

Registered number: 1269400
Charity number: 271833

ARUNDEL CASTLE TRUSTEES LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

ARUNDEL CASTLE TRUSTEES LIMITED
(A company limited by guarantee)

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ARUNDEL CASTLE TRUSTEES LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees

The Duke of Norfolk
Dr John Martin Robinson
The Earl of Arundel
Mr N Powell
Mr C Fraser
Mr H Coghill

Company registered number

1269400

Charity registered number

271833

Registered office

Arundel Castle
High Street
Arundel
West Sussex
BN18 9LH

Castle manager

Mr Stephen Manion

Independent auditor

James Cowper Kreston
Chartered Accountants and Statutory Auditor
2 Communications Road
Greenham Business Park
Greenham
Newbury
Berkshire
RG19 6AB

Bankers

Lloyds Bank Plc
171-173 North Street
Brighton
BN1 1GL

Solicitors

Currey & Co
33 Queen Anne Street
London
W1G 9HY

ARUNDEL CASTLE TRUSTEES LIMITED
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Investment advisers

Cazenove Capital Management
31 Gresham Street
London
EC2V 7QA

Ruffer LLP
80 Victoria Street
London
SW1E 5JL

ARUNDEL CASTLE TRUSTEES LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 January 2020 to 31 December 2020. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

Policies and objectives

The primary objectives of the charity, as stated in its governing document, are to preserve the buildings, grounds and chattels of Arundel Castle for public benefit. The unrestricted income and capital of the company may be applied towards these objectives at the Trustees' discretion.

In order to achieve these objectives, members of the public are allowed reasonable access to the property on not less than 100 days during the year. However, 2020 has been an extraordinary year with the coronavirus pandemic and government restrictions only enabling the castle to open for 98 days.

Aims and intended impact

The Trustees have considered the Charity Commission's guidance on public benefit and fee charging when setting their objectives for the year.

For the public benefit the charity aims to educate people in the history of the buildings and contents of the Castle through public access to and experience of visiting the Castle. The Trustees employ an education officer and offer a range of learning activities at the Castle. This was scheduled to take place from April 2020, however all school visits were cancelled due to the pandemic.

The Trustees also continually aim to maximise the enjoyment for all visitors by refurbishing and improving the displays and conditions of artefacts within the Castle, as well as hosting history events throughout the season.

The refurbishment of the Civil War room was due for final installation in the Inner Gatehouse, when the lockdown came into force. The Grand Staircase's major clean and the removal of two important tapestries for restoration, the new flooring in the Keep and shop refurbishment were completed prior to lockdown. All events in 2020 were cancelled due to the pandemic and the social distance rules.

Principal activities in the year

The principal activities of the charitable company in the year were the opening of Arundel Castle and its grounds to the public from 1 April – 1 November. This was the aim and the operational planning was in place until the national lockdown was announced and came into force. The preserving of the building, grounds and chattels continued as far as possible under the restrictions.

ARUNDEL CASTLE TRUSTEES LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Strategic report

Achievements and performance

Operational performance

The Trustees appreciate and accept the difficulties for 2020 with the major effect of the pandemic on the Castle and all aspects of life.

The Trustees aimed to open Arundel Castle from the 1 April to 1 November, with a full programme of events and complete visitor experience for visitors.

The year and the pandemic have proved to be challenging for Trustees and the operation of the Castle, with no ticket sales until July and no catering or retail all season.

The government's announcement of a national lockdown on 23 March 2020 ensured that the Trustees would be unable to open as scheduled. Permanent staff were asked to work from home, some were furloughed and a core team worked on site to maintain the gardens, building and contents. The season's events were cancelled.

The year's budget had been prepared prior to any coronavirus issues, but it was accepted that this would be revised as and when the circumstances changed and the situation on opening and operating became clearer. The lockdown conditions discouraged all but essential travel for work, with the resultant effect of a considerably reduced car park income.

To keep existing, and potential, visitors engaged with the Castle and gardens, a programme of virtual experiences were developed. The first video was released on 1 April using the website, Facebook and Instagram, coinciding with our scheduled opening. Additional virtual tours of the Castle, gardens and events were released throughout the season.

The relaxation of restrictions enabled Trustees to open the gardens from 8 July 2020, under the strict COVID-19 guidance and regulations. This included pre-booked, timed tickets, daily limits on numbers, social distancing and hygiene procedures. The guidance precluded any catering or retail offers.

Further changes in the government's policy allowed the partial opening of the castle buildings from 5 August, but still with limits on daily numbers. There was a degree of uncertainty as to how long these measures would stay in place and Trustees were pleased that we reached the planned closing date of 1 November.

The modified and reduced visitor experience was reflected in lower entrance charges of £15 for adults and £5 for children, with the original prices being £23 and £11 respectively.

Admission statistics for the 2020 season compared with the previous 2 seasons are summarised as follows:

	2020	2019	2018
Number of days castle open to the public	98	193	190
Number of visitors			
Castle	34,417	145,088	145,624
Grounds	18,934	44,818	37,516
Normal admission charge			
Adults	£15.00	£20.00	£20.00
Senior Citizens	N/A	£17.50	£17.50
Children	£5.00	£11.00	£11.00

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Strategic report (continued)

Achievements and performance (continued)

Trading performance

The charitable company's wholly owned trading subsidiary, Arundel Castle Enterprises Limited, carries out non charitable trading activities for the charity. The financial performance of Arundel Castle Enterprises Limited is shown in note 3 to the financial statements.

The restaurant, shop and coffee shop were unable to trade during 2020 and the Arundel Festival event was cancelled due to coronavirus restrictions.

The subsidiary gifts its taxable profit to Arundel Castle Trustees Limited under Gift Aid.

Investment policy and performance

Investment powers and policy

The Trustees may invest funds of the company, not immediately required for its purpose, in such investment securities as they see fit subject to any conditions imposed or required by law.

The Trustees engage Cazenove Capital Management and Ruffer LLP to manage the charity's portfolio of securities on a discretionary basis.

Performance review

The charitable company's investment performance is measured regularly against a benchmark of a combination of FTSE and Government Stock. The Trustees will keep the performance under constant review and work with their investment advisers to maximise opportunities and minimise investment losses to ensure investment stability while still providing income.

Total investment income received in the year, before fees, amounted to £114,848 (2019: £145,827), which accounted for 11.28% of total incoming resources in 2020. This income is wholly reinvested in order to sustain and enhance capital growth in the portfolio.

ARUNDEL CASTLE TRUSTEES LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Strategic report (continued)

Financial review

Financial results

The consolidated Statement of Financial Activities (SOFA) for the year is set out on page 15. A summary of the financial results and the work of the charity is set out below.

The consolidated SOFA shows net loss before investment gains and losses of £1,423,100 the year compared with £668,769 net income in 2019.

Incoming resources

The charitable company has three principal sources of income. Firstly, it receives income from admissions to the Castle. The admissions income accounted for 67% of the Castle's total incoming resources in 2020 (2019: 91%). The total visitor numbers were down on 2019 by 72%.

Secondly, the charitable company receives a material revenue stream in dividends from its investments. More information on investments is given in the Investment Performance section above.

The third principal source of income is takings from the Mill Road car park. This is a public car park, which is open to the public all year round, not just during Castle opening. Takings from the car park are collected by the Castle and are a valuable source of income for the charity, accounting for 17% (2019: 7%) of total incoming resources in 2020.

Resources expended

The charity's funds have been applied to charitable purposes throughout the year. In this regard, the Trustees have been following a policy of investment in the fabric of the Castle with the result that £451,674 (2019: £527,600) has been spent on various renovation and repair projects in the year. The Trustees plan to continue to invest funds in the upkeep and enhancement of the Castle in 2021 as described in the 'Plans for Future Periods' section of this report.

Fixed assets

The movement in fixed assets during the year is set out in note 13 to the financial statements.

Interest in land and historic buildings

The executors of the XVI Duke of Norfolk conveyed Arundel Castle and its grounds to the charitable company as a gift in July 1976. The Trustees have excluded these assets from the balance sheet as reliable cost information is not available and conventional valuation approaches lack sufficient reliability due to the unique nature of the property. There is further information given on this in note 2 to the financial statements.

Reserves policy

The charity holds both endowment and unrestricted reserves in order to meet its charitable objectives. Details of each of the individual reserves can be found in note 20 to the financial statements.

The Trustees consider that they need to increase reserves in order to maintain the structure and grounds of the Castle in the long term. In some years the charity expends more money in meeting its charitable objectives than it receives from its principal sources of income. It therefore relies on reserves to fund long term capital projects such as the re wiring of the Castle interior, the re leading of the roof and those detailed in the 'Plans for Future Periods' section of this report.

In the long term, the endowment fund alone is considered insufficient to continue to meet the charitable objects, therefore it is the policy of the Trustees to supplement this fund by augmenting unrestricted reserves.

ARUNDEL CASTLE TRUSTEES LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees also have an unrestricted designated fund for future expenditure on the East Wing of the Castle. The income from this fund is used to honour the landlord's commitments to maintain the East Wing.

The total reserve is £13,289,182 to include the unrestricted fund of £9,598,992 and the endowment fund of £3,690,190.

Structure, governance and management

Governing instrument

Arundel Castle Trustees Limited is a charitable company limited by guarantee and governed by its Memorandum and Articles of Association dated 19 July 1976 as amended on 27 April 1999. It was registered as a charity with the Charity Commission on 27 September 1976. The charity has one wholly owned trading subsidiary, Arundel Castle Enterprises Limited.

The members, who were the Trustees and directors of Arundel Castle Trustees Limited at 31 December 2020, have each undertaken to contribute £1 to the assets of the company in the event of the same being wound up while he / she is a member or within twelve months of his / her ceasing to be a member.

Arundel Castle Enterprises Limited is limited by shares and is governed by its Memorandum and Articles of Association dated 10 October 1980.

The report and consolidated financial statements for the year ended 31 December 2020 relate to the combined activities of the two legal entities.

Method of appointment or election of Trustees

The Board of Trustees has the power as laid out in the Articles of Association to appoint persons to be Trustees of the charitable company as it thinks fit provided that the majority of the Trustees are resident in the UK at any one time, and the majority shall be persons other than the Duke and Duchess of Norfolk, any relative of either of them, and the spouse of any such relative.

The Articles of Association specify a minimum of five Trustees and the Trustees, in practice, have a policy of maintaining a board of either five or six Trustees of the charitable company at any one time. The Board seeks to ensure that it continually comprises Trustees with the range of expertise necessary for the operation and governance of the charity. Should the need for additional expertise on the Board arise, the Trustees would each consider appropriate candidates and put the names of those most appropriate to the rest of the Board. The Board would then agree to whom an approach should be made.

Details of the Trustees who served during the year are listed on page 1.

Policies adopted for the induction and training of Trustees

New Trustees undertake a morning meeting with the Duke of Norfolk during which they are introduced to other Trustees and key members of staff, and are given a tour of the Castle. They are also briefed on their legal obligations under charity and company law and informed of the content of the Memorandum and Articles of Association.

During their induction meeting new Trustees are also briefed as to the history of the Castle and informed how the work of the Board fits with the charity's objectives. New Trustees are also given a copy of the latest available financial statements and the Charity Commission guidance booklet CC3 "The Essential Trustee" for their review.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Structure, governance and management (continued)

Organisational structure and decision making

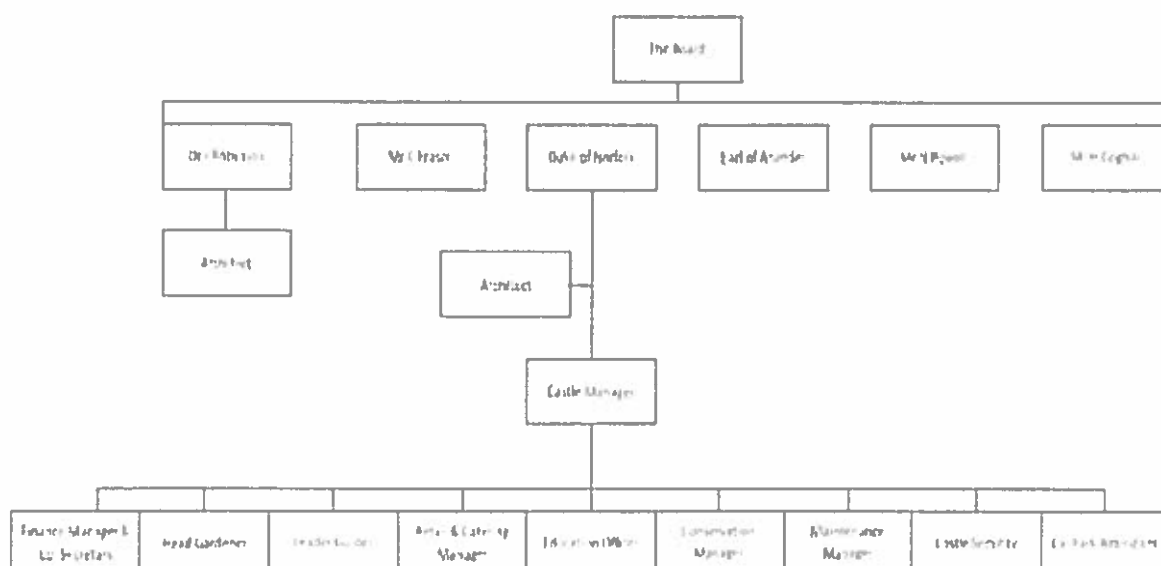
During the year under review the Trustees met in March, July and September.

During the March meeting the Trustees approve both the financial statements for the previous calendar year and the budgets for the coming year. They also monitor the progress of maintenance projects being undertaken during the period in which the Castle is closed to the public, from November to March each year.

At the July meeting the Trustees review how the first two months of opening (April and May) compare with the same period in the past two seasons. They use this information to re-forecast results for the year, plan projects and manage the opening business accordingly.

The September/October meeting is used to compare the performance of the whole season against the forecast and previous seasons, analyse as appropriate and make key decisions on the opening policy, pricing policy and advertising and marketing activity for the next year.

Once the Trustees have approved the budgets for the year, they delegate day to day operational decisions to the Castle Manager and Heads of Department within the Castle. The reporting and decision making hierarchy is shown below.



Related party relationships

Arundel Castle Trustees Limited has one wholly owned subsidiary, Arundel Castle Enterprises Limited. Arundel Castle Enterprises Limited operates the commercial activity within the Castle, which comprises of the gift shop and restaurant businesses. It has also, from 2006, taken over the running of the Arundel Castle, Arundel Festival events.

For information on related party transactions please see note 27 to the financial statements.

ARUNDEL CASTLE TRUSTEES LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Structure, governance and management (continued)

Risk management

Against the background of their desire to achieve and maintain best practice in corporate governance, and acknowledging their ultimate responsibility for safeguarding the assets in their ownership, the Trustees have appointed senior staff members (as detailed in the organisational chart above) to be responsible for the areas in which the charity and the group may be exposed to significant strategic, business and operational risks.

Systems have been established to mitigate the risks identified and procedures are in place to minimise the impact on the charity and the group should any of those risks materialise. This work has identified all significant risks, which the charity records on its risk register. Particular attention has been focused on non-financial risks arising from fire and health and safety of visitors. The risks which the charity faces are under continual review.

Remuneration of key personnel

The Trustees are responsible for setting the pay and remuneration of all personnel, including key management personnel. This is reviewed and agreed at the February / March meeting each year.

Plans for future periods

Future developments

The Trustees will continue to preserve and maintain the Castle for the public benefit, following traditional lines, to give visitors an enjoyable experience of its history from the medieval keep to the Victorian rooms.

The Trustees have the following plans for the Castle:

- To continue to attract visitors to the Castle, gardens and events and maximise income.
- To enhance the visitor experience by continuing to develop the Castle, garden and grounds and improving access and facilities.

Projects for 2021 include:

- Continued maintenance of building fabric and care of the contents.
- Returning restored 18th century tapestry to display on the grand staircase.
- The water gardens based on the old stew ponds were made accessible to the public in July 2020. Further enhancements will continue.

ARUNDEL CASTLE TRUSTEES LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity 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 Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Auditor

The auditor, James Cowper Kreston, has indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:


.....
The Duke of Norfolk, Chairman
(Chair of Trustees)

Date: 23.2.2021

ARUNDEL CASTLE TRUSTEES LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARUNDEL CASTLE TRUSTEES LIMITED

Opinion

We have audited the financial statements of Arundel Castle Trustees Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, 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 of the parent charitable company's affairs as at 31 December 2020 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

ARUNDEL CASTLE TRUSTEES LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARUNDEL CASTLE TRUSTEES LIMITED
(CONTINUED)

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

ARUNDEL CASTLE TRUSTEES LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARUNDEL CASTLE TRUSTEES LIMITED
(CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement set out on page 9, 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 and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 report in accordance with this Act.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance and the entity's solicitors (or in-house legal team) around actual and potential litigation and claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

ARUNDEL CASTLE TRUSTEES LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARUNDEL CASTLE TRUSTEES LIMITED
(CONTINUED)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Farwell MA FCA DChA (Senior statutory auditor)
for and on behalf of
James Cowper Kreston
Chartered Accountants and Statutory Auditor
2 Communications Road

Greenham Business Park
Greenham
Newbury
Berkshire
RG19 6AB

Date: 09/04/2021

ARUNDEL CASTLE TRUSTEES LIMITED
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020**

		Unrestricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income and endowments from:					
Charitable activities	4	627,688	-	627,688	2,912,883
Other trading activities	5	180,219	-	180,219	1,024,845
Investments	6	65,250	54,207	119,457	150,290
Other incoming resources	7	90,526	-	90,526	-
		<u>963,683</u>	<u>54,207</u>	<u>1,017,890</u>	<u>4,088,018</u>
Total income and endowments					
Expenditure on:					
Raising funds:	8				
Fundraising trading		429,596	-	429,596	1,066,294
Investment management and bank charges		55,460	19,693	75,153	102,523
Charitable activities:	9				
Upkeep of the castle		1,458,646	-	1,458,646	1,572,635
Costs of admissions and castle opening		447,583	-	447,583	633,360
Governance costs		30,012	-	30,012	44,437
		<u>2,421,297</u>	<u>19,693</u>	<u>2,440,990</u>	<u>3,419,249</u>
Total expenditure					
Net gains on investments		<u>634,398</u>	<u>306,912</u>	<u>941,310</u>	<u>949,156</u>
		<u>(823,216)</u>	<u>341,426</u>	<u>(481,790)</u>	<u>1,617,925</u>
Net movement in funds					
Reconciliation of funds:					
Total funds brought forward		10,422,208	3,348,764	13,770,972	12,153,047
Net movement in funds		(823,216)	341,426	(481,790)	1,617,925
		<u>9,598,992</u>	<u>3,690,190</u>	<u>13,289,182</u>	<u>13,770,972</u>
Total funds carried forward					

The notes on pages 19 to 41 form part of these financial statements.

ARUNDEL CASTLE TRUSTEES LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 1269400

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	811,944	653,499
Heritage assets	15	475,683	475,683
Investments	16	9,601,639	8,613,294
		<u>10,889,266</u>	<u>9,742,476</u>
Current assets			
Stocks	17	113,455	58,301
Debtors	18	379,044	530,142
Cash at bank and in hand		2,237,599	3,506,340
		<u>2,730,098</u>	<u>4,094,783</u>
Creditors: amounts falling due within one year	19	(330,182)	(66,287)
Net current assets		<u>2,399,916</u>	<u>4,028,496</u>
Total assets less current liabilities		<u>13,289,182</u>	<u>13,770,972</u>
Total net assets		<u><u>13,289,182</u></u>	<u><u>13,770,972</u></u>
Charity funds			
Endowment funds	20	3,690,190	3,348,764
Unrestricted funds	20	9,598,992	10,422,208
Total funds		<u><u>13,289,182</u></u>	<u><u>13,770,972</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



The Duke of Norfolk
 (Chair of Trustees)

Date: 23.2.21

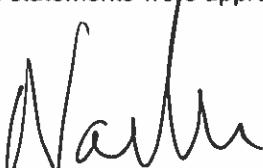
The notes on pages 19 to 41 form part of these financial statements.

ARUNDEL CASTLE TRUSTEES LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 1269400

CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	710,919	587,175
Heritage assets	15	475,683	475,683
Investments	16	9,601,739	8,613,394
		<u>10,788,341</u>	<u>9,676,252</u>
Current assets			
Debtors	18	744,679	1,128,386
Cash at bank and in hand		2,169,142	2,888,854
		<u>2,913,821</u>	<u>4,017,240</u>
Creditors: amounts falling due within one year	19	(325,099)	(59,196)
Net current assets		<u>2,588,722</u>	<u>3,958,044</u>
Total assets less current liabilities		<u>13,377,063</u>	<u>13,634,296</u>
Total net assets		<u><u>13,377,063</u></u>	<u><u>13,634,296</u></u>
Charity funds			
Endowment funds	20	3,690,190	3,348,764
Unrestricted funds	20	9,686,873	10,285,532
Total funds		<u><u>13,377,063</u></u>	<u><u>13,634,296</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



The Duke of Norfolk
 (Chair of Trustees)

Date: 23.2.21

The notes on pages 19 to 41 form part of these financial statements.

ARUNDEL CASTLE TRUSTEES LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	23	(1,036,474)	356,195
Cash flows from investing activities			
Dividends and interests		4,446	4,463
Purchase of tangible fixed assets	13	(236,713)	(61,213)
Withdrawal of investment funds		-	2,342,308
Net cash (used in)/provided by investing activities		(232,267)	2,285,558
Cash flows from financing activities			
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the year		(1,268,741)	2,641,753
Cash and cash equivalents at the beginning of the year		3,506,340	864,587
Cash and cash equivalents at the end of the year	24	2,237,599	3,506,340

The notes on pages 19 to 41 form part of these financial statements

ARUNDEL CASTLE TRUSTEES LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies

1.1 Basis of preparation of financial statements

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

Arundel Castle Trustees Limited 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.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

1.2 Company status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

ARUNDEL CASTLE TRUSTEES LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

All expenditure is inclusive of irrecoverable VAT.

1.6 Basis of consolidation

The financial statements consolidate the accounts of Arundel Castle Trustees Limited and its subsidiary undertaking, Arundel Castle Enterprises Limited ('subsidiary').

Of the net expenditure after investment movement of £481,790 (2019: net income of £1,617,925), £340,873 (2019: £1,638,314) is attributable to the parent charitable company. The profit attributable to the subsidiary is shown in the notes to the financial statements.

1.7 Government grants

Government grants are credited to other incoming resources within the Consolidated statement of financial activities as the related expenditure is incurred.

1.8 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised and included at purchase cost plus any incidental expenses of acquisition.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Consolidated Statement of Financial Activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

ARUNDEL CASTLE TRUSTEES LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Accounting policies (continued)

1.8 Tangible fixed assets and depreciation (continued)

Property improvements & gardens	- 10% straight line
Motor vehicles	- 25% straight line
Gift shop, coffee shop & restaurant fixtures & fittings	- 10% - 33% straight line
Castle fixtures & fittings & groundsmens' equipment	- 10% - 33% straight line
Computer equipment	- 33% straight line

No depreciation has been provided on freehold property. This represents the property at 11 London Road owned by the charity and, in the opinion of the Trustees, the amount of any depreciation would be immaterial. Annual impairment reviews of the property are performed based on published house price indices.

1.9 Arundel Castle

The charity maintains Arundel Castle and its grounds in support of the charity's objective to preserve the buildings, grounds and chattels for the benefit of current and future generations.

Arundel Castle and its grounds were conveyed to the charity by the Executors of the XVI Duke of Norfolk as a gift in July 1976 and have not been valued in these financial statements. Reliable cost information for these assets is not available and the Trustees consider that conventional valuation approaches lack sufficient reliability due to the unique nature of the property. Furthermore, if valuations could be obtained, the costs would be onerous compared with the additional benefits derived by the charity and users of the accounts. As a result, no value is reported for these assets in the charity's balance sheet.

Arundel Castle is a unique, inalienable building of historical significance and the Trustees are forbidden from disposing of the property, either in whole or in part. Each year, the Trustees are required to spend significant sums in maintaining the fabric of the building and enhancing the overall visitor experience, as directed by the charity's governing instrument. This expenditure is charged in the Statement of Financial Activities as incurred, rather than capitalised, because in the opinion of the Trustees it gives a more meaningful presentation of the charity's activities during the year.

The total of such expenditure was £451,674 in the year ended 31 December 2020 (2019: £527,600).

Chattels owned by the Duke of Norfolk

Certain chattels on display to the public at Arundel Castle, books kept in the library at Arundel Castle and certain chattels kept in the private chapel at Arundel Castle are owned by the Duke of Norfolk and his successors and made available to the Trustees of Arundel Castle under legal agreements dated 28 July 1981. Under these agreements it is undertaken that the chattels and books will be made available to the Trustees for public display at Arundel Castle, subject to a number of conditions and restrictions. It is considered that the effect of these conditions and restrictions is such that the chattels and books do not fall under the control of the Trustees of Arundel Castle Trustees Limited, as defined by Financial Reporting Standard 102 (FRS 102) Heritage Assets. As a result, no value is reported for these assets in the charity's balance sheet. Under the terms of the legal agreements these chattels and books remain generally on display to the public in accordance with the usual Castle opening arrangements.

ARUNDEL CASTLE TRUSTEES LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Accounting policies (continued)

Chattels owned by the Charitable Company

Chattels comprise a William IV Coronation cup, an oil painting of Elizabeth Stuart, a silver tripod, a silver salver, a Regency silver dinner service and a four poster bed. The chattels are all stated at cost and undergo annual impairment reviews. These financial statements do not reflect the value of chattels situated in Arundel Castle and owned by the Duke of Norfolk, which have been loaned to the charitable company.

Gardens

The grounds were gifted to the charity in 1976, as detailed previously in this note. Significant capital expenditure to improve the gardens and enhance the visitor experience has been carried out and this expenditure is held on the balance sheet at cost less depreciation.

1.10 Investments

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

Investments in subsidiaries are valued at cost.

1.11 Interest receivable

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

1.12 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs.

1.13 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.14 Cash at bank and in hand

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

1.15 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

ARUNDEL CASTLE TRUSTEES LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Tangible fixed assets (see note 13)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

Heritage assets (see note 14)

Heritage assets are not included within the financial statements as the Trustees consider that conventional valuation techniques lack sufficient reliability over their valuation and that if valuations could be obtained the cost would be onerous compared with the additional benefit derived. The assessment is reviewed annually.

3. Net income from trading activities of subsidiary

The charity has a wholly owned trading subsidiary incorporated in the UK. Arundel Castle Enterprises Limited is used for trading activities at Arundel Castle, principally the gift shop and catering facilities and the hosting of the annual Arundel Festival. The company gifts its distributable income to Arundel Castle Trustees Limited under Gift Aid. All activities have been consolidated on a line by line basis in the Statement of Financial Activities. Audited financial statements are filed with the Registrar of Companies. A summary of its trading results is shown below:

Arundel Castle Enterprises Limited

	2020 £	2019 £
Profit and loss account		
Turnover	8,661	747,292
Cost of sales	<u>(14,893)</u>	<u>(276,628)</u>
Gross profit	(6,232)	470,664
Administrative expenses	(152,444)	(383,990)
Interest receivable	163	371
Government Grants	<u>17,596</u>	<u>-</u>
	<u>(134,685)</u>	<u>(383,619)</u>
Total	<u><u>(140,917)</u></u>	<u><u>87,045</u></u>

ARUNDEL CASTLE TRUSTEES LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Admissions	627,688	627,688	2,912,883

In both 2020 and 2019, all income from admissions was to unrestricted funds.

5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Subsidiary income	8,661	8,661	747,292
Rental/car park income	171,558	171,558	277,553
Total 2020	180,219	180,219	1,024,845

In both 2020 and 2019, all income from other trading activities was to unrestricted funds.

6. Investment income

	Unrestricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income	60,640	54,207	114,847	145,827
Bank interest	4,610	-	4,610	4,463
Total 2020	65,250	54,207	119,457	150,290

ARUNDEL CASTLE TRUSTEES LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Government grant income	90,526	90,526	-

8. Investment management costs

	Unrestricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment management fees and bank charges	55,460	19,693	75,153	102,523

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Upkeep of the Castle	1,459,078	1,459,078	1,572,635
Cost of admissions and Castle opening	443,843	443,843	633,360
Governance costs	33,320	33,320	44,437
Total 2020	1,936,241	1,936,241	2,250,432

ARUNDEL CASTLE TRUSTEES LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Analysis of expenditure on charitable activities (continued)

Summary by expenditure type

	Staff costs 2020 £	Depreciation 2020 £	Other costs 2020 £	Total funds 2020 £	Total funds 2019 £
Upkeep of the Castle	672,758	32,205	754,115	1,459,078	1,572,635
Cost of admissions and Castle opening	216,655	-	227,188	443,843	633,360
Governance costs	6,913	-	26,407	33,320	44,437
Total 2020	896,326	32,205	1,007,710	1,936,241	2,250,432

10. Net income/(expenditure)

This is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets:		
-owned by the charitable group	69,628	60,238
Accountancy and audit	15,220	17,200
Operating lease rentals	19,359	16,487

During the year, no Trustees received any benefits in kind (2019: £nil).

No Trustees received reimbursement of expenses in the current year, (2019: 2 Trustees - £1,684).

11. Staff costs

Staff costs were as follows:

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Wages and salaries	867,189	1,214,407	832,238	997,089
Social security costs	56,521	59,433	53,365	50,938
Contribution to defined contribution pension schemes	49,514	41,650	49,514	40,257
	973,224	1,315,490	935,117	1,088,284

ARUNDEL CASTLE TRUSTEES LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Staff costs (continued)

The average number of persons employed by the Charity during the year was as follows:

	Group 2020 No.	Group 2019 No.	Charity 2020 No.	Charity 2019 No.
Restaurant and shop staff	-	12	-	-
Administration	4	4	3	3
Castle opening staff (temporary)	56	92	56	92
	<u>60</u>	<u>108</u>	<u>59</u>	<u>95</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2020 No.	Group 2019 No.
In the band £70,001 - £80,000	<u>1</u>	<u>1</u>

The key management personnel of the parent charity and the group comprise Trustees, the Castle Manager and the Finance Manager. The total employee benefits of the key management personnel were £137,585 (2019: £137,351).

12. Taxation

The parent company is a registered charity, and is entitled to certain tax exemptions on income and profits from investments. Surpluses are applied solely for charitable purposes.

To the extent that Arundel Castle Enterprises Limited makes a taxable profit it is conveyed to the parent charitable company under Gift Aid, resulting in no liability to corporation tax.

Arundel Castle Trustees Limited and Arundel Castle Enterprises Limited are registered for VAT, and consequently all of their income and expenditure is recorded net of VAT, with the exception of castle admissions income, which is subject to a VAT cultural exemption.

ARUNDEL CASTLE TRUSTEES LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Tangible fixed assets

Group

	Freehold property, improvements & gardens £	Coffee shop fixtures & fittings £	Motor vehicles & groundsmens' equipment £	Restaurant & gift shop fixtures & fittings £	Fixtures, fittings & computer equipment £	Total £
Cost or valuation						
At 1 January 2020	2,384,809	63,327	181,442	111,000	423,923	3,164,501
Additions	161,048	-	-	72,124	3,541	236,713
Disposals	-	-	(20,805)	-	-	(20,805)
At 31 December 2020	2,545,857	63,327	160,637	183,124	427,464	3,380,409
Depreciation						
At 1 January 2020	1,955,049	33,487	130,422	74,516	317,528	2,511,002
Charge for the year	9,457	11,676	10,069	25,747	12,679	69,628
On disposals	-	-	(12,165)	-	-	(12,165)
At 31 December 2020	1,964,506	45,163	128,326	100,263	330,207	2,568,465
Net book value						
At 31 December 2020	581,351	18,164	32,311	82,861	97,257	811,944
At 31 December 2019	429,760	29,840	51,020	36,484	106,395	653,499

ARUNDEL CASTLE TRUSTEES LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Tangible fixed assets (continued)

Charity

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2020	2,384,809	181,442	423,923	2,990,174
Additions	161,048	-	3,541	164,589
Disposals	-	(20,805)	-	(20,805)
At 31 December 2020	2,545,857	160,637	427,464	3,133,958
Depreciation				
At 1 January 2020	1,955,049	130,422	317,528	2,402,999
Charge for the year	9,457	10,069	12,679	32,205
On disposals	-	(12,165)	-	(12,165)
At 31 December 2020	1,964,506	128,326	330,207	2,423,039
Net book value				
At 31 December 2020	581,351	32,311	97,257	710,919
At 31 December 2019	429,760	51,020	106,395	587,175

ARUNDEL CASTLE TRUSTEES LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Heritage assets

Assets not recognised in the balance sheet

The charitable company maintains Arundel Castle and its grounds which were acquired in 1976 by way of gift from the Executors of the XVI Duke of Norfolk.

The Keep at Arundel Castle was built at the end of the 11th century by Roger de Montgomery Earl of Arundel. Since then it has been added to over the centuries, the last major remodelling taking place at the end of the 19th century. Apart from the occasional reversion to the Crown, Arundel Castle has descended directly from 1138 to the present day, carried by female heiresses from the d'Albinis to the Fitzalans in the 13th century and then from the Fitzalans to the Howards in the 16th century and it has been the seat of the Dukes of Norfolk and their ancestors for over 850 years.

The Castle houses a collection of fine furniture dating from the 16th century, tapestries, clocks and portraits by Van Dyck, Gainsborough, Mytens, Lawrence, Reynolds, Canaletto and others. Personal possessions of Mary, Queen of Scots and a selection of historical, religious and heraldic items from the Duke of Norfolk's collection are also on display.

These items, with the exception of certain chattels as described more fully below, are displayed under legal agreement with the Duke of Norfolk and his successors and are not included in the balance sheet of the charity.

There have been no acquisitions or disposals of heritage assets during the last five years.

The current building underwent a major restoration project that was completed in 1900. It was one of the first English country houses to be fitted with electric light, integral fire fighting equipment, service lifts and central heating.

The charity aims to maintain the condition of the Castle in a steady state of repair, and to improve the grounds to enhance the experience of visitors to the Castle. Annual surveys are undertaken to ensure that the fabric of the building is not deteriorating and repair and maintenance work is undertaken as required, according to budget. Examples of such expenditure in recent years include re-leading the castle roof and internal and external re-wiring to the Castle.

The total of such expenditure in 2020 was £451,674 (2019: £527,600).

The cost of major enhancement work to the grounds and gardens, and any capital work to the building that does not represent repair or maintenance, is capitalised on the balance sheet.

In accordance with the admission policy, public access to the Castle and grounds is permitted every day of the week except Monday during the opening season which is from Easter or 1 April to the end of October each year.

Chattels recognised on the balance sheet (Note 15)

Chattels comprising a William IV Coronation cup, an oil painting of Elizabeth Stuart, a silver tripod, a silver salver, a Regency silver dinner service and a four poster bed are reported in the balance sheet at cost.

Public access to these assets is provided in accordance with the general castle admissions policy as described above.

Enhancement to gardens and grounds

The grounds, together with the keep and gatehouse have been open to the public since 1800 and the gardens since 1854.

ARUNDEL CASTLE TRUSTEES LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

On 14 May 2008 The Collector Earl's Garden was opened by HRH The Prince of Wales. This formal garden was conceived as a tribute to Thomas Howard, 14th Earl of Arundel, known as 'The Collector'.

The capital expenditure on this project and other projects for the enhancement of the gardens is held on the balance sheet at cost and was depreciated over 10 years.

Admission to The Collector Earl's Garden is included within the standard admission for the castle and grounds.

15. Charity heritage assets

Group and Charity

Assets recognised at cost

	Chattels owned by the charity 2020 £	Total 2020 £
At 1 January 2020 and 31 December 2020	475,683	475,683
At 31 December 2019	<u>475,683</u>	<u>475,683</u>

16. Fixed asset investments

Group	Endowment fund £	East Wing sinking fund £	General fund investments £	Total £
Cost or valuation				
At 1 January 2020	3,348,765	40,943	5,223,587	8,613,295
Investment income	54,208	1,478	59,161	114,847
Management fees	(23,631)	(292)	(43,890)	(67,813)
Realised and unrealised gains/(losses)	306,912	646	633,752	941,310
At 31 December 2020	<u>3,686,254</u>	<u>42,775</u>	<u>5,872,610</u>	<u>9,601,639</u>
Net book value				
At 31 December 2020	<u>3,686,254</u>	<u>42,775</u>	<u>5,872,610</u>	<u>9,601,639</u>
At 31 December 2019	<u>3,348,765</u>	<u>40,943</u>	<u>5,223,587</u>	<u>8,613,295</u>

ARUNDEL CASTLE TRUSTEES LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. Fixed asset investments (continued)

Charity	Shares in subsidiary £	Endowment fund £	East Wing sinking fund £	General fund investments £	Total £
Cost or valuation					
At 1 January 2020	100	3,348,765	40,943	5,223,587	8,613,395
Investment income	-	54,208	1,478	59,161	114,847
Management fees	-	(23,631)	(292)	(43,890)	(67,813)
Realised and unrealised gains/(losses)	-	306,912	646	633,752	941,310
At 31 December 2020	100	3,686,254	42,775	5,872,610	9,601,739
Net book value					
At 31 December 2020	100	3,686,254	42,775	5,872,610	9,601,739
At 31 December 2019	100	3,348,765	40,943	5,223,587	8,613,395

Investments held by the charity include an investment in the subsidiary company, Arundel Castle Enterprises Limited at cost.

Arundel Castle Trustees Limited owns 100% of the issued ordinary share capital of Arundel Castle Enterprises Limited, a company incorporated in England and Wales. Arundel Castle Enterprises Limited is the only subsidiary of Arundel Castle Trustees Limited. There are no other related companies.

All the fixed asset investments are held in the UK.

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Class of shares	Holding
Arundel Castle Enterprises Limited	01521264	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) for the year £	Net assets £
Arundel Castle Enterprises Limited	26,420	(167,337)	(140,917)	(87,781)

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Endowment Fund

This represents a permanent endowment to Arundel Castle Trustees Limited by the Executors of the XVI Duke of Norfolk. The fund is represented by:

	Market Value 2020 £	Cost 2020 £	Market Value 2019 £	Cost 2019 £
UK listed investments	130,106	123,946	582,369	446,077
Overseas listed investments	1,878,427	1,384,920	1,313,587	941,630
Other unlisted securities	747,905	675,823	940,473	763,129
Bonds and fixed interest	<u>637,910</u>	<u>616,043</u>	<u>462,621</u>	<u>632,983</u>
Sub total	3,394,348	2,800,732	3,299,050	2,783,819
Investment deposit account	<u>291,906</u>	<u>291,906</u>	<u>49,714</u>	<u>49,714</u>
Total	<u><u>3,686,254</u></u>	<u><u>3,092,638</u></u>	<u><u>3,348,764</u></u>	<u><u>2,833,533</u></u>

The Trustees consider the following investments to be material to the market value of the portfolio at 31 December 2020:

Vanguard S&P 500 UCITS ETF: £202,032

East Wing Sinking Fund

This represents funds invested in 1993 for future restoration of the East Wing. The fund is represented by:

	Market Value 2020 £	Cost 2020 £	Market Value 2019 £	Cost 2019 £
Other unlisted investments	<u>32,718</u>	<u>22,615</u>	<u>32,072</u>	<u>22,615</u>
Sub total	32,718	22,615	32,072	22,615
Investment deposit account	<u>10,059</u>	<u>10,059</u>	<u>8,870</u>	<u>8,870</u>
Total	<u><u>42,777</u></u>	<u><u>32,674</u></u>	<u><u>40,942</u></u>	<u><u>31,485</u></u>

As at 31 December 2020 the fund is made up of two investments with HICL Infrastructure Company Ltd and International Public Partnerships, both of which are material to the fund.

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General Fund

The fund is represented by:

	Market Value 2020 £	Cost 2020 £	Market Value 2019 £	Cost 2019 £
UK listed investments	1,410,942	1,278,535	712,600	640,744
Overseas listed investments	2,146,995	1,622,128	1,902,299	1,637,523
Other unlisted securities	1,146,881	1,217,696	1,218,725	1,636,225
Bonds and fixed interest	<u>752,706</u>	<u>726,904</u>	<u>128,527</u>	<u>1,029,734</u>
Sub total	5,457,524	4,845,263	3,962,151	4,944,226
Investment deposit account	<u>415,082</u>	<u>415,082</u>	<u>107,437</u>	<u>107,437</u>
Total	<u><u>5,872,606</u></u>	<u><u>5,260,345</u></u>	<u><u>4,069,588</u></u>	<u><u>5,051,663</u></u>

The Trustees consider the following investment to be material to the market value of the portfolio at 31 December 2020:

Ruffer SICAV Fixed Income Z GBP: £498,671

17. Stocks

	Group 2020 £	Group 2019 £
Gift shop goods for resale	109,858	56,212
Restaurant stock	3,278	1,839
Cafe stock	319	250
	<u><u>113,455</u></u>	<u><u>58,301</u></u>

18. Debtors

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Due within one year				
Trade debtors	34,804	89,430	34,804	75,201
Amounts owed by group undertakings	-	-	366,747	612,473
Other debtors	83,612	127,503	83,612	127,503
Prepayments and accrued income	260,628	313,209	259,516	313,209
	<u><u>379,044</u></u>	<u><u>530,142</u></u>	<u><u>744,679</u></u>	<u><u>1,128,386</u></u>

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19. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade creditors	304,348	15,668	303,765	14,017
Other taxation and social security	-	22,111	-	22,111
Other creditors	250	-	250	-
Accruals and deferred income	25,584	28,508	21,084	23,068
	<u>330,182</u>	<u>66,287</u>	<u>325,099</u>	<u>59,196</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds

Statement of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds					
Designated funds					
East Wing Sinking Fund	40,942	1,480	(243)	646	42,825
General funds					
General funds	10,381,266	962,203	(2,421,054)	633,752	9,556,167
Total Unrestricted funds	10,422,208	963,683	(2,421,297)	634,398	9,598,992
Endowment funds					
Endowment funds	3,348,764	54,207	(19,693)	306,912	3,690,190
Total of funds	13,770,972	1,017,890	(2,440,990)	941,310	13,289,182

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20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2019 £
Unrestricted funds					
Designated funds					
East Wing Sinking Fund	37,250	1,453	(275)	2,514	40,942
General funds					
General funds	9,204,102	4,023,975	(3,396,592)	549,781	10,381,266
Total Unrestricted funds	<u>9,241,352</u>	<u>4,025,428</u>	<u>(3,396,867)</u>	<u>552,295</u>	<u>10,422,208</u>
Endowment funds					
Endowment funds	<u>2,911,695</u>	<u>62,590</u>	<u>(22,382)</u>	<u>396,861</u>	<u>3,348,764</u>
Total of funds	<u><u>12,153,047</u></u>	<u><u>4,088,018</u></u>	<u><u>(3,419,249)</u></u>	<u><u>949,156</u></u>	<u><u>13,770,972</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Summary of funds

Summary of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2020 £
Designated funds	40,942	1,480	(243)	646	42,825
General funds	10,381,266	962,203	(2,421,054)	633,752	9,556,167
Endowment funds	3,348,764	54,207	(19,693)	306,912	3,690,190
	<u>13,770,972</u>	<u>1,017,890</u>	<u>(2,440,990)</u>	<u>941,310</u>	<u>13,289,182</u>

Summary of funds - prior year

	Balance at 1 January 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2019 £
Designated funds	37,250	1,453	(275)	2,514	40,942
General funds	9,204,102	4,023,975	(3,396,592)	549,781	10,381,266
Endowment funds	2,911,695	62,590	(22,382)	396,861	3,348,764
	<u>12,153,047</u>	<u>4,088,018</u>	<u>(3,419,249)</u>	<u>949,156</u>	<u>13,770,972</u>

22. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Tangible fixed assets	811,944	-	811,944
Fixed asset investments	5,911,449	3,690,190	9,601,639
Heritage assets	475,683	-	475,683
Current assets	2,730,098	-	2,730,098
Creditors due within one year	(330,182)	-	(330,182)
Total	<u>9,598,992</u>	<u>3,690,190</u>	<u>13,289,182</u>

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22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £
Tangible fixed assets	653,499	-	653,499
Fixed asset investments	5,264,530	3,348,764	8,613,294
Heritage assets	475,683	-	475,683
Current assets	4,094,783	-	4,094,783
Creditors due within one year	(66,287)	-	(66,287)
Total	10,422,208	3,348,764	13,770,972

23. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2020 £	Group 2019 £
Net income/expenditure for the period (as per Statement of Financial Activities)	(481,790)	1,617,925
Adjustments for:		
Depreciation charges	69,628	60,238
(Gains)/losses on investments	(941,310)	(949,156)
Dividends and interest	(119,457)	(150,290)
Loss on the sale of fixed assets	1,463	1,369
Decrease/(increase) in stocks	(55,154)	52,362
Decrease/(increase) in debtors	151,098	(60,891)
Increase/(decrease) in creditors	263,895	(294,462)
Investment management fees paid by fund	75,153	79,100
Net cash provided by/(used in) operating activities	(1,036,474)	356,195

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24. Analysis of cash and cash equivalents

	Group 2020 £	Group 2019 £
Cash in hand	2,237,599	1,161,142
Notice deposits (less than 3 months)	-	2,345,198
Total cash and cash equivalents	2,237,599	3,506,340

25. Analysis of changes in net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	3,506,340	(1,268,741)	2,237,599
	3,506,340	(1,268,741)	2,237,599

26. Operating lease commitments

At 31 December 2020 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Not later than 1 year	12,918	12,918	12,918	12,918
Later than 1 year and not later than 5 years	-	6,441	-	6,441
	12,918	19,359	12,918	19,359

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27. Related party transactions

Dr John Martin Robinson, a trustee of Arundel Castle Trustees Limited and a director of Arundel Castle Enterprises Limited, is paid, on normal commercial terms, for his services to the castle library. During the year he has been paid a total of £18,190 (2019: £17,187) for these services.

The Duke of Norfolk, a trustee of Arundel Castle Trustees Limited, had a debtor balance at the year end of £20,902 (2019: £21,469). The total of recharged costs over the year has been £20,902 (2019: £21,469).

The Earl of Arundel, a trustee of Arundel Castle Trustees Limited, was paid £1,103 for the provision of services during the year (2019: £405).

The 1958 Settlement Henry's Fund, of which the Duke is a Trustee, holds a lease of the East Wing of Arundel Castle. This was granted in November 1993 in consideration of the carrying out of essential works of repair and improvement at a cost in excess of £1,300,000 and an annual rent payable to Arundel Castle Trustees Limited, which was £1,089 for the year (2019: £1,077).

The balance owed to Arundel Castle Trustees Limited at the year end was £1,089 (2019: £1,077). Arundel Castle Trustees Limited also pays the Fund for use of the car park and grounds maintenance costs. Costs in the year were £40,487 (2019: £33,231).

28. Controlling party

The Trustees, as a body, administer the Company in accordance with the Memorandum and Articles of Association. Therefore there is no single controlling party.