and the Companies Act 2006. The statements have been prepared on the basis of a going concern. The principal accounting policies adopted in the preparation of the financial statements are set out below and are consistent with those of the previous year.

Leeds Castle Foundation meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The Trustees have assessed whether the use of going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the Trustees have considered the charitable company's forecasts and projections and have taken account of pressures on income. After making enquiries, the Trustees have concluded that there is a reasonable expectation that following the approved structural and cost saving measures that have been agreed, that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

The Trustees have assessed the consequences of the current economic climate, the Foundation's reserves are such that it expects to maintain positive cash flows and reserves for at least one year from the date of approval of these financial statements and, as such, the Trustees are confident that the Foundation will continue to operate as a going concern.

The individual entity accounts of Leeds Castle Foundation have taken advantage of the disclosure exemption under FRS 102 to separately disclose categories of financial instruments and items of income, expenses, gains or losses relating to instruments as these have been presented on a group basis in the notes to the accounts.

2.2 **Basis of consolidation**

The group financial statements consolidate the financial statements of the Foundation and its subsidiary for the period ended 31 March 2021. The statement of financial activities (SOFA) and the balance sheet consolidate the financial statements on a line by line basis where appropriate. No separate SOFA has been presented for the Charity alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP 2015. Details concerning the subsidiary company, results and financial position are set out in note 5.

2.3 **Stocks**

Stocks are valued at the lower of cost and net realisable value.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

2 Accounting policies (continued)

2.4 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at net incoming/(outgoing) resources.

2.5 Form of financial statements

The funds of the Charity comprise four distinct categories, which are:

a) Heritage and Development fund

This restricted expendable endowment fund relates to changes to the infrastructure of the estate carried out to improve the facilities available to support public access. Such assets are, for all practical purposes, integral with the bequeathed estate and are therefore also regarded as being inalienable. See note 29 for more information regarding this fund.

b) Restricted funds

Restricted funds are those funds subject to specific trusts declared by the donor, or in relation to funds generated from the sale of certain heritage assets. The funds are expendable by the Charity at the discretion of the Trustees in accordance with the terms of their receipt.

c) General unrestricted fund

The Fund was created from a pecuniary legacy bequeathed by the late Lady Baillie, together with additional funds realised from the authorised sale of certain items included in the original transfer of the property.

The capital and income of the Fund are available for expenditure by the Trustees on the Foundation's charitable objectives, including development expenditure.

d) Designated funds

Designated funds are those funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

2.7 Incoming resources

Incoming resources represents total income receivable, excluding value added tax, from admission fees, the sale of goods, services supplied, investment income and sundry income. Donations are recognised when received. All incoming resources are included in the SOFA when the Charity is legally entitled to recognise the income and the amount can be quantified with reasonable accuracy. Any income received in relation to future periods is deferred as appropriate.

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Retail income is recognised at the point of sale for sales in shops.

Event income is recognised on the date of the event.

Lettings and accommodation income is recognised on the date the lettings occur.

2.8 Investment income

Dividends and interest on listed investments are accounted for on an accruals basis. Interest on bank deposits is accounted for on an accruals basis.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

2 Accounting policies (continued)

2.9 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each of the Charity's activities. Support costs which cannot be directly attributed to a specific activity have been allocated to activities on a basis consistent with their use of the resources. Governance costs are included within support costs.

Costs of raising funds includes all costs associated with the trading and management of the Charity's subsidiary.

Governance costs are incurred in meeting the constitutional and statutory requirements of the charity and are included within support costs.

2.10 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on the straight-line basis over the lease term.

2.11 Deferred taxation

Deferred tax is provided in full in respect of taxation, deferred by timing difference between the treatment of certain items for taxation and accounting purposes. Deferred tax balances are not discounted.

2.12 Pension scheme arrangements

The group accounts for pension schemes in accordance with Financial Reporting Standard 102 "Retirement Benefits".

For defined contribution schemes, contributions are charged to resources expended in the statement of financial activities as payable in respect of the accounting period. This includes contributions made to the personal pension schemes of employees.

For defined benefit schemes the amounts charged to resources expended include the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as part of investment income. Actuarial gains and losses are recognised immediately as part of other recognised gains and losses within the statement of financial activities.

The assets of the group's defined benefit scheme are held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred taxation, is presented after other net assets on the face of the balance sheet and is represented by the unrestricted pension reserve.

If the actuarial valuation of the defined benefit pension scheme results in a surplus then no asset is recognised in accordance with the requirements of FRS 102.

2 Accounting policies (continued)

2.13 Tangible fixed assets and depreciation

a) Heritage assets

Heritage assets are the tangible assets of the Charity that are of historical importance and are held to advance the preservation, conservation and educational objectives of the Charity and, through public access, contribute to the nation's culture and education.

The Castle, grounds and contents bequeathed by the late Lady Baillie, in 1974 and subsequent development expenditure in these assets, are considered to be heritage assets and are integral to the Leeds Castle Estate.

Due to the historic and unique nature of the assets concerned conventional valuation approaches lack sufficient reliability. As a consequence, the value of heritage assets has not been included in the financial statements.

Included in the assets bequeathed were certain inalienable assets which are not considered to be heritage assets but cannot be realised and so no value is attributed to these assets.

Costs incurred which, in the Trustees' view, are required to preserve the heritage assets are recognised as expenditure as incurred. Capital improvements to the Maidens Tower have been capitalised at cost and included as fixed assets since the Trustees consider that the improvements are operational in nature. Further information on the maintenance of the heritage assets is given in note 13 to the accounts.

b) Other tangible assets

Functional assets are those tangible assets which are used for charitable purposes, including fundraising, but are not considered to be heritage assets. This includes modern buildings utilised for charitable purposes, such as education, and ancillary purposes such as catering outlets. It also includes plant and equipment used for charitable purposes.

Depreciation has been provided on buildings on a straight-line basis over their remaining economic lives of ten or twenty-five years.

Plant and equipment are included in the balance sheet at cost and depreciated on a straight-line basis over their useful economic life estimated to be 4 years. Assets costing less than £1,000 are written off in the year of purchase. Assets are disposed of and replaced when it is no longer economically viable to keep them in working use.

2.14 Investment

a) Investment land and properties

Investment land and properties relate to interests in land and buildings which are held for their investment potential, and which are not utilised by the company or its group in the course of their operations. However, some of these holdings have strategic value to the Foundation, securing boundaries from unwanted development. The property assets are included within investments at their open market valuation, based on a professional valuation undertaken at 31 March 2020. The land at index linked valuation is pending further review. Further professional valuations will be obtained every five years. In the intermediate years the carrying value of the investment properties will be reviewed by the Trustees and any material movement in their valuation recognised.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

2 Accounting policies (continued)

2.14 Investment (continued)

b) Listed investments

These are included in the balance sheet at market valuation. Realised and unrealised gains/(losses) arising on the disposal or revaluation of investments are included in the Statement of Financial Activities and credited or charged to the Unrestricted General Fund. The fees charged for the purchase and sale of investments in the portfolio are included within the Foundation's resources expended.

3 Financial instruments

Leeds Castle Foundation has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise stock, cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise, trade, other creditors and accruals.

Investments, including bonds held as part of an investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in note 2, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Pension assets/liabilities – The charity recognises its asset/liability to its defined benefit pension scheme which involves a number of estimations as disclosed in note 30.

Valuation of investment properties– The charity's investment properties are stated at their estimated fair value based on professional valuations as disclosed in note 21.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

5 Net income from trading activities of subsidiary

The Charity has one wholly owned subsidiary, Leeds Castle Enterprises Limited, company no: 01413563, which is registered in England and Wales. The registered office of the subsidiary is the same address as for the parent charity (see note 1.1). A summary of the company's trading results is shown below:

	2022	2021
	£'000	£'000
Turnover	4,550	1,182
Costs of trading activities and administrative expenses	<u>(3,921)</u>	<u>(1,683)</u>
Operating profit	629	(501)
Interest receivable	203	152
Interest payable to Leeds Castle Foundation on long term loan		-
Other finance income/(costs)	<u>145</u>	<u>455</u>
Profit/(loss) before donation and taxation	977	106
Taxation	<u>108</u>	<u>(22)</u>
Retained profit for the period	1,085	84
Actuarial gain/(loss) related to pension scheme, net of deferred tax	<u>323</u>	<u>(105)</u>
Total recognised losses for the period	1,408	(21)
Distribution – gift aid	(124)	(1,108)
Retained profit brought forward	<u>1,284</u>	<u>1,129</u>
Profit retained in subsidiary	<u>1,284</u>	<u>-</u>

The net assets of Leeds Castle Enterprises Limited are £2,150,000 as at 31 March 2022 (2021: net assets £866,000).

Leeds Castle Enterprises Limited's activities are those trading activities of the group deemed to be non-charitable, such as shop trading, golf, certain special events, conferences and weddings, with the intention of any profits generated being donated to the Foundation for the furtherance of its charitable activities.

6 Income from donations and legacies

	Unrestricted	Restricted	Total Funds	Total Funds
	Funds	Funds	2022	2021
	£'000	£'000	£'000	£'000
Grants	10	640	650	
Other donations and voluntary income	<u>5</u>	<u>-</u>	<u>5</u>	<u>6</u>
	<u>15</u>	<u>640</u>	<u>655</u>	<u>6</u>

LEEDS CASTLE FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

7 Other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
Income				
Concerts and other special events	389	-	389	10
Functions	1,871	-	1,871	228
Shops	588	-	588	143
Golf	299	-	299	205
Holiday lettings	1,155	-	1,155	500
Ancillary services	199	-	199	38
Other sundry income	96	-	96	83
	<u>4,597</u>	<u>-</u>	<u>4,597</u>	<u>1,207</u>
Expenditure on raising funds				
Cost of sales	1,455	-	1,455	241
Staff costs (see note 14)	1,755	-	1,755	943
Property and equipment costs	345	-	345	296
Administration costs	161	-	21	10
Marketing and fundraising costs	61	-	61	30
Finance costs	289	-	289	163
Investment management costs	51	-	51	76
Proportion of support costs (see note 11)	211	-	211	251
	<u>4,328</u>	<u>-</u>	<u>4,328</u>	<u>2,010</u>
Net income from activities for generating funds	<u>269</u>	<u>-</u>	<u>269</u>	<u>(803)</u>

Activities for generating funds are those trading and other fundraising activities carried out by the Foundation and its subsidiary undertaking Leeds Castle Enterprises Limited primarily to generate incoming resources which will be used to undertake the charitable activities of the Foundation. It includes trading activities such as shop trading, golf, certain special events, conferences and weddings.

LEEDS CASTLE FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

8 Income from investments

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
Income from investment properties	54	-	54	53
Income from listed investments	57	-	57	38
Bank interest receivable	-	-	-	1
Net return on pension scheme assets	-	-	-	-
	<u>111</u>	<u>-</u>	<u>111</u>	<u>92</u>

9 Charitable activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
Income from Charitable activities				
Day visitor admissions	4,238	-	4,238	2,451
Other sundry income	10	-	10	9
	<u>4,248</u>	<u>-</u>	<u>4,248</u>	<u>2,460</u>
Expenditure on Charitable activities				
Cost of sales	283	-	283	155
Staff costs: visitor team, estate and Castle maintenance (see note 14)	1,302	-	1,302	1,879
Estate and equipment costs	1,960	-	1,960	1,198
Marketing costs	278	-	278	205
Finance costs	88	-	88	47
Preservation and security of heritage assets	60	629	689	83
Proportion of support costs (see note 11)	1,090	-	1,090	1,298
	<u>5,061</u>	<u>629</u>	<u>5,690</u>	<u>4,865</u>
Net resources expended from charitable activities	<u>(813)</u>	<u>(629)</u>	<u>(1,442)</u>	<u>(2,405)</u>

Income from charitable activities comprises income from the admission of day visitors to Leeds Castle (primary purpose trading) and related ancillary income.

In addition to expenditure related to these activities, costs include amounts incurred in acquiring new heritage assets, maintaining the Castle and other existing heritage and assets and ensuring their security (see note 13).

LEEDS CASTLE FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

10 Government grants

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
Hospitality & Leisure grant	100	-	100	-
Coronavirus Job Retention scheme income	102	-	102	1,208
Government grants	<u>202</u>	<u>-</u>	<u>202</u>	<u>1,208</u>

11 Support costs

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
Staff costs	1,010	-	1,010	858
Administration costs	679	-	679	647
Corporation tax charge	-	-	-	-
Deferred tax charge (see note 15)	-	-	-	-
Governance costs (Auditors' remuneration)	43	-	43	44
Legal and professional costs	-	-	-	-
	<u>1,732</u>	<u>-</u>	<u>1,732</u>	<u>1,549</u>
Allocated as follows:				
Activities for generating funds	1,642	-	1,642	251
Charitable activities	1,090	-	1,090	1,298
	<u>1,732</u>	<u>-</u>	<u>1,732</u>	<u>1,549</u>

Wherever possible costs are allocated to a specific activity as they arise. Those costs that cannot be allocated to a specific activity are deemed support costs. Support costs are allocated to the activities of the Foundation on the basis of their level of activity during the year under review.

LEEDS CASTLE FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022****12 Governance costs**

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
Auditor's remuneration (see below)	43	-	43	44

Auditors' remuneration comprises amounts incurred by the charity itself in respect of its governance and not of the group as a whole. The total amount payable to the charity's auditors by the group, including associated pension schemes, is as follows:

	2022 £'000	2021 £'000
Fees payable to the charity's auditor for the audit of the charity's annual Accounts	26	29
Fees payable to the charity's auditor for other services:		
- The audit of the charity's subsidiary	7	7
- Tax services	4	4
- All other services	-	-
Fees in respect of the group pension scheme:		
- Audit	6	4
- Tax services	-	-

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

13 Preservation and security of heritage assets

In compliance with the disclosure requirements of Financial Reporting Standard 102: Heritage Assets, costs relating to the preservation and security of the Castle, grounds and contents, classed as being heritage assets which have been expensed in the last five years are summarised below:

	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Renovation of Castle Library	-	-	11	-	-
Renovation of Yellow Drawing Room	-	12	25	-	-
Renovation of Lady Baillie Suite	54	31	41	-	-
Renovation of tapestries	5	-	12	-	-
Renovation of Castle Bedrooms	18	7	29	-	-
Castle interior	-	21	16	56	22
Maidens Tower renovation	-	-	-	-	39
Stonework repairs	629	11	18	327	13
Castle representation	-	1	58	30	154

14 Staff costs

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
Staff costs during the year were:				
Wages and salaries	2,841	-	2,841	2,817
Social security costs	204	-	204	188
Other pension costs	125	-	125	220
Redundancy	43	-	43	324
Training, recruitment and welfare	136	-	136	121
	<u>3,349</u>	<u>-</u>	<u>3,349</u>	<u>3,670</u>

The average weekly number of employees, including directors, during the year was as follows:

	Group 2022 No	2021 No	Foundation 2022 No	2021 No
Full time	56	51	32	28
Part time	140	113	79	68
	<u>196</u>	<u>164</u>	<u>111</u>	<u>96</u>
This equates to a full time equivalent of	<u>98</u>	<u>89</u>		

LEEDS CASTLE FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

14 **Staff costs** (continued)

Analysis of average employee numbers for the group by department is as follows:

	2022		2021	
	Full Time	Part Time	Full Time	Part Time
Admin/Support Staff	12	5	9	7
DV Ops	9	72	9	62
Golf	2	0	2	1
Retail	3	23	4	21
Hospitality	10	35	7	18
Maintenance/Security	17	4	18	3
Grounds/Gardens	3	1	2	1
Totals	56	140	51	113
		196		164

The number of employees with annual remuneration packages in excess of £60,000 was as follows:

	Group		Foundation	
	2022	2021	2022	2021
	No	No	No	No
£60,000 to £70,000	-	3	-	3
£70,000 to £80,000	2	-	2	-
£80,000 to £90,000	-	-	-	-
£90,000 to £100,000	-	-	-	-
£110,000 to £120,000	-	-	-	-
£130,000 to £140,000	1	1	1	1
£160,000 to £170,000	1	-	1	-
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

During the period the group paid contributions totalling £74,936 (2021: £53,257) in respect of the personal pension schemes of four of the above higher-paid employees (2021: four).

Pension contributions to defined contribution schemes in the period totalled £205,000 (2021 - £205,000).

No remuneration was paid to the Trustees and Directors of the Charity or any persons connected with them during this period or the previous period.

Travelling and other costs amounting to £396 (2021: £0) were reimbursed to one trustee (2021: zero)

The company considers that the key management personnel comprise the Senior Leadership Team as listed in the administrative details. During the period the group made remuneration payments to key management personnel totalling £317,202 (2021: £366,034).

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

15 Taxation

The Foundation, as a charitable company, is exempt from corporation tax on its charitable activities, including primary purpose trading, and investment income. Leeds Castle Enterprises Limited, the Foundation's operating subsidiary is subject to corporation tax on its trading profits, in as far as they are not donated to the Foundation.

Details relating to the tax charge of Leeds Castle Enterprises Limited are disclosed in that company's financial statements. The corporation tax liability in the period for the company was £nil (2021: £nil).

Deferred tax

	Group		Foundation	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
At 31 March 2021	11	8	-	-
Movement for the period	-	3	-	-
Deferred tax asset/(liability) at 31 March 2022	11	11	-	-
The deferred tax asset/(liability) is made up of the following:				
Other timing differences	11	11	-	-
	11	11	-	-

The credit for the period for deferred tax is included within support costs (see note 11).

16 Net outgoing resources

	Unrestricted	Restricted	Total Funds	Total Funds
	Funds	Funds	2022	2021
	£'000	£'000	£'000	£'000
Net outgoing resources are stated after (crediting)/charging:				
Depreciation: owned assets	597	-	597	651
Operating lease rentals:				
Hire of plant and equipment	11	-	11	14

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022

17 Consolidated statement of financial activities for the period ended 31 March 2021

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2021 £'000
Income and endowments from			
Donations and legacies	6	-	6
Other trading activities	1,207	-	1,207
Investments	92	-	92
Charitable activities	2,460	-	2,460
Total income and endowments	<u>3,765</u>	<u>-</u>	<u>3,765</u>
Expenditure on			
Raising funds	(2,010)	-	(2,010)
Charitable activities	(4,865)	-	(4,865)
Total expenditure	<u>(6,875)</u>	<u>-</u>	<u>(6,875)</u>
Net gains/(losses) on investments	1,527	-	1,527
Net income/(expenditure)	<u>(1,583)</u>	<u>-</u>	<u>(1,583)</u>
Exceptional items	1,208	-	1,208
Other recognised gains/(losses)			
Gains/(losses) on revaluation of			
Fixed assets and investment properties	199	-	199
Actuarial losses on defined benefit pension scheme (net of deferred tax)	(130)	-	(130)
Net movement in funds	<u>(306)</u>	<u>-</u>	<u>(306)</u>
Reconciliation of funds			
Total funds brought forward	20,907	-	20,907
Total funds carried forward	<u>20,601</u>	<u>-</u>	<u>20,601</u>

LEEDS CASTLE FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

18 Tangible fixed assets

a) Group

	Freehold Land and buildings £'000	Plant and equipment £'000	Total £'000
Cost			
At 31 March 2021	7,559	2,801	10,360
Additions	-	23	23
Disposals	(272)	(273)	(545)
At 31 March 2022	<u>7,287</u>	<u>2,551</u>	<u>9,838</u>
Depreciation			
At 31 March 2021	3,551	2,273	5,824
Charge for the period	468	129	597
Disposals	(255)	(273)	(528)
At 31 March 2022	<u>3,764</u>	<u>2,129</u>	<u>5,893</u>
Net book value			
At 31 March 2022	<u>3,523</u>	<u>422</u>	<u>3,945</u>
At 31 March 2021	<u>4,008</u>	<u>528</u>	<u>4,536</u>

b) Foundation

	Freehold Land and buildings £'000	Plant and equipment £'000	Total £'000
Cost			
At 31 March 2021	7,559	1,878	9,437
Additions	-	23	23
Disposals	(272)	(188)	(460)
At 31 March 2022	<u>7,287</u>	<u>1,713</u>	<u>9,000</u>
Depreciation			
At 31 March 2021	3,551	1,371	4,922
Charge for the period	468	123	591
Disposals	(255)	(188)	(443)
At 31 March 2022	<u>3,764</u>	<u>1,306</u>	<u>5,070</u>
Net book value			
At 31 March 2022	<u>3,523</u>	<u>407</u>	<u>3,930</u>
At 31 March 2021	<u>4,008</u>	<u>507</u>	<u>4,515</u>

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

19 Heritage assets (Group and Foundation)

In accordance with the Foundation's accounting policy, heritage assets are not included within the financial statements as, due to the historic and unique nature of the assets concerned, conventional valuation approaches lack sufficient reliability.

The Castle island buildings are insured for £52.0m and other estate buildings for £17.2m. Castle contents which include various pieces of furniture, pictures and prints, silverware and textiles have been valued for insurance purposes with Ecclesiastical Insurance at £26.4m, which includes loaned items valued at £11.1m.

20 Investment in subsidiary company

	2022 £'000	2021 £'000
100 Ordinary shares of £1 each at cost	866	866
	<u>866</u>	<u>866</u>

Leeds Castle Foundation owns 100% of the voting rights and nominal share capital of Leeds Castle Enterprises Limited. The subsidiary's accounts have been consolidated with the Foundation's accounts.

21 Investment land and properties (Group and Foundation)

	2022 £'000	2021 £'000
Market value of properties at 31 March 2021	7,352	7,153
Purchase	625	-
Revaluation	940	199
Market value of properties at 31 March 2022	<u>8,917</u>	<u>7,352</u>
Historical cost value of assets	<u>2,073</u>	<u>1,448</u>

All investment land and properties are located within the United Kingdom.

The land and properties were valued by Hen & Duckhurst Professional Services Ltd, a firm of independent surveyors and valuers on an open market basis as at 31 March 2020.

LEEDS CASTLE FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

21 Investment land and properties (Group and Foundation) (continued)

Five properties are provided with a lifetime occupancy at zero rent and seven are used for job related accommodation. Other property and land is rented out at a commercial rent. Future minimum lease receivables under non-cancellable operating leases are as follows:

	Group		Foundation	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Rent received:				
Within one year	41	41	41	41
Between two and five years	64	104	64	104
Between six and ten years	-	1	-	1
	<u>105</u>	<u>146</u>	<u>105</u>	<u>146</u>

22 Listed investments (Group and Foundation)

These comprise listed investments, Certificates of Deposit and other cash holdings.

	2022	2021
	£'000	£'000
Market value of listed investment at 31 March 2021	7,852	6,342
Acquisitions at cost	2,785	7,102
Disposal proceeds	(2,846)	(7,119)
(Losses)/gains for the year	489	1,527
Market value at 31 March 2022	<u>8,280</u>	<u>7,852</u>
Cash holdings at 31 March 2022	389	382
Total value of fixed asset investments	<u>8,669</u>	<u>8,234</u>
Historical cost value of assets	<u>7,465</u>	<u>7,192</u>

As at 31 March 2022 the market value of the investments split between UK investment assets and overseas assets was as follows:

	2022	2021
	£'000	£'000
UK investments	2,607	1,918
Overseas investments	6,062	6,316
	<u>8,669</u>	<u>8,234</u>

LEEDS CASTLE FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

22 Listed investments (Group and Foundation) (continued)

The portfolio at 31 March 2022 contained investments managed by Ruffer LLP and Sarasin & Partners LLP. The following investments exceed 3% by value of the total portfolio and are deemed to be material:

	2022		2021	
	£'000	%	£'000	%
Sarasin Climate Active Endowments Fund	3,726	45.0	3,546	45.2
UK 0.125% Treasury Stock 2068	264	3.2	155	2.0
Ruffer Illiquid Multi Strategies Fund	417	5.0	555	7.0
Ruffer SICAV Fixed Income Z GBP Cap	727	8.8	874	11.1
Ruffer Protection Strategies	274	3.3	222	2.8
Ruffer SICAV UK Mid & Smaller Cos	233	2.8	235	3.0
	<u>5,641</u>	<u>68.1</u>	<u>6,040</u>	<u>76.9</u>
Other investments (all less than 3%)	2,639	31.9	1,812	23.1
	<u>8,280</u>	<u>100.0</u>	<u>7,852</u>	<u>100.0</u>

23 Stocks

	Group		Foundation	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Goods for resale	146	254	-	-

24 Debtors

	Group		Foundation	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Amounts falling due after more than one year:				
Trade debtors	-	139	-	-
Amounts falling due within one year:				
Trade debtors	471	454	47	3
Amount owed by group undertakings in respect of gift aid	-	-	-	-
Other debtors	126	107	4	30
Prepayments and accrued income	364	159	222	110
Deferred tax asset (see note 15)	11	11	-	-
	<u>972</u>	<u>870</u>	<u>273</u>	<u>143</u>

LEEDS CASTLE FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

25 Cash at bank and in hand

	Group		Foundation	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Cash in hand	24	24	-	-
Cash at bank – Current accounts	805	688	619	429
Cash at bank – Deposit accounts	1481	705	973	522
	<u>2,310</u>	<u>1,417</u>	<u>1,592</u>	<u>951</u>

In addition to the cash at bank and in hand and deposits above, included within the investment portfolio were cash holdings of £388,566 (2021: £381,809) (see note 22).

26 Creditors: Amounts falling due within one year

	Group		Foundation	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade creditors	503	300	332	191
Corporation tax	-	-	-	-
Other taxation and social security				
Payable	89	50	13	-
Other creditors	43	45	1	-
Amounts owed to group undertakings	-	-	2,366	1,114
Accruals	586	74	493	54
Deferred tax liability (see note 15)	--	-	-	-
Deposits in advance	1,481	1,206	64	97
	<u>2,702</u>	<u>1,675</u>	<u>3,269</u>	<u>1,456</u>

27 Creditors: Amounts falling due after one year

	Group		Foundation	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Deposits in advance	<u>1</u>	<u>387</u>	<u>-</u>	<u>-</u>

The company has received deposits in advance for events occurring in over one year of which £1,654 (2021: £387,259) relates to events occurring within 1-2 years and £0 (2021: £0) relates to events occurring within 2-5 years.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

28 Financial commitments

At 31 March 2022 the group had future minimum payments under non-cancellable operating leases of plant and equipment as follows:

	Group		Foundation	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Payments made:				
Within one year	26	34	12	20
Between two and five years	-	26	-	12
	26	60	12	32

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022

29 Group funds

	Restricted Funds		Unrestricted Funds		Total Funds £'000
	H&D Fund £'000	Chattels Fund £'000	M&D Fund £'000	General Fund £'000	
Fund balances at 31 March 2022 are represented by					
Tangible assets	2,504	-	-	1,441	3,945
Investments	225	-	3,693	13,668	17,586
Current assets	11	78	457	2,882	3,428
Liabilities	-	-	-	(2,703)	(2,703)
At 31 March 2022	2,740	78	4,150	15,288	22,256
Movement of funds during the year	As at 31 March 2021 (£)	Income (£)	Expenditure (£)	Gains/ Losses (£)	As at 31 March 2022 (£)
Restricted Funds					
Heritage and Development Fund	2,729	640	(629)	-	2,740
Chattels Fund	78	-	-	-	78
	2,807	640	(629)	-	2,818
Unrestricted Funds					
Maintenance and Development Fund	4,055	-	-	95	4,150
General Fund	13,739	9,173	(9,389)	1,765	15,288
	17,794	9,173	(10,018)	1,860	19,438
Total Funds	20,601	9,813	(10,018)	1,860	22,256

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

29 **Group Funds** (continued)

	Restricted Funds		Unrestricted Funds		Total Funds £'000
	H&D Fund £'000	Restated Chattels Fund £'000	M&D Fund £'000	General Fund £'000	
Fund balances at 31 March 2021 are represented by					
Tangible assets	2,504	-	-	2,032	4,536
Investments	225	-	3,693	11,668	15,586
Current assets	-	78	362	2,101	2,451
Liabilities	-	-	-	(2,062)	(2,062)
At 31 March 2021	<u>2,729</u>	<u>78</u>	<u>4,055</u>	<u>13,739</u>	<u>20,601</u>
Movement of funds during the year					
	As at 31 March 2020 (£)	Income (£)	Expenditure (£)	Gains/losses (£)	As at 31 March 2021 (£)
Restricted funds					
Heritage and Development Fund	2,729	-	-	-	2,729
Chattels Fund	78	-	-	-	78
	<u>2,807</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,807</u>
Unrestricted funds					
Maintenance and Development Fund	3,060	1,000	(5)	-	4,055
General Fund	15,040	3,973	(6,870)	1,596	13,739
	<u>18,100</u>	<u>4,973</u>	<u>(6,875)</u>	<u>1,596</u>	<u>17,794</u>
Total funds	<u>20,907</u>	<u>4,973</u>	<u>(6,875)</u>	<u>1,596</u>	<u>20,601</u>

The H&D (Heritage and Development) Fund, which is an expendable endowment fund, represents freehold land and buildings classified as functional tangible assets, as these are considered to be integral to the bequeathed estate (see note 2.6(a)) and investment properties included within investment properties.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

29 Group Funds (continued)

The Chattels Fund, which is a restricted income fund, represents the proceeds from disposal of items formerly held for display and presentation purposes. This fund is utilised to acquire furniture, works of art or other antiques. The unrestricted General Fund represents surpluses generated from activities for generating funds, charitable activities and investment performance. This fund is utilised in acquiring new heritage assets and the preservation and maintenance of existing heritage assets.

The M&D (maintenance and development) fund is an unrestricted, designated fund which the trustees have allocated for future capital development and the ongoing maintenance programme of the Castle and the wider estate. Details of the planned expenditure of £4,150,000 are detailed in the Trustees report.

The Heritage and Development Fund and the Chattels Fund relate entirely to the Foundation. The proportion of the Unrestricted General Fund attributable to the Foundation amounts to £12,636,000 (2021: £11,742,000).

30 Pension scheme

Leeds Castle Enterprises Ltd (LCE) sponsors Leeds Castle Retirement Benefits Scheme, a funded defined benefit pension scheme in the UK, which was closed to future accrual in 2005. The scheme is set up on a tax relieved basis as a separate trust independent of LCE and is supervised by independent trustees. The trustees are responsible for ensuring that the correct benefits are paid, that the scheme is appropriately funded and that scheme assets are appropriately invested.

The Trustees are required to use prudent assumptions to value the liabilities and costs of the scheme whereas the accounting assumptions must be best estimates.

The most recent triennial actuarial valuation of the Scheme was carried out as at 1 April 2019. Previous valuation was performed as at 1 April 2016.

Valuation date 1 April	2019	2016
The value of the technical provisions was:	6,260,000	5,468,000
The value of the assets at that date was:	4,911,000	4,406,000

To ensure the Statutory Funding Objective is met the Trustees and Employer have agreed that additional Employer contributions will be paid to the Scheme of £140,000 per annum, over a period of 6 years from 1 April 2020 to 31 March 2026.

The amounts recognised in the statement of financial position are as follows:

	2022	2021
	£'000	£'000
Defined benefit obligation	(4,912)	(5,296)
Fair value of plan assets	6,043	5,889
Restriction on recognition of asset	(1,131)	(593)
Net defined benefit (liability)/asset	-	-

LEEDS CASTLE FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022****30 Pension scheme (continued)**

The current and past service costs, settlements and curtailments, together with the net interest expense for the year are included in profit or loss. Re-measurements of the net defined benefit liability are included in other comprehensive income.

	Period ended 31/03/2022 £'000	Period ended 31/03/2021 £'000
Service cost:		
Current service cost (net of employee contributions)	-	-
Administration expenses	46	-
Restriction of recognition of asset deemed irrecoverable	-	140
Net interest expense/(credit)	(13)	(14)
Charge/(credit) recognised in profit or loss	<u>33</u>	<u>126</u>
Re-measurements of the net liability:		
Return on scheme assets (excluding amount included in net interest expense)	(134)	(544)
Actuarial (gains)/losses	(297)	674
Charge/(credit) recorded in other recognised gains or losses	<u>(431)</u>	<u>130</u>
Total defined benefit cost/(credit)	<u>(398)</u>	<u>116</u>

LEEDS CASTLE FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

30 **Pension scheme** (continued)

The principal actuarial assumptions used were:

	31/03/2022	31/03/2021
Liability discount rate	2.75%	2.00%
Inflation assumption - RPI	3.80%	3.30%
Inflation assumption - CPI	3.25%	2.70%
Rate of increase in salaries	n/a	n/a
 Revaluation of deferred pensions: all benefits accrued	 3.25%	 2.70%
 Increases for pensions in payment: benefits accrued prior to 6 April 1997	 0.00%	 0.00%
benefits accrued after 5 April 1997	3.15%	2.65%
 Proportion of employees opting for early retirement	 0.00%	 0.00%
Proportion of employees commuting pension for cash	50.00%	50.00%
 Expected age at death of current pensioner at age 65: Male aged 65 at year end:	 86.9	 86.9
Female aged 65 at year end:	89.3	89.2
Expected age at death of future pensioner at age 65: Male aged 45 at year end:	 87.9	 87.9
Female aged 45 at year end:	90.4	90.4

Reconciliation of scheme assets and liabilities

	Assets	Liabilities	Total
	£'000	£'000	£'000
At start of period	5,889	(5,296)	593
Benefits paid	(191)	191	-
Administration expenses	(46)	-	(46)
Contributions from the employer	140	-	140
Interest income / (expense)	117	(104)	13
Return on assets (excluding amount included in net interest expense)	134	-	134
Actuarial gains/(losses)	-	297	297
Gain/(loss) on plan introductions and changes	-	-	-
At end of period	6,043	(4,912)	1,131

LEEDS CASTLE FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

30 **Pension scheme** (continued)

The return on scheme assets was:

	31/03/2022	31/03/2021
	£'000	£'000
Interest income	117	120
Return on scheme assets (excluding amount included in net interest expense)	134	544
Total return on scheme assets	<u>251</u>	<u>664</u>

The major categories of scheme assets are as follows:

	31/03/2022	31/03/2021
	£'000	£'000
UK Equities	626	705
Overseas Equities	775	803
Gilts	910	665
Index Linked	2,344	2,518
Alternative Assets	924	893
Cash	454	305
Total market value of assets	<u>6,043</u>	<u>5,889</u>

The Scheme has no investments in the Company or in property occupied by the Company.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

31 Reconciliation of cash flows from operating activities

	2022 £'000	2021 £'000
Net income/(expenditure)	715	(375)
Net (gains)/losses on investments	(489)	(1,527)
Depreciation charges on fixed assets	597	651
Write off of fixed asset	16	80
Tax charge	-	-
Dividends, interest and rents from investments	(111)	(92)
Movements on defined benefit pension scheme	-	(130)
Movement in components of working capital:		
Decrease/(increase) in stocks	108	5
(Increase)/decrease in debtors	(102)	671
(Decrease)/increase in creditors	642	141
Net cash inflow/(outflow) from operating activities	<u>1,376</u>	<u>(576)</u>

32 Limited by Guarantee

The company is limited by guarantee and does not have a share capital. The liability of each member is limited to £1.

33 Capital commitments and contingent liability

At 31 March 2022 the Foundation and the group had no contractual commitments for development expenditure (2021: nil).

34 Related party transactions

At the year end the trading subsidiary, Leeds Castle Enterprises Limited had a net intercompany debtor balance, owing £2,367,000 by the Charity (2021: net debtor balance of £1,114,000). During the period the Charity received gift aid payments totalling £124,000 from Leeds Castle Enterprises Limited, but with no further payment accrued at the year end.

35 Parent company exemption

As permitted by Section 408 of the Companies Act 2006, the parent company's statement of financial activities has not been included in the financial statements.

36 Financial instruments

At the balance sheet date, the consolidated group held financial assets at amortised cost comprising cash and short-term deposits, trade debtors, other debtors and accrued income of £2,295,000 (2021: £2,171,000) and financial liabilities at amortised cost, comprising trade creditors, other creditors and accruals of £468,000 (2021: £419,000). Total interest income received in respect of financial assets held at amortised cost totalled £nil (2021: £nil).

The charity held assets at fair value through income and expenditure of £8,280,000 (2021: £7,852,000). Movements in the year through the statement of financial activities comprised income of £nil (2021: £nil) and gains of £1,429,000 (2021: losses of £1,726,000).

LEEDS CASTLE FOUNDATION

England & Wales - Charity number 268354

Accounts



Company Registration No. 1172263 (England and Wales)
Charity Registered No. 268354 (England and Wales)

LEEDS CASTLE FOUNDATION

REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

Leeds Castle Foundation, Leeds Castle, Maidstone, Kent ME17 1PL

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Leeds Castle Foundation is a registered charity: No. 268354. Registered Office: Leeds Castle, Maidstone, Kent ME17 1PL Registered in England No. 1172263 VAT No. 303 8709 66

LEEDS CASTLE FOUNDATION

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LEEDS CASTLE FOUNDATION

ADMINISTRATIVE DETAILS

Trustees
Mr Niall F R Dickson CBE (Chairman)
Mrs Helen Deeble CBE
Mrs Anna Eavis
Mr Richard G Laing
Mr Jonathan B Neame, DL
Mrs Laura C A Nesfield
Mr Andrew Ross
Mr Julian Smith
Mr Adrian J Tinniswood OBE
Mr Thomas C Wright, CBE

Company Secretary Mr R Richman

Charity Number 268354

Company number 1172263

Registered Office
Leeds Castle
Broomfield
Nr. Maidstone
Kent
ME17 1PL

Statutory Auditors
Crowe U.K. LLP
Riverside House
40-46 High Street
Maidstone
Kent
ME14 1JH

Bankers
Royal Bank of Scotland
London Corporate Banking Centre
PO Box 39952
21/2 Devonshire Square
London
EC2M 4XJ

Investment manager
Ruffer LLP
80 Victoria Street
London
SW1E 5JL

LEEDS CASTLE FOUNDATION

ADMINISTRATIVE DETAILS

Sub-committee membership

Finance, Audit and Risk Committee	Mr Richard G Laing Mr Julian Smith Mr Thomas C Wright, CBE	Chairman
Investment Committee	Mr Andrew Ross Mr Richard G Laing Mrs Laura C A Nesfield	Chairman
Nominations Committee	Mr Niall F R Dickson, CBE Mr Julian Smith Mr Richard G Laing	Chairman
Directors, Leeds Castle Enterprises Ltd	Mr Thomas C Wright, CBE Mr Niall F R Dickson, CBE Mr David Bridgford Mrs Helen Deeble CBE Mrs Helen Bonser-Wilton Mr Robin Richman	Chairman Chief Executive Finance Director and Secretary
Senior Management Team of the Foundation	Mrs H Bonser-Wilton Mr R Richman Mrs D Matthews Mr S Guy Mr J Jordan	Chief Executive Finance Director Head of Sales & Marketing Head of Operations Head of Estate Services

LEEDS CASTLE FOUNDATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Trustees of the Leeds Castle Foundation, (Charity number: 268354 and company registration number: 1172263), who are also the directors of the charity, present their report and the financial statements for the Foundation and its trading subsidiary (the group) for the period ended 31st March 2021. These have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2015) and the Companies Act 2006.

Accounts have been prepared this year for the period from 1st April 2020 to 31st March 2021. The Foundation regularly alters its financial year end to ensure there is only one Easter Bank Holiday weekend within each financial year, but this was not necessary for either year covered by this report.

Objects

The Foundation's objects are wide ranging, and are set out in full in the memorandum and articles. However, the key focus of the charity is best summarised as follows:

1. To preserve the Castle and its estate for public benefit.
2. To provide an excellent, enjoyable and authentic experience for every visitor.
3. To inspire visitors of all ages through educational resources and facilities.
4. To promote health and other charitable purposes.

Strategic Report

Sections in this report noted below constitute the Strategic Report for the purposes of the Companies Act 2006:

- Review of the year.
- Incoming resources.
- Costs and application of operating surpluses.
- Reserves Policy.
- Investment Policy and Objectives
- Core Activities – Public Benefit.
- Plans for the Future.
- Risk.
- Section 172 Statement.

Review of the year

The Estate was closed due to COVID-19 lockdown from Monday 23rd March 2020 in accordance with Government instructions. All staff were paid in full to the month end and an orderly shutdown ensued. Planning for the year in the context of the pandemic was extremely difficult, but cost control to match a fluid situation was the key aim.

From the beginning of April a Care and Preservation team of 32 was created, to ensure adequate security, maintenance, administration and forward planning. Most of this team were required to work on site, but those who could worked from home if their duties allowed. All other staff were furloughed under the Coronavirus Job Retention Scheme.

Throughout the year, the Hospitality and Accommodation sales staff offered all those with bookings impacted by restrictions an alternative date for their function and it was encouraging that most rebooked their functions in line with the constantly changing restrictions. For some this had to be repeated on multiple occasions. Those who did not wish to rebook were refunded.

LEEDS CASTLE FOUNDATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

During the period of closure, the Management team, under the direction of the Trustee Board, undertook a review of the operational structure of all aspects of the business. The outcome of the review was a streamlined structure, dependent on fewer full-time staff, augmented as required. The restructure and resulting redundancies were approved by the Trustees on 26th June 2020.

Once initial restrictions were relaxed in June, a successful Phase One of reopening the grounds began. In line with other 'Treasure Houses', there was a review of whether those with existing tickets should be compensated. Unlike the National Trust and English Heritage who have annual membership schemes, Castle admissions are donation-based day entry, which by utilising Gift Aid legislation are extended to allow further visits over a period of twelve months. It was decided that any customers buying or renewing their tickets in the financial year would have the ability to return for further visits for a fifteen-month period, rather than the normal twelve, as the estate had to postpone events and limit admission numbers through a pre-booking system. Timed arrival booking slots and pre-booking protocols were introduced to ensure best industry practice was followed.

The Leeds Castle Golf Club reopened, with an immediate increase in memberships, as restrictions allowed people to take outdoor exercise in safe surroundings. This proved an unexpected boost to re-establishing the Golf Club following the earlier investment in the course and facilities.

In mid-July, Phase Two of reopening the wider external areas of the estate, including playgrounds, was completed and well-received. The additional safety and hygiene measures, whilst expensive, were very much appreciated by our customers, leading to positive customer feedback.

August saw the reintroduction of onsite accommodation and Castle interior admissions, all with appropriate booking and hygiene protocols. The staycation boom boosted occupancy percentages to record levels and staff returned from furlough to support the operation.

All major events over the summer and school holiday periods were postponed, to minimise risks to visitors and to safeguard the Foundation's financial position, due to the associated substantial upfront expenditure needed.

November saw the second national lockdown, curtailing much activity, but with the grounds and play areas able to remain open for relaxation and exercise. The decision was taken to install Christmas activity in cabins along the Woodland Walk, rather than inside the Castle. This was well received, bringing seasonal cheer to the many visitors who came to see them and proved to be a prudent decision financially.

Overall the experience of reducing and subsequently reintroducing activity was managed with agility. Good communication with visitors and staff proved crucial throughout the uncertainty.

Nearly 270,000 guests were welcomed to site, with the estate providing respite from the pandemic for thousands of visitors. The investment in hygiene and safety matters was therefore fully justified.

With investments performing well and costs stringently controlled, Trustees decided that borrowing would not be sought as the Foundation held adequate reserves.

Forward modelling into the foreseeable future, at levels similar to those achieved to date, should produce adequate cash resources, with potential for considerable improvement over the next few years as visitors and hospitality events are able to return, but it may be a considerable time before overseas visitors return to previous levels.

LEEDS CASTLE FOUNDATION
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Incoming resources

Total incoming resources reduced by £166,000 over the last year as a result of reduced visitor numbers and restricted operations due to the pandemic.

There were no special events held during the year.

Hospitality was unable to operate at all, with accommodation restricted, both in terms of operational calendar and occupancy, which had a major impact on the larger rental properties.

The investment portfolio withstood the initial market downturn and benefitted from the significant bounce back.

Costs and application of operating surpluses

We continue to focus on managing our costs, a discipline which will be a key focus in the coming years, as we await fuller recovery from the lasting impact of the pandemic.

There will always be a need for considerable investment programmes, not least in the fabric of the Castle buildings. In addition to planned and preventative maintenance, there are times when unexpected repairs are required. The operating surplus will be used to continue the preservation of the Castle and the enhancement of the visitor experience, including restoration of the Castle interiors. Whilst little was expended in the year, there has been sufficient confidence to reintroduce the stonework restoration programme in 2021/22.

In line with the agreed three-year pension deficit reduction plan, we also made a special contribution of £140,000 towards the Leeds Castle Retirement Benefits Scheme. The scheme has been closed to new members since 2005. A triennial revaluation was undertaken as at 1st April 2019 and contributions increased to £140,000 with effect from 1st April 2020. Subject to the result of the next triennial valuation scheduled for 1st April 2022, contributions will again be reviewed.

LEEDS CASTLE FOUNDATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

Reserves policy

The reserves policy is reviewed annually by the Trustees, taking into account the predominant risks to the Foundation and its anticipated working capital requirements.

The review of risk highlights major events, (e.g. a fire), causing severe impact on income, mitigated by both direct and business interruption insurance cover. The impact on income of other risks, such as closure or periods of low visitor numbers due to prolonged bad weather or other factors, are uninsurable. In recent years, to mitigate these risks, Trustees have invested to diversify income generation, reducing the dependence on day visitors. The Trustees have concluded that funds are required to be held as free reserves to enable us to meet regular commitments and working capital requirements, should there be short term volatility in revenues. Taking into account core cost needs over a twenty-four month period, the Trustees consider it is appropriate to hold free reserves of at least £5m. This figure was reconsidered post year end in response to the pandemic.

At 31st March 2021, the total consolidated funds in the accounts stand at £20.6m (2020 - £20.9m), of which £2.8m (2020 - £2.8m) is restricted and £2.5m (2020 - £2.5m) relates to unrestricted tangible fixed assets. After deducting the designated funds of £4.0m (2020 - £3.0m) this leaves general free reserves of £11.3m (2020 - £12.6m). The free reserves include investment properties with a value of £7.4m (2020 - £7.2m) which are not readily realisable. The Foundation had liquid free reserves of £3.9m (2020 - £5.4m) in line with the Trustees target of £5.0m. Operating costs in a full year of normal activity can reach £12m.

The Foundation's funds comprise a number of restricted and unrestricted funds within which a number of designations have been made by the Trustees.

Restricted funds comprise the Heritage and Development Fund and the Chattels Fund. The Heritage and Development Fund is an Expendable Endowment Fund and represents freehold land and buildings classified as functional tangible assets, considered to be integral to the bequeathed estate. The Heritage and Development Fund relates entirely to the Foundation.

The Chattels Fund represents proceeds from the disposal of heritage assets. These proceeds are to be used solely for the purpose of acquiring replacement heritage assets.

The Trustees have concluded that Designated Reserves should be set up to cover the estimate of potential spending on specific projects which have been identified as part of the five-year planning process, in order to:

- Fund the Foundation's primary responsibility of preserving the Castle and its collections for public benefit.
- Invest in developments to enhance the visitor experience and understanding of the Castle.
- Develop income generating opportunities.
- Improve or replace operating facilities.

As at 31st March 2021, the Designated Reserves have been assigned to:

- Castle collection presentation. Spread over 3 years from 2022.
- New hospitality visitor reception facility. 2021-22 financial year.
- Development of additional indoor space to mitigate weather impact. 2023-24 financial year.
- Stonework restoration. Next phases October 2021 and October 2023.
- Oral history project. Commenced 2021.

In addition, the Foundation carries business interruption insurance to cover the cost of core liabilities in the event that the Castle was unable to generate income as a consequence of exceptional insurable incidents.

Investment policy and objectives

a) Investment land and properties

Investment land and properties relate to interests in land and buildings which are held for their investment potential, and which are not used by the Foundation or its subsidiary in the course of their operations, other than for generating rental income. These properties are considered annually by the Investment Committee as part of its review of the combined portfolio of properties and other investments.

b) Cash and managed investments

The fundamental objective in managing the investment assets is to generate a rate of return to help meet the Foundation's charitable objectives.

In 2020 the Trustees reviewed and ratified the investment policy, which states that the portfolio should achieve a rate of return of RPI plus 2% over the long term and that the rate in any particular year should not be negative. The Trustees also undertook a tender process and decided to split the portfolio equally between Ruffer LLP and Sarasin to mitigate management risk with effect from March 2021.

Core Activities

Public benefit

The Trustees referred to the Charity Commission's guidance on public benefit when reviewing the aims and objectives and in planning future activities. In particular, the Trustees considered how planned activities will contribute to the aims and objectives they have set. The Trustees are confident that the Foundation's current activities deliver public benefit, as follows:

c) Objective 1 – To preserve the Castle and its estate for public benefit.

A large proportion of the Foundation's income is devoted to activities which preserve the Castle, its collections, the estate buildings and its grounds.

Lady Baillie Suite

As part of the scheduled ongoing representation works, work commenced on both the bedroom and dressing room in 2019. Due to the pandemic this work was not complete at the year-end, with £41,000 expended to year end.

Renovation of Castle Bedrooms

No further work was undertaken in the year due to the pandemic.

Stonework

Surveys and essential repairs in advance of the next phase of major stonework costing £18,000 were undertaken with the plan to recommence the next phase in October 2021.

d) Objective 2 – To provide an excellent, enjoyable and authentic experience for every visitor.

At the centre of the Foundation's work is the welcome extended to the hundreds of thousands of visitors who come and enjoy Leeds Castle. They may come for the day, just once; others living more locally take advantage of the free repeat visits. The comments posted on TripAdvisor demonstrate high levels of satisfaction, with a wide range of visitors finding interest and enjoyment.

The Castle was open during the year as restrictions allowed, most notably the grounds and gardens. The Estate welcomed many local visitors giving them a safe, recreational environment for respite from the pandemic.

A seasonal presentation in the grounds allowed far more visitors to enjoy the Christmas displays than could have been achieved indoors.

e) Objective 3 – To inspire visitors of all ages through educational resources and facilities.

Our education programme was unable to operate properly throughout the year, but school visits still took place, giving children the opportunity to enjoy the safe and healthy environment.

As education in its widest sense is at the heart of what we aim to deliver for all visitors, flexibility and forward planning have continued through the year to allow the earliest introduction of provision as allowed.

f) Objective 4 – To promote health and other charitable purposes

The Foundation has continued to promote healthy living. Being able to keep the grounds and gardens open for relaxation and exercise, together with the playgrounds, which were regularly full of children, met this objective. Few opportunities were available to support other charities, but an NHS Wellbeing day to thank local NHS workers was a great success, with many sponsors helping to provide an excellent day for attendees.

LEEDS CASTLE FOUNDATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

The creation of a membership scheme for the golf course led to unexpected growth, as golf was one of the few sports that could be enjoyed during the restrictions. From a standing start over a two-year period we now have nearly 450 members taking an active interest in the course. Golf both at the Castle and nationally has seen a resurgence of popularity.

The Foundation welcomes walkers and ramblers who enjoy the grounds on the public footpaths. At times, this has caused problems, but we seek to convert walkers into paying visitors wherever possible.

Plans for the future

Trustees appointed a new Chief Executive, Helen Bonser-Wilton, from April 2021. Helen brings extensive experience of heritage, estates and visitor attractions, having held senior positions with the National Trust and the Mary Rose Trust.

With the arrival of a new CEO, all plans are under review, focussing on Bringing the Castle to Life, developing plans for the wider estate, including more accommodation and addressing long standing conservation and infrastructure issues, such as car parking. The Visitor Reception and Park Shop will undergo a revamp to provide a better visitor experience and to manage off-season staffing costs. Work continues to identify additional indoor experiences that can protect the day visitor business against the vagaries of the weather. The uncertainties of the pandemic continue to affect our medium-term planning, with little clarity on when groups and international visitors might return.

Risk

The Charity has an active risk management policy. The Risk Register was fully revised during the year and is subject to quarterly review and scrutiny by the Foundation's Finance, Audit and Risk Committee. This has enabled staff and Trustees to identify key risks and to manage them more effectively.

The upkeep of the Castle and the estate is a heavy, largely fixed cost that must be borne irrespective of the fortunes of our trading activities. Apart from some catastrophic disaster such as fire, the most critical risk for the charity is not generating sufficient income to support that cost. The Foundation encourages its trading subsidiary to explore diversified sources of income continuously.

To manage any catastrophic occurrence, business continuity has been reviewed and we have produced a comprehensive plan designed to restore us to operational capacity as quickly as possible. For example, a new generator has been installed to supply electricity across the site should the supply from the National Grid fail.

The Foundation takes the health and safety of its staff and visitors very seriously. The Leadership Team is committed to ensuring that staff operate safe systems and that visitors are able to enjoy their time with us without incident. All activities on the estate are risk-assessed and incidents logged, with follow-up action closely monitored. An external Health and Safety consultant is used to monitor processes and activities, using a risk assessment tool. Given the level of complexity in the Leeds Castle operation, a Training Officer has been recruited to staff are trained in all aspects of delivering a safe environment, both for visitors and staff.

There will always be extraneous risks over which we have little control. The most significant of these is poor weather, which affects both event sales and the core activity of encouraging visitors to the Castle.

LEEDS CASTLE FOUNDATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

Section 172 Statement

The Board of Trustees are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- The likely consequences of any decision in the long term.
- The interests of the Company's employees.
- The need to foster the Company's business relationships with suppliers, customers and others.
- The impact of the Company's operations on the community and the environment.
- The desirability of the Company maintaining a reputation for high standards of business conduct.
- The need to act fairly as between members of the Company, (the "s.172(1) Matters")

Engagement with employees

Enhancing employee engagement is an integral part of the culture of the Foundation. Senior management provide regular departmental updates and cross Foundation communications. Much focus has been given to ensuring a safe working environment during the pandemic, including supporting employees' physical and mental health and wellbeing, whilst working either remotely or onsite.

Engagement with stakeholders

The Trustees recognise the importance of external stakeholders and the Foundation aims to engage these institutions and individuals with our work.

Structure, Governance and Management

The Leeds Castle Foundation was established as a company limited by guarantee by the last private owner of the Castle, Lady Baillie, to preserve the Castle for the benefit of the public. It is governed by its Memorandum and Articles of Association (1974) and it is registered as a charity with the Charity Commission. The Charity is administered by a Board of Trustees. As set out in the Articles of Association, the Chairman of the Trustees is elected by his or her fellow Trustees.

The Foundation uses a variety of methods to recruit new Trustees including advertising, head-hunters, and personal contacts. The Board aims to keep the costs of recruitment down, but is keen to make sure it is able to access the skills and attributes required. It has a Nominations Committee chaired by the Foundation Chairman, supported by two other Trustees. Whenever a vacancy arises, candidates are invited to submit their CV and following shortlisting and subsequent interviews, a recommendation is made to the full Board.

The year saw the appointment of Mr Julian Smith to the Board of Trustees, bringing a wide range of specialist charitable legal experience including governance, replacing Lord Bridges who retired on completion of his term.

By way of induction, new Trustees are provided with a comprehensive briefing pack, and spend a day with the Chief Executive and Senior Leadership Team. If they do not have experience of working with charities, they are offered additional training and support.

The Board's standing subcommittees cover audit (which also addresses finance and risk), investment, nominations, presentation, and strategic development.

Activities outside of the main objects of the Charity are undertaken on its behalf by Leeds Castle Enterprises Limited, a wholly owned subsidiary.

Two Trustees also sit on the Leeds Castle Retirement Benefits Scheme Board, the liability for the scheme being borne by Leeds Castle Enterprises.

LEEDS CASTLE FOUNDATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Chief Executive is appointed by the Trustees to advise on strategy and development, and manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has authority, within terms of delegation approved by the Trustees, for all operational matters. She is supported by a Finance Director, who is also company secretary and a team of senior managers.

The Foundation receives no public funding and has to balance the need to generate income with the impact of commercial activities on the historic buildings and environment.

Remuneration of key management personnel

Salaries for the Senior Leadership team are reviewed annually by Trustees and benchmarked against other members of the Treasure Houses Association.

Employee involvement and disabled persons

The management of Leeds Castle Foundation and its subsidiary Leeds Castle Enterprises Limited, (which together form the group), establish and maintain close communication with staff and volunteers, to ensure all are fully informed about the progress of the group's activities. There are informal and formal information exchange procedures, feedback sessions at all levels, as well as individual performance development sessions with all members of staff. Success is celebrated with an annual awards ceremony. We provide a workplace that offers equality of opportunity for all our staff, whatever their gender, race, religion, sexual orientation, age or physical ability.

With effect from 2017, volunteer support has been introduced across several areas of operations, most notably gardens and falconry teams. This now includes visitor facing Castle stewards.

Fundraising

The charity carries out its fundraising in a fair and responsible way in line with the requirements of the Fundraising Regulator. The Foundation ensures that funds raised are spent effectively to bring maximum benefit to the beneficiaries.

Whilst all efforts will be made to perform to the highest standards, occasionally, issues happen. Any complaints made are fully investigated and action taken to deal with any problems. The charity received no complaints during the year under review. The Trustees recognise the importance of the reputation of the charity in maintaining the trust and confidence of its donors & grant givers and this principle sits at the heart of all fundraising activities.

Governance

The Trustees note the importance of the Charity Code of Governance and are committed to reviewing the charity's governance procedures based upon its recommendations.

LEEDS CASTLE FOUNDATION
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Trustees Responsibility

The Trustees (who are also directors of Leeds Castle Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

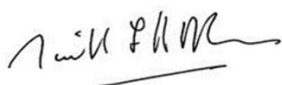
In so far as the Trustees are aware:

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

Auditors

Crowe U.K. LLP were appointed as auditors in the year and have expressed their willingness to remain in office.

The Report of the Trustees, which includes the Strategic Report, was approved by the Board on 10th December 2021 and signed on their behalf by:



.....
Mr Niall F R Dickson CBE
Chairman of Trustees

LEEDS CASTLE FOUNDATION

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of Leeds Castle Foundation for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, consolidated balance sheet, foundation balance sheet, consolidated cashflow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

LEEDS CASTLE FOUNDATION

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the [strategic report or the] directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

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

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

LEEDS CASTLE FOUNDATION

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

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

- reviewed the design and implementation of controls over significant audit risks; and
- we reviewed the revenue recognition policy and considered whether this was being applied correctly for a sample of transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance where meetings took place;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Ian Weekes
(Senior Statutory Auditor)
For and on behalf of

Crowe U.K. LLP

**Chartered Accountants
Statutory Auditors**

Maidstone, Kent

Date: 23 December 2021

LEEDS CASTLE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT) FOR THE PERIOD ENDED 31 MARCH 2021

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
Income and endowments from					
Donations and legacies	6	6	-	6	11
Other trading activities	7	1,207	-	1,207	5,358
Investments	8	92	-	92	134
Charitable activities	9	2,460	-	2,460	6,054
Total income and endowments		<u>3,765</u>	<u>-</u>	<u>3,765</u>	<u>11,557</u>
Expenditure on					
Raising funds	7	(2,010)	-	(2,010)	(5,170)
Charitable activities	9	(4,865)	-	(4,865)	(6,481)
Total expenditure		<u>(6,875)</u>	<u>-</u>	<u>(6,875)</u>	<u>(11,651)</u>
Net (losses)/gains on investments	22	1,527	-	1,527	354
Net income/(expenditure)		<u>(1,583)</u>	<u>-</u>	<u>(1,583)</u>	<u>260</u>
Exceptional items					
Other recognised gains/(losses)	10	1,208	-	1,208	-
Gains/(losses) on revaluation of					
Fixed assets and investment properties	21	199	-	199	(466)
Actuarial gains/(losses) on defined benefit pension scheme (net of deferred tax)	30	(130)	-	(130)	379
Net movement in funds		<u>(306)</u>	<u>-</u>	<u>(306)</u>	<u>173</u>
Reconciliation of funds					
Total funds brought forward		<u>20,907</u>	<u>-</u>	<u>20,907</u>	<u>20,734</u>
Total funds carried forward	29	<u>20,601</u>	<u>-</u>	<u>20,601</u>	<u>20,907</u>

The notes on pages 22 to 48 form part of these financial statements.

The Charity has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

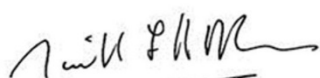
LEEDS CASTLE FOUNDATION

**CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021**

		2021		2020	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	18		4,536		5,243
Heritage assets	19		-		-
			<u>4,536</u>		<u>5,243</u>
Investments:					
Properties	21	7,352		7,153	
Listed investments	22	7,852		6,342	
Cash held as an investment	22	382		445	
			<u>15,586</u>	<u>13,940</u>	
			20,122		19,183
Current assets					
Stocks	23	254		259	
Debtors	24	870		1,541	
Cash at bank and in hand	25	1,417		1,845	
		<u>2,541</u>		<u>3,645</u>	
Creditors: amounts falling due within one year	26	<u>(1,675)</u>		<u>(1,287)</u>	
Net current assets			866		2,358
Creditors: amounts falling due within more than one year	27		(387)		(634)
Total assets less current liabilities			<u>20,601</u>		<u>20,907</u>
Funds					
Expendable endowment fund	29		2,729		2,729
Restricted income fund	29		78		78
Total restricted funds			<u>2,807</u>		<u>2,807</u>
Unrestricted general fund	29		13,739		15,040
Unrestricted designated fund	29		4,055		3,060
Unrestricted pension reserve	29&30		-		-
Total charity funds			<u>20,601</u>		<u>20,907</u>

The notes on pages 22 to 48 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Trustees and Directors on 10th December 2021 and were signed on its behalf by:



.....
Mr Niall F R Dickson, CBE
Chairman of Trustees
Company number: 1172263

LEEDS CASTLE FOUNDATION

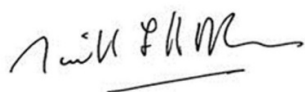
**FOUNDATION BALANCE SHEET
AS AT 31 MARCH 2021**

		2021		2020	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	18		4,515		5,215
Heritage assets	19		-		-
			<u>4,515</u>		<u>5,215</u>
Investments:					
Subsidiary company	20	866		866	
Properties	21	7,352		7,153	
Listed investments	22	7,852		6,342	
Cash held as an investment	22	382		445	
			<u>16,452</u>	<u>14,806</u>	
			20,967		20,021
Current assets					
Stocks	23	-		-	
Debtors	24	143		522	
Cash at bank and in hand	25	951		1,321	
		<u>1,094</u>		<u>1,843</u>	
Creditors: amounts falling due within one year	26	<u>(1,456)</u>		<u>(2,083)</u>	
Net current assets			<u>(362)</u>		<u>(240)</u>
Total assets less current liabilities			<u>20,605</u>		<u>19,781</u>
Funds					
Expendable endowment fund	29		2,729		2,729
Restricted income fund	29		78		78
Total restricted funds			<u>2,807</u>		<u>2,807</u>
Unrestricted general fund	29		13,743		13,914
Unrestricted designated fund	29		4,055		3,060
Total charity funds			<u>20,605</u>		<u>19,781</u>

The profit/(loss) for the financial year dealt with in the financial statements of the parent Company was (£177,000) – (2020: loss of £1,054,000).

The notes on pages 22 to 48 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Trustees and Directors on 10th December 2021 and were signed on its behalf by:



.....
Mr Niall F R Dickson, CBE
Chairman of Trustees
Company number: 1172263

LEEDS CASTLE FOUNDATION

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2021**

	Note	2021 £'000	2020 £'000
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	31	(576)	422
Cash flows from investing activities:			
Dividends, interest and rents from investments	8	92	134
Purchase of fixed assets		(24)	(205)
Proceeds from sale of investments		7,119	5,190
Purchase of investments		(7,102)	(4,290)
Net cash provided by/(used in) investing activities		<u>85</u>	<u>829</u>
Change in cash and cash equivalents in the reporting period		(491)	1,250
Cash and cash equivalents at the beginning of the reporting period		2,290	1,040
Cash and cash equivalents at the end of the reporting period		<u>1,799</u>	<u>2,290</u>
Reconciliation of cash and cash equivalents			
	Note	2021 £'000	2020 £'000
Cash in hand	25	1,417	1,845
Cash held as an investment	22	382	445
Total cash and cash equivalents		<u>1,799</u>	<u>2,290</u>

Analysis of changes in net debt

	At 1 April 2020 £'000	Cash flow £'000	At 31 March 2021 £'000
Cash at bank	1,845	(428)	1,417

The notes on pages 22 to 48 form part of these financial statements.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

1.1 **Company information**

The company is limited by guarantee, registered in England and Wales, and a registered charity. The registered office is Leeds Castle, Maidstone, Kent ME17 1PL.

2.1 **Accounting policies**

2.1 **Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities SORP (FRS102) as it applies from 1 January 2015 and the Companies Act 2006. The statements have been prepared on the basis of a going concern. The principal accounting policies adopted in the preparation of the financial statements are set out below and are consistent with those of the previous year.

Leeds Castle Foundation meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The Trustees have assessed whether the use of going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the Trustees have considered the charitable company's forecasts and projections and have taken account of pressures on income. After making enquiries, the Trustees have concluded that there is a reasonable expectation that following the approved structural and cost saving measures that have been agreed, that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

The Trustees have assessed the consequences of the current Covid-19 pandemic and recognise that, whilst this will impact the operating climate, the Foundation's reserves are such that it expects to maintain positive cash flows and reserves for at least one year from the date of approval of these financial statements and, as such, the Trustees are confident that the Foundation will continue to operate as a going concern.

The individual entity accounts of Leeds Castle Foundation have taken advantage of the disclosure exemption under FRS 102 to separately disclose categories of financial instruments and items of income, expenses, gains or losses relating to instruments as these have been presented on a group basis in the notes to the accounts.

2.2 **Basis of consolidation**

The group financial statements consolidate the financial statements of the Foundation and its subsidiary for the period ended 31 March 2021. The statement of financial activities (SOFA) and the balance sheet consolidate the financial statements on a line by line basis where appropriate. No separate SOFA has been presented for the Charity alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP 2015. Details concerning the subsidiary company, results and financial position are set out in note 5.

2.3 **Stocks**

Stocks are valued at the lower of cost and net realisable value.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

2 **Accounting policies** (continued)

2.4 **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at net incoming/(outgoing) resources.

2.5 **Form of financial statements**

The funds of the Charity comprise four distinct categories, which are:

a) **Heritage and Development fund**

This restricted expendable endowment fund relates to changes to the infrastructure of the estate carried out to improve the facilities available to support public access. Such assets are, for all practical purposes, integral with the bequeathed estate and are therefore also regarded as being inalienable. See note 29 for more information regarding this fund.

b) **Restricted funds**

Restricted funds are those funds subject to specific trusts declared by the donor, or in relation to funds generated from the sale of certain heritage assets. The funds are expendable by the Charity at the discretion of the Trustees in accordance with the terms of their receipt.

c) **General unrestricted fund**

The Fund was created from a pecuniary legacy bequeathed by the late Lady Baillie, together with additional funds realised from the authorised sale of certain items included in the original transfer of the property.

The capital and income of the Fund are available for expenditure by the Trustees on the Foundation's charitable objectives, including development expenditure.

d) **Designated funds**

Designated funds are those funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

2.7 **Incoming resources**

Incoming resources represents total income receivable, excluding value added tax, from admission fees, the sale of goods, services supplied, investment income and sundry income. Donations are recognised when received. All incoming resources are included in the SOFA when the Charity is legally entitled to recognise the income and the amount can be quantified with reasonable accuracy. Any income received in relation to future periods is deferred as appropriate.

2.8 **Investment income**

Dividends and interest on listed investments are accounted for on an accruals basis. Interest on bank deposits is accounted for on an accruals basis.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

2 Accounting policies (continued)

2.9 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each of the Charity's activities. Support costs which cannot be directly attributed to a specific activity have been allocated to activities on a basis consistent with their use of the resources. Governance costs are included within support costs.

Costs of raising funds includes all costs associated with the trading and management of the Charity's subsidiary.

Governance costs are incurred in meeting the constitutional and statutory requirements of the charity and are included within support costs.

2.10 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on the straight-line basis over the lease term.

2.11 Deferred taxation

Deferred tax is provided in full in respect of taxation, deferred by timing difference between the treatment of certain items for taxation and accounting purposes. Deferred tax balances are not discounted.

2.12 Pension scheme arrangements

The group accounts for pension schemes in accordance with Financial Reporting Standard 102 "Retirement Benefits".

For defined contribution schemes, contributions are charged to resources expended in the statement of financial activities as payable in respect of the accounting period. This includes contributions made to the personal pension schemes of employees.

For defined benefit schemes the amounts charged to resources expended include the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as part of investment income. Actuarial gains and losses are recognised immediately as part of other recognised gains and losses within the statement of financial activities.

The assets of the group's defined benefit scheme are held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred taxation, is presented after other net assets on the face of the balance sheet and is represented by the unrestricted pension reserve.

If the actuarial valuation of the defined benefit pension scheme results in a surplus then no asset is recognised in accordance with the requirements of FRS 102.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

2 Accounting policies (continued)

2.13 Tangible fixed assets and depreciation

a) Heritage assets

Heritage assets are the tangible assets of the Charity that are of historical importance and are held to advance the preservation, conservation and educational objectives of the Charity and, through public access, contribute to the nation's culture and education.

The Castle, grounds and contents bequeathed by the late Lady Baillie, in 1974 and subsequent development expenditure in these assets, are considered to be heritage assets and are integral to the Leeds Castle Estate.

Due to the historic and unique nature of the assets concerned conventional valuation approaches lack sufficient reliability. As a consequence, the value of heritage assets has not been included in the financial statements.

Included in the assets bequeathed were certain inalienable assets which are not considered to be heritage assets but cannot be realised and so no value is attributed to these assets.

Costs incurred which, in the Trustees' view, are required to preserve the heritage assets are recognised as expenditure as incurred. Capital improvements to the Maidens Tower have been capitalised at cost and included as fixed assets since the Trustees consider that the improvements are operational in nature. Further information on the maintenance of the heritage assets is given in note 13 to the accounts.

b) Other tangible assets

Functional assets are those tangible assets which are used for charitable purposes, including fundraising, but are not considered to be heritage assets. This includes modern buildings utilised for charitable purposes, such as education, and ancillary purposes such as catering outlets. It also includes plant and equipment used for charitable purposes.

Depreciation has been provided on buildings on a straight-line basis over their remaining economic lives of ten or twenty-five years.

Plant and equipment are included in the balance sheet at cost and depreciated on a straight-line basis over their useful economic life estimated to be 4 years. Assets costing less than £1,000 are written off in the year of purchase. Assets are disposed of and replaced when it is no longer economically viable to keep them in working use.

2.14 Investment

a) Investment land and properties

Investment land and properties relate to interests in land and buildings which are held for their investment potential, and which are not utilised by the company or its group in the course of their operations. However, some of these holdings have strategic value to the Foundation, securing boundaries from unwanted development. The property assets are included within investments at their open market valuation, based on a professional valuation undertaken at 31 March 2020. The land at index linked valuation is pending further review. Further professional valuations will be obtained every five years. In the intermediate years the carrying value of the investment properties will be reviewed by the Trustees and any material movement in their valuation recognised.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

2 Accounting policies (continued)

2.14 Investment (continued)

b) Listed investments

These are included in the balance sheet at market valuation. Realised and unrealised gains/(losses) arising on the disposal or revaluation of investments are included in the Statement of Financial Activities and credited or charged to the Unrestricted General Fund. The fees charged for the purchase and sale of investments in the portfolio are included within the Foundation's resources expended.

3 Financial instruments

Leeds Castle Foundation has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise stock, cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise, trade, other creditors and accruals.

Investments, including bonds held as part of an investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in note 2, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Pension assets/liabilities – The charity recognises its asset/liability to its defined benefit pension scheme which involves a number of estimations as disclosed in note 30.

Valuation of investment properties– The charity's investment properties are stated at their estimated fair value based on professional valuations as disclosed in note 21.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

5 Net income from trading activities of subsidiary

The Charity has one wholly owned subsidiary, Leeds Castle Enterprises Limited, company no: 01413563, which is registered in England and Wales. The registered office of the subsidiary is the same address as for the parent charity (see note 1.1). A summary of the company's trading results is shown below:

	2021	2020
	£'000	£'000
Turnover	1,182	5,308
Costs of trading activities and administrative expenses	(1,683)	(4,833)
Operating profit	(501)	475
Interest receivable	152	371
Interest payable to Leeds Castle Foundation on long term loan		-
Other finance income/(costs)	455	-
Profit/(loss) before donation and taxation	106	846
Taxation	(22)	-
Retained profit for the period	84	846
Actuarial gain/(loss) related to pension scheme, net of deferred tax	(105)	379
Total recognised losses for the period	(21)	1,225
Distribution – gift aid	(1,108)	(1,278)
Retained profit brought forward	1,129	1,182
Profit retained in subsidiary	<u>-</u>	<u>1,129</u>

The net assets of Leeds Castle Enterprises Limited are £866,000 as at 31 March 2021 (2020: net assets £1,995,000).

Leeds Castle Enterprises Limited's activities are those trading activities of the group deemed to be non-charitable, such as shop trading, golf, certain special events, conferences and weddings, with the intention of any profits generated being donated to the Foundation for the furtherance of its charitable activities.

6 Income from donations and legacies

	Unrestricted	Restricted	Total Funds	Total Funds
	Funds	Funds	2021	2020
	£'000	£'000	£'000	£'000
Other donations and voluntary income	6	-	6	11
	<u>6</u>	<u>-</u>	<u>6</u>	<u>11</u>

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

7 Other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
Income				
Concerts and other special events	10	-	10	506
Functions	228	-	228	2,495
Shops	143	-	143	994
Golf	205	-	205	228
Holiday lettings	500	-	500	839
Ancillary services	38	-	38	204
Other sundry income	83	-	83	92
	<u>1,207</u>	<u>-</u>	<u>1,207</u>	<u>5,358</u>
Expenditure on raising funds				
Cost of sales	241	-	241	1,892
Staff costs (see note 14)	943	-	943	2,009
Property and equipment costs	296	-	296	460
Administration costs	10	-	10	30
Marketing and fundraising costs	30	-	30	152
Finance costs	163	-	163	289
Investment management costs	76	-	76	77
Proportion of support costs (see note 11)	251	-	251	261
	<u>2,010</u>	<u>-</u>	<u>2,010</u>	<u>5,170</u>
Net income from activities for generating funds	<u>(803)</u>	<u>-</u>	<u>(803)</u>	<u>188</u>

Activities for generating funds are those trading and other fundraising activities carried out by the Foundation and its subsidiary undertaking Leeds Castle Enterprises Limited primarily to generate incoming resources which will be used to undertake the charitable activities of the Foundation. It includes trading activities such as shop trading, golf, certain special events, conferences and weddings.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

8 **Income from investments**

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
Income from investment properties	53	-	53	53
Income from listed investments	38	-	38	78
Bank interest receivable	1	-	1	3
Net return on pension scheme assets	-	-	-	-
	<u>92</u>	<u>-</u>	<u>92</u>	<u>134</u>

9 **Charitable activities**

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
Income from Charitable activities				
Day visitor admissions	2,451	-	2,451	6,028
Other sundry income	9	-	9	26
	<u>2,460</u>	<u>-</u>	<u>2,460</u>	<u>6,054</u>
Expenditure on Charitable activities				
Cost of sales	155	-	155	609
Staff costs: visitor team, estate and Castle maintenance (see note 14)	1,879	-	1,879	2,268
Estate and equipment costs	1,198	-	1,198	1,356
Marketing costs	205	-	205	599
Finance costs	47	-	47	79
Preservation and security of heritage assets	83	-	83	218
Proportion of support costs (see note 11)	1,298	-	1,298	1,352
	<u>4,865</u>	<u>-</u>	<u>4,865</u>	<u>6,481</u>
Net resources expended from charitable activities	<u>(2,405)</u>	<u>-</u>	<u>(2,405)</u>	<u>(427)</u>

Income from charitable activities comprises income from the admission of day visitors to Leeds Castle (primary purpose trading) and related ancillary income. In addition, the proceeds from the disposal of heritage assets are included within charitable activities. This income is considered to be restricted and can only be used to acquire replacement heritage assets.

In addition to expenditure related to these activities, costs include amounts incurred in acquiring new heritage assets, maintaining the Castle and other existing heritage and assets and ensuring their security (see note 13).

LEEDS CASTLE FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

10 Government grants

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
Coronavirus Job Retention scheme income	1,208	-	1,208	-

11 Support costs

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
Staff costs (see note 14)	858	-	858	867
Administration costs	647	-	647	708
Corporation tax charge	-	-	-	-
Deferred tax charge (see note 15)	-	-	-	-
Governance costs (Auditors' remuneration)	44	-	44	38
Legal and professional costs	-	-	-	-
	<u>1,549</u>	<u>-</u>	<u>1,549</u>	<u>1,613</u>
Allocated as follows:				
Activities for generating funds	251	-	251	261
Charitable activities	1,298	-	1,298	1,352
	<u>1,549</u>	<u>-</u>	<u>1,549</u>	<u>1,613</u>

Wherever possible costs are allocated to a specific activity as they arise. Those costs that cannot be allocated to a specific activity are deemed support costs. Support costs are allocated to the activities of the Foundation on the basis of their level of activity during the year under review.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

12 Governance costs

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
Auditor's remuneration (see below)	44	-	44	38

Auditors' remuneration comprises amounts incurred by the charity itself in respect of its governance and not of the group as a whole. The total amount payable to the charity's auditors by the group, including associated pension schemes, is as follows:

	2021 £'000	2020 £'000
Fees payable to the charity's auditor for the audit of the charity's annual Accounts	29	22
Fees payable to the charity's auditor for other services:		
- The audit of the charity's subsidiary	7	7
- Tax services	4	5
- All other services		-
Fees in respect of the group pension scheme:		
- Audit	4	4
- Tax services	-	-

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

13 Preservation and security of heritage assets

In compliance with the disclosure requirements of Financial Reporting Standard 102: Heritage Assets, costs relating to the preservation and security of the Castle, grounds and contents, classed as being heritage assets which have been expensed in the last five years are summarised below:

	2021	2020	2019	2018	2017
	£'000	£'000	£'000	£'000	£'000
Renovation of Castle Library	-	11	-	-	-
Renovation of Yellow Drawing Room	12	25	-	-	-
Renovation of Lady Baillie Suite	31	41	-	-	-
Renovation of tapestries	-	12	-	-	-
Renovation of Castle Bedrooms	7	29	-	-	-
Castle interior	21	16	56	22	10
Maidens Tower renovation	-	-	-	39	-
Stonework repairs	11	18	327	13	163
Castle representation	1	58	30	154	159

14 Staff costs

	Unrestricted	Restricted	Total Funds	Total Funds
	Funds	Funds	2021	2020
	£'000	£'000	£'000	£'000
Staff costs during the year were:				
Wages and salaries	2,817	-	2,817	4,071
Social security costs	188	-	188	280
Other pension costs	220	-	220	153
Redundancy	324	-	324	-
Training, recruitment and welfare	121	-	121	157
	<u>3,670</u>	<u>-</u>	<u>3,670</u>	<u>4,661</u>

The average weekly number of employees, including directors, during the year was as follows:

	Group	2020	Foundation	2020
	2021	No	2021	No
	No	No	No	No
Full time	51	86	28	57
Part time	112	161	68	103
	<u>163</u>	<u>247</u>	<u>96</u>	<u>160</u>
This equates to a full time equivalent of	<u>103</u>	<u>160</u>		

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

14 Staff costs (continued)

Analysis of average employee numbers for the group by department is as follows:

	2021		2020	
	Full Time	Part Time	Full Time	Part Time
Admin/Support Staff	10	18	10	20
DV Ops	5	47	16	70
Golf	2	1	3	3
Retail	4	21	5	24
Hospitality	19	23	21	35
Maintenance/Security	9	1	20	8
Grounds/Gardens	2	21	11	1
Totals	51	112	86	161
		163		247

The number of employees with annual remuneration packages in excess of £60,000 was as follows:

	Group		Foundation	
	2021 No	2020 No	2021 No	2020 No
£60,000 to £70,000	3	1	3	1
£70,000 to £80,000	-	1	-	1
£80,000 to £90,000	-	-	-	-
£90,000 to £100,000	-	-	-	-
£110,000 to £120,000	-	1	-	1
£130,000 to £140,000	1	-	1	-
£190,000 to 200,000	-	1	-	1
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

During the period the group paid contributions totalling £53,257 (2020: £35,289) in respect of the personal pension schemes of four of the above higher-paid employees (2020: three).

Pension contributions to defined contribution schemes in the period totalled £205,000 (2020 - £152,000).

No remuneration was paid to the Trustees and Directors of the Charity or any persons connected with them during this period or the previous period.

There was no reimbursement of expenses to Trustees (2020: £1,009 to four Trustees).

The company considers that the key management personnel comprise the Senior Leadership Team as listed in the administrative details. During the period the group made remuneration payments to key management personnel totalling £366,034 (2020: £654,761).

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

15 Taxation

The Foundation, as a charitable company, is exempt from corporation tax on its charitable activities, including primary purpose trading, and investment income. Leeds Castle Enterprises Limited, the Foundation's operating subsidiary is subject to corporation tax on its trading profits, in as far as they are not donated to the Foundation.

Details relating to the tax charge of Leeds Castle Enterprises Limited are disclosed in that company's financial statements. The corporation tax liability in the period for the company was £nil (2019: £nil).

Deferred tax

	Group	2020	Foundation	2020
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
At 31 March 2020	8	8	-	-
Movement for the period	3	-	-	-
Deferred tax asset/(liability)			-	-
at 31 March 2021	<u>11</u>	<u>8</u>	<u>-</u>	<u>-</u>
The deferred tax asset/(liability) is made up of the following:				
Other timing differences	11	8	-	-
	<u>11</u>	<u>8</u>	<u>-</u>	<u>-</u>

The credit for the period for deferred tax is included within support costs (see note 11).

16 Net outgoing resources

	Unrestricted	Restricted	Total Funds	Total Funds
	Funds	Funds	2021	2020
	£'000	£'000	£'000	£'000
Net outgoing resources are stated after (crediting)/charging:				
Depreciation: owned assets	651	-	651	661
Operating lease rentals:				
Hire of plant and equipment	14	-	14	12

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

17 Consolidated statement of financial activities for the period ended 31 March 2020

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2020 £'000
Income and endowments from			
Donations and legacies	11	-	11
Other trading activities	5,358	-	5,358
Investments	134	-	134
Charitable activities	6,054	-	6,054
Total income and endowments	<u>11,557</u>	<u>-</u>	<u>11,557</u>
Expenditure on			
Raising funds	(5,170)	-	(5,170)
Charitable activities	(6,481)	-	(6,481)
Total expenditure	<u>(11,651)</u>	<u>-</u>	<u>(11,651)</u>
Net gains/(losses) on investments	354		354
Surplus for the year	<u>260</u>	<u>-</u>	<u>260</u>
Gains/(losses) on revaluation of			
Fixed assets and investment properties	(466)	-	(466)
Actuarial losses on defined benefit pension scheme (net of deferred tax)	379	-	379
Net movement in funds	<u>173</u>	<u>-</u>	<u>173</u>
Reconciliation of funds			
Total funds brought forward	17,927	2,807	20,734
Total funds carried forward	<u>18,100</u>	<u>2,807</u>	<u>20,907</u>

LEEDS CASTLE FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

18 Tangible fixed assets

a) Group

	Freehold Land and buildings £'000	Plant and equipment £'000	Total £'000
Cost			
At 31 March 2020	7,639	2,786	10,425
Additions	-	24	24
Disposals	(80)	(9)	(89)
At 31 March 2021	<u>7,559</u>	<u>2,801</u>	<u>10,360</u>
Depreciation			
At 31 March 2020	3,067	2,115	5,182
Charge for the period	484	167	651
Disposals	-	(9)	(9)
At 31 March 2021	<u>3,551</u>	<u>2,273</u>	<u>5,824</u>
Net book value			
At 31 March 2021	<u>4,008</u>	<u>528</u>	<u>4,536</u>
At 31 March 2020	<u>4,572</u>	<u>671</u>	<u>5,243</u>

b) Foundation

	Freehold Land and buildings £'000	Plant and equipment £'000	Total £'000
Cost			
At 31 March 2020	7,639	1,863	9,502
Additions	-	24	24
Disposals	(80)	(9)	(89)
At 31 March 2021	<u>7,559</u>	<u>1,878</u>	<u>9,437</u>
Depreciation			
At 31 March 2020	3,067	1,220	4,287
Charge for the period	484	160	644
Disposals	-	(9)	(9)
At 31 March 2021	<u>3,551</u>	<u>1,371</u>	<u>4,922</u>
Net book value			
At 31 March 2021	<u>4,008</u>	<u>507</u>	<u>4,515</u>
At 31 March 2020	<u>4,572</u>	<u>643</u>	<u>5,215</u>

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

19 Heritage assets (Group and Foundation)

In accordance with the Foundation's accounting policy, heritage assets are not included within the financial statements as, due to the historic and unique nature of the assets concerned, conventional valuation approaches lack sufficient reliability.

The Castle island buildings are insured for £52.0m and other estate buildings for £17.2m. Castle contents which include various pieces of furniture, pictures and prints, silverware and textiles have been valued for insurance purposes with Ecclesiastical Insurance at £26.4m, which includes loaned items valued at £11.1m.

20 Investment in subsidiary company

	2021	2020
	£'000	£'000
100 Ordinary shares of £1 each at cost	866	866
	<u>866</u>	<u>866</u>

Leeds Castle Foundation owns 100% of the voting rights and nominal share capital of Leeds Castle Enterprises Limited. The subsidiary's accounts have been consolidated with the Foundation's accounts.

21 Investment land and properties (Group and Foundation)

	2021	2020
	£'000	£'000
Market value of properties at 31 March 2020	7,153	7,620
(Loss) on disposal	-	(1)
Revaluation	199	(466)
Market value of properties at 31 March 2021	<u>7,352</u>	<u>7,153</u>
Historical cost value of assets	<u>1,448</u>	<u>1,448</u>

All investment land and properties are located within the United Kingdom.

The land and properties were valued by Hen & Duckhurst Professional Services Ltd, a firm of independent surveyors and valuers on an open market basis as at 31 March 2020.

LEEDS CASTLE FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

21 Investment land and properties (Group and Foundation) (continued)

Five properties are provided with a lifetime occupancy at zero rent and seven are used for job related accommodation. Other property and land is rented out at a commercial rent. Future minimum lease receivables under non-cancellable operating leases are as follows:

	Group		Foundation	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Rent received:				
Within one year	41	41	41	41
Between two and five years	104	144	104	144
Between six and ten years	1	2	1	2
	<u>146</u>	<u>187</u>	<u>146</u>	<u>187</u>

22 Listed investments (Group and Foundation)

These comprise listed investments, Certificates of Deposit and other cash holdings.

	2021	2020
	£'000	£'000
Market value of listed investment at 31 March 2020	6,342	6,887
Acquisitions at cost	7,102	4,291
Disposal proceeds	(7,119)	(5,190)
(Losses)/gains for the year	1,527	354
Market value at 31 March 2021	<u>7,852</u>	<u>6,342</u>
Cash holdings at 31 March 2021	382	445
Total value of fixed asset investments	<u>8,234</u>	<u>6,787</u>
Historical cost value of assets	<u>7,192</u>	<u>6,392</u>

As at 31 March 2021 the market value of the investments split between UK investment assets and overseas assets was as follows:

	2021	2020
	£'000	£'000
UK investments	1,918	2,416
Overseas investments	6,316	4,371
	<u>8,234</u>	<u>6,787</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

22 Listed investments (Group and Foundation) (continued)

The portfolio at 31 March 2021 contained investments managed by Ruffer LLP. The following investments exceed 3% by value of the total portfolio and are deemed to be material:

	2021	%	2020	%
	£'000		£'000	
Sarasin Climate Active Endowments Fund	3,546	45.2	-	-
UK 0.375% Treasury Stock 2062	75	1.0	129	2.0
UK 0.125% Treasury Stock 2068	155	2.0	255	4.0
UK 1.25% Treasury Stock 2055	92	1.2	162	2.5
Ruffer Illiquid Multi Strategies Fund	555	7.0	1,002	15.8
LF Ruffer Gold	157	2.0	398	6.3
Ruffer SICAV Fixed Income Z GBP Cap	874	11.1	1,596	25.2
LF Ruffer Japanese C Acc	129	1.6	263	4.1
Ruffer Protection Strategies	222	2.8	400	6.3
Ruffer SICAV UK Mid & Smaller Cos	235	3.0	316	5.0
	<u>6,040</u>	<u>76.9</u>	<u>4,521</u>	<u>71.2</u>
Other investments	1,812	23.1	1,820	28.8
	<u>7,852</u>	<u>100.0</u>	<u>6,341</u>	<u>100.0</u>

23 Stocks

	Group	2020	Foundation	2019
	2021	£'000	2020	£'000
	£'000		£'000	£'000
Goods for resale	254	259	-	-

24 Debtors

	Group	2020	Foundation	2020
	2021	£'000	2021	£'000
	£'000		£'000	£'000
Amounts falling due after more than one year:				
Trade debtors	139	270	-	-
Amounts falling due within one year:				
Trade debtors	454	551	3	65
Amount owed by group undertakings in respect of gift aid	-	-	-	-
Other debtors	107	28	30	12
Prepayments and accrued income	159	684	110	445
Deferred tax asset (see note 15)	11	8	-	-
	<u>870</u>	<u>1,541</u>	<u>143</u>	<u>522</u>

LEEDS CASTLE FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

25 Cash at bank and in hand

	Group	2020	Foundation	2020
	2021	£'000	2021	£'000
	£'000	£'000	£'000	£'000
Cash in hand	24	24	-	-
Cash at bank – Current accounts	688	366	429	249
Cash at bank – Deposit accounts	705	1,455	522	1,072
	<u>1,417</u>	<u>1,845</u>	<u>951</u>	<u>1,321</u>

In addition to the cash at bank and in hand and deposits above, included within the investment portfolio were cash holdings of £381,809 (2020: £445,345) (see note 22).

26 Creditors: Amounts falling due within one year

	Group	2020	Foundation	2020
	2021	£'000	2021	£'000
	£'000	£'000	£'000	£'000
Trade creditors	300	224	191	180
Corporation tax	-	-	-	-
Other taxation and social security				
Payable	50	68	-	-
Other creditors	45	40	-	-
Amounts owed to group undertakings	-	-	1,114	1,798
Accruals	74	108	54	66
Deferred tax liability (see note 15)	-	-	-	-
Deposits in advance	1,206	847	97	39
	<u>1,675</u>	<u>1,287</u>	<u>1,456</u>	<u>2,083</u>

27 Creditors: Amounts falling due after one year

	Group	2020	Foundation	2020
	2021	£'000	2021	£'000
	£'000	£'000	£'000	£'000
Deposits in advance	387	634	-	-

The company has received deposits in advance for events occurring in over one year of which £387,259 (2020: £575,074) relates to events occurring within 1-2 years and £0 (2020: £59,292) relates to events occurring within 2-5 years.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

28 Financial commitments

At 31 March 2021 the group had future minimum payments under non-cancellable operating leases of plant and equipment as follows:

	Group		Foundation	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Payments made:				
Within one year	34	31	20	9
Between two and five years	26	31	12	3
	60	62	32	12

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

29 Group funds

	Restricted Funds		Unrestricted Funds		Total Funds £'000
	H&D Fund £'000	Chattels Fund £'000	M&D Fund £'000	General Fund £'000	
Fund balances at 31 March 2021 are represented by					
Tangible assets	2,504	-	-	2,032	4,536
Investments	225	-	3,693	11,668	15,586
Current assets	-	78	362	2,101	2,541
Liabilities	-	-	-	(2,062)	(2,062)
At 31 March 2021	2,729	78	4,055	13,739	20,601
Movement of funds during the year	As at 31 March 2020 (£)	Income (£)	Expenditure (£)	Gains/Losses (£)	As at 31 March 2021 (£)
Restricted Funds					
Heritage and Development Fund	2,729	-	-	-	2,729
Chattels Fund	78	-	-	-	78
	<u>2,807</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,807</u>
Unrestricted Funds					
Maintenance and Development Fund	3,060	1,000	(5)	-	4,055
General Fund	15,040	3,973	(6,870)	1,596	13,739
	<u>18,100</u>	<u>4,973</u>	<u>(6,875)</u>	<u>1,596</u>	<u>17,794</u>
Total Funds	20,907	4,973	(6,875)	1,596	20,601

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

29 **Group Funds** (continued)

	Restricted Funds		Unrestricted Funds		Total Funds £'000
	H&D Fund £'000	Restated Chattels Fund £'000	M&D Fund £'000	General Fund £'000	
Fund balances at 31 March 2020 are represented by					
Tangible assets	2,504	-	-	2,739	5,243
Investments	225	-	2,693	11,021	13,940
Current assets	-	78	367	3,201	3,645
Liabilities	-	-	-	(1,921)	(1,921)
At 31 March 2020	<u>2,729</u>	<u>78</u>	<u>3,060</u>	<u>15,040</u>	<u>20,907</u>
Movement of funds during the year					
	As at 31 March 2019 (£)	Income (£)	Expenditure (£)	Gains/losses (£)	As at 31 March 2020 (£)
Restricted funds					
Heritage and Development Fund	2,729	-	-	-	2,729
Chattels Fund	78	-	-	-	78
	<u>2,807</u>				<u>2,807</u>
Unrestricted funds					
Maintenance and Development Fund	3,278	-	(218)	-	3,060
General Fund	14,649	11,557	(11,054)	(112)	15,040
Pension Reserve	-	-	-	-	-
	<u>17,927</u>	<u>11,557</u>	<u>(11,272)</u>	<u>(112)</u>	<u>18,100</u>
Total funds	<u>20,734</u>	<u>11,557</u>	<u>(11,272)</u>	<u>(112)</u>	<u>20,907</u>

The H&D (Heritage and Development) Fund, which is an expendable endowment fund, represents freehold land and buildings classified as functional tangible assets, as these are considered to be integral to the bequeathed estate (see note 2.6(a)) and investment properties included within investment properties.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

29 Group Funds (continued)

The Chattels Fund, which is a restricted income fund, represents the proceeds from disposal of items formerly held for display and presentation purposes. This fund is utilised to acquire furniture, works of art or other antiques. The unrestricted General Fund represents surpluses generated from activities for generating funds, charitable activities and investment performance. This fund is utilised in acquiring new heritage assets and the preservation and maintenance of existing heritage assets.

The M&D (maintenance and development) fund is an unrestricted, designated fund which the trustees have allocated for future capital development and the ongoing maintenance programme of the Castle and the wider estate. In the year £122,000 was used to finance the renovation of various Castle rooms.

The Heritage and Development Fund and the Chattels Fund relate entirely to the Foundation. The proportion of the Unrestricted General Fund attributable to the Foundation amounts to £12,636,000 (2020: £11,742,000).

30 Pension scheme

Leeds Castle Enterprises Ltd (LCE) sponsors Leeds Castle Retirement Benefits Scheme, a funded defined benefit pension scheme in the UK, which was closed to future accrual in 2005. The scheme is set up on a tax relieved basis as a separate trust independent of LCE and is supervised by independent trustees. The trustees are responsible for ensuring that the correct benefits are paid, that the scheme is appropriately funded and that scheme assets are appropriately invested.

The Trustees are required to use prudent assumptions to value the liabilities and costs of the scheme whereas the accounting assumptions must be best estimates.

The most recent triennial actuarial valuation of the Scheme was carried out as at 1 April 2019. Previous valuation was performed as at 1 April 2016.

Valuation date 1 April	2019	2016
The value of the technical provisions was:	6,260,000	5,468,000
The value of the assets at that date was:	4,911,000	4,406,000

To ensure the Statutory Funding Objective is met the Trustees and Employer have agreed that additional Employer contributions will be paid to the Scheme of £140,000 per annum, over a period of 6 years from 1 April 2020 to 31 March 2026.

The amounts recognised in the statement of financial position are as follows:

	2021	2020
	£'000	£'000
Defined benefit obligation	(5,296)	(4,676)
Fair value of plan assets	5,889	5,245
Restriction on recognition of asset	(593)	(569)
Net defined benefit (liability)/asset	<u>-</u>	<u>-</u>

LEEDS CASTLE FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021****30 Pension scheme (continued)**

The current and past service costs, settlements and curtailments, together with the net interest expense for the year are included in profit or loss. Re-measurements of the net defined benefit liability are included in other comprehensive income.

	Period ended 31/03/2021 £'000	Period ended 31/03/2020 £'000
Service cost:		
Current service cost (net of employee contributions)	-	193
Restriction of recognition of asset deemed irrecoverable	140	296
Net interest expense/(credit)	(14)	(10)
	<u>126</u>	<u>479</u>
Charge/(credit) recognised in profit or loss		
Re-measurements of the net liability:		
Return on scheme assets (excluding amount included in net interest expense)	(544)	(339)
Actuarial (gains)/losses	674	(40)
	<u>130</u>	<u>(379)</u>
Charge/(credit) recorded in other recognised gains or losses		
Total defined benefit cost/(credit)	<u>116</u>	<u>(191)</u>

LEEDS CASTLE FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

30 **Pension scheme** (continued)

The principal actuarial assumptions used were:

	31/03/2021	31/03/2020
Liability discount rate	2.00%	2.30%
Inflation assumption - RPI	3.30%	2.65%
Inflation assumption - CPI	2.70%	1.85%
Rate of increase in salaries	n/a	n/a
Revaluation of deferred pensions: all benefits accrued	2.70%	1.85%
Increases for pensions in payment: benefits accrued prior to 6 April 1997	0.00%	0.00%
benefits accrued after 5 April 1997	2.65%	1.90%
Proportion of employees opting for early retirement	0.00%	0.00%
Proportion of employees commuting pension for cash	50.00%	50.00%
Expected age at death of current pensioner at age 65:		
Male aged 65 at year end:	86.9	86.4
Female aged 65 at year end:	89.2	88.4
Expected age at death of future pensioner at age 65:		
Male aged 45 at year end:	87.9	87.4
Female aged 45 at year end:	90.4	89.6

Reconciliation of scheme assets and liabilities

	Assets	Liabilities	Total
	£'000	£'000	£'000
At start of period	5,245	(4,676)	569
Benefits paid	(160)	160	-
Contributions from the employer	140	-	140
Interest income / (expense)	120	(106)	14
Return on assets (excluding amount included in net interest expense)	544	-	544
Actuarial gains/(losses)	-	(674)	(674)
Gain/(loss) on plan introductions and changes	-	-	-
At end of period	<u>5,889</u>	<u>(5,296)</u>	<u>593</u>

LEEDS CASTLE FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

30 **Pension scheme** (continued)

The return on scheme assets was:

	31/03/2021	31/03/2020
	£'000	£'000
Interest income	120	112
Return on scheme assets (excluding amount included in net interest expense)	544	339
	<hr/>	<hr/>
Total return on scheme assets	<u>664</u>	<u>451</u>

The major categories of scheme assets are as follows:

	31/03/2021	31/03/2020
	£'000	£'000
UK Equities	705	316
Overseas Equities	803	535
Gilts	665	807
Index Linked	2,518	2,479
Alternative Assets	893	786
Cash	305	322
	<hr/>	<hr/>
Total market value of assets	<u>5,889</u>	<u>5,245</u>

The Scheme has no investments in the Company or in property occupied by the Company.

LEEDS CASTLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

31 Reconciliation of cash flows from operating activities

	2021	2020
	£'000	£'000
Net income/(expenditure)	(375)	260
Net (gains)/losses on investments	(1,527)	(353)
Depreciation charges on fixed assets	651	662
Write off of fixed asset	80	
Tax charge	-	-
Dividends, interest and rents from investments	(92)	(134)
Movements on defined benefit pension scheme	(130)	379
Movement in components of working capital:		
Decrease/(increase) in stocks	5	(31)
(Increase)/decrease in debtors	671	208
(Decrease)/increase in creditors	141	(569)
Net cash inflow/(outflow) from operating activities	<u>(576)</u>	<u>422</u>

32 Limited by Guarantee

The company is limited by guarantee and does not have a share capital. The liability of each member is limited to £1.

33 Capital commitments and contingent liability

At 31 March 2021 the Foundation and the group had no contractual commitments for development expenditure (2020: nil).

34 Related party transactions

At the year end the trading subsidiary, Leeds Castle Enterprises Limited had a net intercompany debtor balance, owing £2,222,000 to the Charity (2020: net debtor balance of £2,119,000). During the period the Charity received gift aid payments totalling £1,046,000 from Leeds Castle Enterprises Limited, but with no further payment accrued at the year end.

35 Parent company exemption

As permitted by Section 408 of the Companies Act 2006, the parent company's statement of financial activities has not been included in the financial statements.

36 Financial instruments

At the balance sheet date, the consolidated group held financial assets at amortised cost comprising cash and short-term deposits, trade debtors, other debtors and accrued income of £2,171,000 (2020: £1,958,000) and financial liabilities at amortised cost, comprising trade creditors, other creditors and accruals of £419,000 (2020: £372,000). Total interest income received in respect of financial assets held at amortised cost totalled £nil (2020: £nil).

The charity held assets at fair value through income and expenditure of £7,852,000 (2020: £6,342,000). Movements in the year through the statement of financial activities comprised income of £nil (2020: £nil) and gains of £1,726,000 (2020: losses of £112,000).