

THE PENNINGTON MELLOR MUNTHE CHARITY TRUST

England & Wales · Charity number 283266

Details

Other names	THE PENNINGTON MELLOR CHARITY TRUST, PENNINGTON MELLOR MUNTHE CHARITY TRUST
Status	Registered
Legal form	Trust
Registered	1981-09-24
Register	View on the Charity Commission register

Contact

Address	5 Earls Walk London W8 6EP
Phone	02079370415
Email	info@pmmct.org.uk
Website	www.pmmct.org.uk

Activities

Objects: (A) THE PRESERVATION, RESTORATION AND MAINTENANCE FOR THE BENEFIT OF THE PUBLIC OF HELLEN'S MUCH MARCLE AND THE CONTENTS THEREOF, ALONQ WITH SUCH OF THE FORMER CONTENTS OF SOUTHSIDE HOUSE, WIMBLEDON, BEING OF SIGNIFICANT ARTISTIC AND/OR HISTORIC VALUE, AS MAY REASONABLY BE ACCOMMODATED AND DISPLAYED AT HELLENS MUCH MARCLE; AND(B) THE USE OF THE SAID PROPERTY FOR THE ADVANCEMENT OF THE EDUCATION OF THE PUBLIC BY MEANS WHICH ARE COMPATIBLE WITH MAINTENANCE OF THE PROPERTY FOR THE BENEFIT OF THE PUBLIC AND IN KEEPING WITH ITS HISTORIC NATURE.

Activities: The charity trust's objects are to protect and maintain, in perpetuity, two houses of historic interest - Southside House, Wimbledon and Hellens, Much Marcle and to make both houses available for educational and cultural activities to the local communities.

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** General Charitable Purposes
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** HEREFORDSHIRE
- Herefordshire
- Merton

Finances

Period end	Income	Expenditure	Assets	Employees
2025-04-05	£795,026	£770,778	£19,761,384	15
2024-04-05	£9,921,654	£1,021,493	£19,630,331	11
2023-04-05	£636,188	£860,254	£10,818,933	11
2022-04-05	£652,724	£649,025	£11,922,795	9
2021-04-05	£549,233	£571,879	£11,591,914	8

Trustees

Name	Role	Appointed
Turi Benjamin Munthe	Chair	
ANDREW KEAN		2023-09-26
Dr LINDSAY RAYMONDE CLIFFORD STANTON		
EDWARD HENRY BONHAM-CARTER		
GABRIEL ALEXANDER MICHAEL WALSH		2013-01-07
JOHN FREDERICK HARKNESS		
MARTIN DRURY		
Patrick McIlroy		2023-09-26
Sandra Romito		2023-04-01
TOBIAS AXEL MUNTHE		

THE PENNINGTON MELLOR MUNTHER CHARITY TRUST

England & Wales - Charity number 283266

Accounts

Charity registration number 283266 (England and Wales)

PENNINGTON-MELLOR-MUNTHER CHARITY TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2025

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	A Munthe (Chair) J Harkness (Deputy Chair) E Bonham-Carter M Drury A Kean P McIlroy T Munthe T Munthe P Richey S Romito L Stainton A Walsh
Secretary	J Sheridan
Charity number	283266
Principal address	5 Earls Walk London W8 6EP
Auditor	Kendall Wadley LLP Granta Lodge 71 Graham Road Malvern Worcestershire WR14 2JS
Solicitors	Charles Russell Speechlys 5 Fleet Place London EC4M 7RD
Investment Advisors	Walker Crips Investment Management Ltd Old Change House 128 Queen Victoria Street London EC4V 4BJ

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

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PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2025

The Trustees present their annual report and financial statements for the year ended 5 April 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Trust Deed, the Charities Act 2011 and "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).

Objectives and activities

The Charity Trust's objectives are to protect and maintain for the benefit of the public, Hellens Manor, Much Marcle, Herefordshire, and to make the house available for educational and cultural activities relevant to the local community. The Pennington-Mellor-Munthe Charity Trust (PMMCT) was given a cy-pres authorisation by the Charity Commission to sell Southside House to help us maximise our charitable purposes at Hellens.

The house is regularly open to the general public on payment of a nominal entrance fee which covers a guided tour. Specialist groups are catered for with organised tours.

The Charity Trust is engaged in a number of activities, most of which are designed to encourage activities in music, literacy/literature/poetry, and the environment, with emphasis placed on activities of special benefit to the local community in Herefordshire, with the West Midlands.

In order to achieve its objectives, the Chairman, a working party of the Trustees, together with the General Manager and team at Hellens Manor are actively engaged in promoting visitors and organising special events, whilst ensuring that the property is maintained in good order, and that its unique nature is not destroyed by excessive exposure.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Restoration and repairs continue under the supervision of our historic architecture consultant, Patrick McIlroy.

Education and cultural activities continue to be developed in accordance with the Charity Trust's feasibility studies.

Hellens

General

Miniatures restoration is continuing with Sally Higgs, from the National Portrait Gallery. We are also creating a more robust inventory of the entire collection with the help of Dr Juan Tafur, Curator for the Trust at Hellens, where the collection is now housed.

Charlie Kimberley has continued her work successfully to develop a volunteer programme covering areas such as guiding, gardens and stewarding. This is producing excellent results, good contacts and improved support.

Hellens supports local charities and communities through sharing resources and facilities. Regular events include a monthly Produce Market supporting local producers, a local Women's Group, an art class, and our own Back2Wild project for vulnerable children and teenagers.

Also (and annually too), the Big Apple festival which celebrates local cider and perry producers, and the Herefordshire Forest School Association Outdoor Learning Conference. Other individual charitable and community events include Carriage Foundation Study Day, historical exploration days for local primary schools, a project with Hereford College of Arts Textile Department, 'Young Shakespeare' for local schools in collaboration with Ledbury Poetry Festival, and a Green Investing Workshop.

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

Works

Planning permissions for the design of the Gallery at Hellens have involved considerable unforeseen work; as a Grade 2 Starred building, we have been required to take on historic landscape architects and a variety of ecological experts regarding badgers, great crested newts, bats and bird nesting issues, which has delayed the start of construction. Tenders will be submitted beginning February 2026, and subject to newt controls, we will be starting ground work in May, with the main contractor commencing work at the end of June.

Conservation and restoration objectives at Hellens continue to focus on the main house; the south and east fronts, the white dining room French doors, and the gallery to the tearoom. Design expenses for the New Gallery have added to our challenges, but permissions are now being sought for us to proceed on all fronts.

Activities

Concerts, seminars for local primary school teachers, school choirs, educational visits, and historical and story-telling projects have continued more vibrantly at the house for local school children. Shakespeare for the Young continue their school events on site. Community activities continue, as do activities for Much Marcle's twinning with Le Barroux, a village in Southern France, initiated by the Chairman, with visits between residents, and especially school children.

The Chairman is also President of the Ledbury/Stromstadt twinning association where choir, sport and cultural activities continue. In addition to these activities, our yearly local festivities continue - The Ledbury Poetry Festival, Hellens Garden Festival (for the local Children's Hospice St Michael's), Hellensmusic Festival, The Big Apple Festival, Church, Primary School activities, Back2Wild project, and local Rotary/Lions clubs evenings etc..

Workshops, events and poetry jams were hosted again for The Ledbury Poetry Festival (of which the Charity is a Patron, and the Chairman an active partner/advisor). Poets were sponsored into twelve local primary schools. 3,000 children are now reached through our sponsorship.

Historical organisations from all over the country have made special visits.

The local branch of the Arts Society continues to be involved with textile restoration at Hellens on a weekly basis. The needlepoint frieze of Hellens' history over the last thousand years has been completed, and will be installed in the Stone Hall Gallery. It continues to receive much attention from needlework associations nationally.

Patron

Our Patron HRH Princess Alexandra continues to support the Trust in the midst of her busy life.

Achievements and performance

Financial review

The Statement of Financial Activities shows a net income, including gains on investments, of £131,053 compared to a surplus of £8,811,398 in the previous year. The surplus for 2024 included the exceptional gain on sale of Southside House of £9,162,101.

Total reserves are £19,761,384 (2024:£19,630,331), of which £17,835,864 (2024:£17,744,124) is permanently endowed, £160,028 (2024:£266,413) is designated as a restoration fund, leaving after allowance for tangible fixed assets free reserves a deficit of £797,804 (2024 - deficit of £948,313).

Note 16 shows a gain on investment assets of £106,805 (2024 - loss of £88,762) compared with an opening value of £15,868,552. Further comment on this movement is given under Investment Policy below.

The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately 6 months of unrestricted charitable expenditure. The Trustees consider that this level will provide sufficient funds to respond to any sudden loss of income and ensure that support and governance costs are covered.

They also feel that a level of 6 months is sufficient given the flexibility afforded by the total return approach towards the investment of the permanent endowment which allows trustees to transfer amounts from the unapplied total element of the endowment fund in case of urgent need.

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

The sale of SSH was completed on 30 June 2023 for a total net sum of £8,998,280, after deduction of expenses. Following this £8,107,000 of the proceeds have been used to purchase a portfolio of investments with the aim of providing an income to help fund the construction of the new gallery at Hellens. A portion of these funds are held in interest-bearing cash deposits, where they are available for transfer to the Trust's unrestricted funds whenever the money is required for high-value payments related to the gallery.

Over an average 6-month period charitable expenditure payments in the period equated to approximately £318,433, whilst the total value of cash balances in current bank accounts and investment funds equates to £408,667. This level of readily available cash is, therefore, adequate for the Trust's requirements.

In total, some £144,985 (2024:£239,090) has been expended on the restoration of the properties through the Statement of Financial Activities. There were no additions to the land owned by the Trust during the year (2024: £325,000).

The value of the investment portfolio increased during the year by approximately 0.01% or £104,828. Including the income return (£588,457), the increase was of the order of 4.36%. This compares with an increase of 0.0% in the NUMIS All Share Inc index over the same period. As at 5 April 2025 the Endowment Fund was invested as follows:

	5 April 2025		5 April 2024	
	Market value		Market value	
	£	%	£	%
Bonds	2,416,474	10.9	1,937,259	10.9
Investment Trusts	13,243,510	72.4	12,851,397	72.4
Cash	333,480	4.2	741,333	4.2
Historic Chattels	105,280	0.6	105,280	0.6
Land	1,052,189	5.9	1,052,189	5.9
Accrued bond income	25,494	0.1	20,084	0.1
Cash advanced for unrestricted activities	659,437	5.8	1,036,582	5.8
	17,835,865	100	17,744,124	100

As in the previous year, there were redemptions in the Bond section of the portfolio and tenders and capital repayments in some of the investment trusts. Reinvestments were made after due consideration by the Trustees in Cash, Equities, Economic Infrastructure and Renewable Energy. These investments will help to maintain the overall income level at an anticipated minimum of £425,000 without unduly increasing the risk.

During the year there was an increase in income generated, attributable to the investment of certain of the sales proceeds of Southside house, from £435,806 to £594,676. Looking ahead the main investment fear is that in general there might be severe dividend cuts which could affect the dividend-paying ability of the Investment Trusts we hold, but the investment advisors see this as unlikely.

The investment manager is confident that the Investment Trusts we hold will maintain their pay-outs, having built up substantial reserves over the years to carry them over difficult times such as we are now experiencing and to keep intact their records of steadily rising pay-outs. Indeed, there might well be some surprise increases. So far, our income stream has shown a useful increase.

The Trustees have conducted a review of the major risks to which the Charity Trust is exposed, in particular, those related to the operations and finances of the Charity Trust and are satisfied that systems have been established to mitigate those risks.

PENNINGTON-MELLOR-MUNTHER CHARITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

Plans for future periods

The Trust's principal activities focus on music and musical education, literacy and language work, ecology and the environment, together with programmes of lectures, seminars, teaching work, concerts and community activities.

Hellensmusic, our Festival each year in May, the Garden Festival each year in June, and the Poetry Festival in Ledbury and at Hellens are the show pieces to our year. We are now, and for the future based at Hellens, where we serve a wide parish, extended countrywide, thanks to our growing reputation.

The Hellens Garden Festival, in aid of the children's hospice movement, continues to flourish involving, however, much more work for the Trust since we became actively responsible for the management and organisation of the festival in 2016. Development continues in the parkland with new specimen trees.

The growth in the level of activities relating to Hellensmusic and Hellens Garden Festivals has become such it was decided to create two legal entities to manage the events as separate organisations, independent of the Trust. Hellens Garden Festival was established as a Community Interest Company (CIC) on 16 May 2016, whilst Hellensmusic was established as a Charitable Incorporated Organisation (CIO) on 1 June 2016. The activities of both events are now accounted for separately in the organisations' own accounts.

It should also be noted that we work with our two other family trust organisations - Villa San Michele on Capri (created by Dr Axel Munthe) www.villasanmichele.eu, and now owned by the Swedish State, and Munthe's Hildasholm in Dalarna, Sweden www.hildasholm.org.se.

Structure, governance and management

The charity Trust was established by a declaration of trust of Major M.G.M.L. Munthe dated 21 August 1981, and is registered with the Charity Commission, England and Wales (No, 283266).

The Trustees who served during the year and up to the date of signature of the financial statements were:

Adam Munthe	Chair, Houses' supervisor
John Harkness	Deputy Chair and Finances
Edward Bonham-Carter	Finances
Martin Drury	Houses' fabric & landscape
Andrew Kean (appointed 23 September 2023)	Accounts
Patrick McIlroy (appointed 23 September 2023)	Building Consultant
Tobie Munthe	Educational, Cultural
Turi Munthe	Media, Social, Political
Sandra Romito	Collection
Peter Richey	Furniture and woodwork
Lindsay Stainton	Pictures, miniatures
Alex Walsh	Legal

Andrew Kean, our Financial Controller since 1 April 2016 continues to be an effective professional of integrity and acumen.

A majority of two-thirds of the Trustees is required to remove or appoint a Trustee.

The policies and procedures adopted by the Charity Trust for the induction and training of Trustees is a simple process because new Trustees invariably will have strong links with the Charity Trust before their election. The nature of the Charity Trust also means that new Trustees are only chosen if they have experience and expertise in areas that complement the objectives of the Charity Trust and, therefore, will need little by way of training.

The Trustees meet on a regular basis, two or three times a year, including at least one meeting at Hellens. Each of the Trustees has a particular function in the management of the Charity Trust, as noted above.

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

The Trust is about to appoint a new General Manager for Hellens, Juan Tafur is Curator of the Trust, Sam Massey, our Book-keeper, also runs the tearooms at Hellens, Jan Vernal is Head Gardener and Kieran Terry, Estate Manager. His wife, Kat Terry is responsible for the Back2Wild programme, The Arts Society (being the creative needle and repair team), and heads the Hellens Garden Committee. Charlie Kimberley does all our artwork, guides, and is responsible for the vegetable garden. Amanda Cotton guides and gardens, Jules Griffith, taken on in May, guides, gardens and aids with book-keeping and security, and Sam Panter is Hellens' housekeeper.

During the accounting period, John Harkness, a Trustee and our investment consultant, working with Chris Ketchenham from the London offices of stockbrokers Walker Crips Stockbrokers Limited oversaw the investments of the Charity Trust.

The Trustees' report was approved by the Board of Trustees.



A Munthe (Chair)

Trustee

28 January 2026

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 5 APRIL 2025

The Trustees 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).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PENNINGTON-MELLOR-MUNTHER CHARITY TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF PENNINGTON-MELLOR-MUNTHER CHARITY TRUST

Opinion

We have audited the financial statements of Pennington-Mellor-Munthe Charity Trust (the 'charity') for the year ended 5 April 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2025 and of its 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charity's 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

- an understanding of the risk assessment process (including the assessment of the risk of fraud) adopted by the Board is obtained and their attitude to risk ascertained.
- an assessment of the susceptibility to material mis-statement of the financial statements as a result of management over-ride of fraud is made.
- it is ensured that the engagement team have, collectively, the appropriate competence, capabilities and skills to be involved in the assignment, are fully briefed and understand the risks specific to the charity.

Audit response to risks identified

The information obtained through the assessment to risk procedures is reviewed and the following work undertaken:

- processes to test the outcomes of our assessment include, a review of Board minutes, analytical review, the relevance and accuracy of significant accounting estimates, substantive testing of significant transactions, work to identify unusual or unexpected accounting entries including the testing of journal entries, information disclosed in the financial statements is traced to supporting documentation. In all instances it is acknowledged that material mis-statements that arise from fraud may involve deliberate concealment or collusion and are, therefore, by their very nature harder to detect than those arising from error.
- an understanding of the legal and regulatory framework as applicable to the charity is obtained together with knowledge of the procedures put in place by the charity in order to comply with the same.

It should be noted that Auditing standards 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

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

Sarah Morley BA (Hons) ACA (Senior Statutory Auditor)

For and on behalf of Kendall Wadley LLP

Chartered Accountants

Granta Lodge

71 Graham Road

Malvern

Worcestershire

WR14 2JS

28 January 2026



Kendall Wadley LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2025

Current financial year		Unrestricted funds 2025 £	Designated funds 2025 £	Endowment funds 2025 £	Total 2025 £	Total 2024 £
	Notes					
Income and endowments from:						
Donations and legacies	3	3,740	-	-	3,740	1,965
Charitable activities	4	160,938	-	-	160,938	162,912
Investments	5	3,599	169,928	414,930	588,457	594,676
Other income	6	41,891	-	-	41,891	9,162,101
Total income and endowments		210,168	169,928	414,930	795,026	9,921,654
Expenditure on:						
Raising funds	7	134,412	-	-	134,412	99,608
Charitable activities	8	636,366	-	-	636,366	921,885
Total expenditure		770,778	-	-	770,778	1,021,493
Net (losses) / gains on investments	11	(499)	(12,714)	120,018	106,805	(88,763)
Net (expenditure) / income		(561,109)	157,214	534,948	131,053	8,811,398
Transfers between funds	13	706,807	(263,599)	(443,208)	-	-
Net movement in funds		145,698	(106,385)	91,740	131,053	8,811,398
Reconciliation of funds:						
Fund balances at 6 April 2024		1,619,794	266,413	17,744,124	19,630,331	10,818,933
Fund balances at 5 April 2025		1,765,492	160,028	17,835,864	19,761,384	19,630,331

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

Prior financial year		Unrestricted funds 2024 £	Designated funds 2024 £	Endowment funds 2024 £	Total 2024 £
	Notes				
Income and endowments from:					
Donations and legacies	3	1,965	-	-	1,965
Charitable activities	4	162,912	-	-	162,912
Investments	5	7,625	14,499	572,552	594,676
Other income	6	-	-	9,162,101	9,162,101
Total income and endowments		172,502	14,499	9,734,653	9,921,654
Expenditure on:					
Raising funds	7	99,608	-	-	99,608
Charitable activities	8	921,885	-	-	921,885
Total expenditure		1,021,493	-	-	1,021,493
Net gains/(losses) on investments	11	(999)	(17,096)	(70,668)	(88,763)
Net income/(expenditure)		(849,990)	(2,597)	9,663,985	8,811,398
Transfers between funds	13	721,391	(4,810)	(716,581)	-
Net movement in funds		(128,599)	(7,407)	8,947,404	8,811,398
Reconciliation of funds:					
Fund balances at 6 April 2023		1,748,393	273,820	8,796,720	10,818,933
Fund balances at 5 April 2024		1,619,794	266,413	17,744,124	19,630,331

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

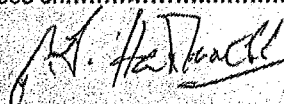
BALANCE SHEET

AS AT 5 APRIL 2025

	Notes	2025 £	2024 £
Fixed assets			
Tangible assets	14	3,720,764	3,725,575
Heritage assets	15	1	1
Investments	16	15,967,970	15,868,552
		<u>19,688,735</u>	<u>19,594,128</u>
Current assets			
Debtors	17	40,599	47,691
Cash at bank and in hand		75,187	45,592
		<u>115,786</u>	<u>93,283</u>
Creditors: amounts falling due within one year	18	<u>(41,970)</u>	<u>(55,080)</u>
Net current assets/(liabilities)		<u>73,816</u>	<u>38,203</u>
Total assets less current liabilities		<u>19,762,551</u>	<u>19,632,331</u>
Creditors: amounts falling due after more than one year	19	<u>(1,167)</u>	<u>(2,000)</u>
Net assets		<u><u>19,761,384</u></u>	<u><u>19,630,331</u></u>
Capital funds			
Endowment funds	22	17,835,864	17,744,124
Income funds			
Unrestricted funds - designated - restoration	23	160,028	266,413
Unrestricted funds - general		1,765,492	1,619,794
		<u><u>19,761,384</u></u>	<u><u>19,630,331</u></u>

The financial statements were approved by the Trustees on 28/1/26


A Munthe (Chair)
Trustee


J Harkness (Deputy Chair)
Trustee

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 5 APRIL 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash absorbed by operations	26		(566,704)		(1,807,380)
Investing activities					
Purchase of tangible fixed assets		(1,545)		(341,547)	
Proceeds from disposal of tangible fixed assets		2,000		9,162,102	
Proceeds from disposal of heritage assets		-		1	
Purchase of investments		(991,452)		(8,206,311)	
Proceeds from disposal of investments		506,269		576,097	
Movements on cash in investment portfolio		492,570		(328,678)	
Investment income received		588,457		580,112	
Net cash generated from investing activities			596,299		1,441,776
Net increase/(decrease) in cash and cash equivalents			29,595		(365,604)
Cash and cash equivalents at beginning of year			45,592		411,196
Cash and cash equivalents at end of year			75,187		45,592

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2025

1 Accounting policies

Charity information

Pennington-Mellor-Munthe Charity Trust (Charity Number 283266) is an unincorporated charity governed by a Trust Deed, registered with the Charity Commission, England & Wales. The principal address is 5 Earls Walk, London, W8 6EP.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value and heritage assets at a valuation as described in the notes. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about its ability to continue. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

The Charity has a single, restricted Endowment Fund representing those assets which must be held permanently by the Charity Trust, principally in the form of investments. Income arising on the Endowment Fund may be used in accordance with the objects of the Charity Trust, for which purpose it is transferred to unrestricted funds. Any capital gains or losses arising on the investments form part of the Endowment Fund.

Investment management charges and legal advice relating to the Fund are charged against unrestricted funds. The Endowment Fund is restricted as stipulated in an order with the Charity Commissioners for England and Wales dated 19 May 2000.

1.4 Income

All income is accounted for on a receivable basis, and has been included gross. Income is recognised once the Charity Trust has entitlement to it, there is sufficient certainty of receipt and it is, therefore, probable that the amount of income will be received and the amount of income receivable can be measured reliably. Income may be deferred where it relates to a future period.

Donations are recognised when they have been communicated and received in writing, with notification of both the amount and settlement date.

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

1 Accounting policies

(Continued)

The income from the Endowment Fund is unrestricted and forms part of the Unrestricted Fund.

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.

Support costs are split between governance and other support costs. All running, establishment and governance costs are allocated to charitable activities.

The costs of raising funds consists of the costs of generating funds from visitors and events, from the sale of goods related to the property such as stationery and books, and the investment management fees.

Expenditure on charitable activities includes the running costs of the historic properties, their repair and maintenance costs, insurance and charitable donations.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

No depreciation is provided in respect of properties and the historic chattels as the residual value is considered to be greater than their carrying value.

All other assets costing more than £500 are capitalised and valued at historical cost less depreciation. Depreciation is charged on fixtures and fittings, equipment, and plant and machinery from the year of acquisition on a straight line basis over an estimated useful life of five years (20%).

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Heritage assets

The Charity Trust owns a historic property, Hellens, which together with its contents is protected and maintained for the benefit of the public. The property is a Grade 2 listed building and is open to the public during certain months of the year. Details of how this is accounted for are provided in note 15.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less,

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.12 Retirement benefits

The Charity Trust operates a defined contribution workplace pension scheme on behalf of employees which is run by NEST and which complies with the statutory requirements and regulations governing pension auto-enrolment. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Donations and gifts	3,740	1,965

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

4 Income from charitable activities

	2025 £	2024 £
Activities for raising funds	89,130	75,183
Admission fees, rent and book sales	71,808	87,729
	<u>160,938</u>	<u>162,912</u>
Analysis by fund		
Unrestricted funds	<u>160,938</u>	<u>162,912</u>

PENNINGTON-MELLOR-MUNTHER CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

5	Income from investments	Unrestricted Unrestricted Endowment				Unrestricted Unrestricted Endowment				Total			
		Funds		Funds		Funds		Funds		Funds		Funds	
		General	Designated	2025	£	General	Designated	2024	£	General	Designated	2024	£
		3,599	169,928	414,930	588,457	7,625	14,499	572,552	594,676				
	Income from listed investments												

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

6 Other income

	Unrestricted funds 2025 £	Endowment funds 2024 £
Proceeds on sale of Southside House	-	9,162,101
VAT recovered.	41,891	-
	<u>41,891</u>	<u>9,162,101</u>

7 Expenditure on raising funds

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Fundraising and publicity		
Staging fundraising events	47,013	36,647
Other fundraising costs	4,897	4,465
Staff costs	15,960	11,121
	<u>67,870</u>	<u>52,233</u>
Investment management	<u>66,542</u>	<u>47,375</u>
Total costs	<u>134,412</u>	<u>99,608</u>

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

8 Charitable activities

	2025 £	2024 £
Staff costs - payroll	283,824	246,336
Other staff costs	21,329	20,087
Other running costs of historic properties	70,710	73,049
Historic property maintenance and repair	144,985	239,090
Insurance	26,339	25,809
Charitable donations	15,762	25,555
Depreciation	4,356	1,657
Other support and governance costs	69,061	290,302
	<u>636,366</u>	<u>921,885</u>

Included in support and governance costs is £4,950 (2024: £5,179) in respect of audit fees.

The decrease in other costs is the result of prior year fees in connection with the disposal of Southside House £177,662 not incurred this year.

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

The Trustee John Harkness is a consultant for a firm of stockbrokers who managed the portfolio of investments. During the year the firm of stockbrokers charged £66,542 (2024: £47,375) as management fees. Their services were provided on an arms' length basis.

Two Trustees received fees in their professional capacities as permitted by the Trust Deed. Andrew Kean proprietor of AKAS Accountancy received fees of £23,547 (2024: £11,432) and PJM Associates of which P McIlroy is a director were paid fees of £45,392 (2024: £35,622).

During the year donations of £1,000 without conditions were made by Trustees.

During the year one Trustee had expenses reimbursed totalling £31 (2024: £Nil) for travel expenses.

10 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
Hellens	14	10
Central Office	1	1
Total	<u>15</u>	<u>11</u>

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

10 Employees

(Continued)

Employment costs	2025 £	2024 £
Wages and salaries	278,455	239,110
Social security costs	16,799	14,210
Other pension costs	4,530	4,137
	<u>299,784</u>	<u>257,457</u>

The remuneration of key management personnel, who are the General Manager of Hellens and the curator / administrator of Southside House, totalled £70,236 (2024 - £76,254).

There were no employees whose annual remuneration was more than £60,000.

FOR THE YEAR ENDED 5 APRIL 2025

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PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

12 Taxation

The charity is exempt from taxation on its income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives.

13 Transfers

Income received from the Endowment fund investments during the year is transferred to the Unrestricted fund on a monthly basis. Funds received from dividends and interest income arising from Endowment fund securities are transferred from the Endowment fund income and deposit accounts held by the investment manager to its Unrestricted income deposit account and from there to the Trust's HSBC bank account.

14 Tangible fixed assets

	Freehold land and buildings £	Historic Chattels £	Plant and equipment £	Fixtures and fittings £	Total £
Cost					
At 6 April 2024	3,556,739	149,198	8,050	182,441	3,896,428
Additions	-	-	-	1,545	1,545
Disposals	-	-	-	(53,523)	(53,523)
At 5 April 2025	3,556,739	149,198	8,050	130,463	3,844,450
Depreciation					
At 6 April 2024	-	-	8,050	162,803	170,853
Depreciation charged in the year	-	-	-	4,356	4,356
Eliminated in respect of disposals	-	-	-	(51,523)	(51,523)
At 5 April 2025	-	-	8,050	115,636	123,686
Carrying amount					
At 5 April 2025	3,556,739	149,198	-	14,827	3,720,764
At 5 April 2024	3,556,739	149,198	-	19,638	3,725,575

Included within historic chattels are a number of items received from the Estate of Malcolm Munthe which have been included at a nominal value of £1, as significant costs would be involved in valuing them, which would be onerous compared with the additional benefit derived by users of these financial statements.

15 Heritage assets

	£
At 6 April 2024 and at 5 April 2025	1

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

15 Heritage assets

(Continued)

The objectives of the Charity Trust were originally to protect and maintain two properties, Hellens and Southside House, and their contents for the benefit of the public. The properties were both Grade 2 listed buildings and were open to the public during certain months of the year. In December 2020 the Charity Commission granted the Trust permission to sell Southside House in order to raise funds to develop the site at Hellens, including the construction of a gallery to house and display the Trust's artworks. The sale of Southside House was completed on 30 June 2023 for a total of £9.1million.

The remaining property, Hellens, has been included in the financial statements at a nominal value of £1, as significant costs would be involved in valuing the building and its contents, which would be onerous compared with the additional benefit derived by users of these accounts in assessing the stewardship of the assets by the Trustees. Later additions and works of a capital nature have been capitalised at cost, and included within Tangible Fixed Assets.

The building and its contents are insured for a total value of up to £20,599,071.

16 Fixed asset investments

	Listed investments £	Cash in portfolio £	Total £
Valuation			
At 6 April 2024	15,042,502	826,050	15,868,552
Additions	991,452	-	991,452
Valuation changes	106,805	-	106,805
Cash movements	-	(492,570)	(492,570)
Disposals	(506,269)	-	(506,269)
At 5 April 2025	15,634,490	333,480	15,967,970

17 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Other debtors	5,461	-
Prepayments and accrued income	35,138	47,691
	40,599	47,691

18 Creditors: amounts falling due within one year

	Notes	2025 £	2024 £
Other taxation and social security		5,456	5,646
Deferred income	20	4,381	5,962
Trade creditors		26,083	37,222
Accruals		6,050	6,250
		41,970	55,080

PENNINGTON-MELLOR-MUNTHER CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

19 Creditors: amounts falling due after more than one year

	Notes	2025 £	2024 £
Deferred income	20	1,167	2,000

20 Deferred income

	2025 £	2024 £
Other deferred income	5,548	7,962

Deferred income is included in the financial statements as follows:

	2025 £	2024 £
Deferred income is included within:		
Current liabilities	4,381	5,962
Non-current liabilities	1,167	2,000
	5,548	7,962
Movements in the year:		
Deferred income at 6 April 2024	7,962	908,232
Released from previous periods	(5,962)	(906,932)
Resources deferred in the year	3,548	6,662
Deferred income at 5 April 2025	5,548	7,962

Deferred income relates to income received in advance of the hire of the venue for wedding ceremonies.

21 Retirement benefit schemes

	2025 £	2024 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	4,530	4,137

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

22 Endowment funds

The Endowment fund represents those assets which must be held permanently by the charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and is transferred to unrestricted funds.

Any capital gains or losses arising on the assets form part of the Endowment fund. Investment management charges and legal advice relating to the fund are charged against unrestricted funds. The Endowment fund is restricted as stipulated in an order with the Charity Commissioners for England & Wales dated 19 May 2000.

	At 6 April 2024 £	Incoming resources £	Transfers £	Gains and losses £	At 5 April 2025 £
Permanent endowments					
Endowment fund	17,744,124	414,930	(443,208)	120,018	17,835,864

Previous year:	At 6 April 2023 £	Incoming resources £	Transfers £	Gains and losses £	At 5 April 2024 £
Permanent endowments					
Endowment fund	8,796,720	9,734,653	(716,581)	(70,668)	17,744,124

23 Unrestricted funds - designated

These are unrestricted funds which are material to the charity's activities.

The below funds have been designated for usage by the Trustees against the costs of restoring Helens Manor.

	At 6 April 2024 £	Incoming resources £	Transfers £	Gains and losses £	At 5 April 2025 £
Restoration fund	266,413	169,928	(263,599)	(12,714)	160,028
Previous year:	At 6 April 2023 £	Incoming resources £	Transfers £	Gains and losses £	At 5 April 2024 £
Restoration fund	273,820	14,499	(4,810)	(17,096)	266,413

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

24 Analysis of net assets between funds

	Unrestricted funds 2025 £	Designated funds 2025 £	Endowment funds 2025 £	Total 2025 £
At 5 April 2025:				
Tangible assets	2,563,296	-	1,157,468	3,720,764
Heritage assets	-	-	1	1
Investments	206,341	145,384	15,616,245	15,967,970
Current assets/(liabilities)	(1,002,978)	14,644	1,062,150	73,816
Long term liabilities	(1,167)	-	-	(1,167)
	<u>1,765,492</u>	<u>160,028</u>	<u>17,835,864</u>	<u>19,761,384</u>
	Unrestricted funds 2024 £	Designated funds 2024 £	Endowment funds 2024 £	Total 2024 £
At 5 April 2024:				
Tangible assets	2,568,107	-	1,157,468	3,725,575
Heritage assets	-	-	1	1
Investments	90,670	247,893	15,529,989	15,868,552
Current assets/(liabilities)	(1,036,983)	18,520	1,056,666	38,203
Long term liabilities	(2,000)	-	-	(2,000)
	<u>1,619,794</u>	<u>266,413</u>	<u>17,744,124</u>	<u>19,630,331</u>

25 Analysis of changes in net funds

The charity had no material debt during the year.

26 Cash absorbed by operations

	2025 £	2024 £
Surplus for the year	131,053	8,811,398
Adjustments for:		
Investment income recognised in statement of financial activities	(588,457)	(594,676)
Gain on disposal of tangible fixed assets	-	(9,162,101)
(Gain)/loss on disposal of investments	(106,805)	88,763
Depreciation and impairment of tangible fixed assets	4,356	1,657
Movements in working capital:		
Decrease/(increase) in debtors	7,092	(16,751)
(Decrease) in creditors	(11,529)	(35,400)
(Decrease) in deferred income	(2,414)	(900,270)
Cash absorbed by operations	<u>(566,704)</u>	<u>(1,807,380)</u>

THE PENNINGTON MELLOR MUNTHER CHARITY TRUST

England & Wales - Charity number 283266

Accounts

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2024

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

A Munthe (Chair)
J Harkness (Deputy Chair)
E Bonham-Carter
M Drury
A Kean
P McIlroy
T Munthe
S Romito
P R Richey
L Stainton
A Walsh
T Munthe

Secretary

J Sheridan

Charity number

283266

Principal address

5 Earls Walk
London
W8 6EP

Auditor

Kendall Wadley LLP
Granta Lodge
71 Graham Road
Malvern
Worcestershire
WR14 2JS

Solicitors

Charles Russell Speechlys
5 Fleet Place
London
EC4M 7RD

Investment Advisors

Walker Crips Investment Management Ltd
Old Change House
128 Queen Victoria Street
London
EC4V 4BJ

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

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PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2024

The Trustees present their annual report and financial statements for the year ended 5 April 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Trust Deed, the Charities Act 2011 and "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).

Objectives and activities

The Charity Trust's objectives are to protect and maintain for the benefit of the public, Hellens Manor, Much Marcle, Herefordshire, and to make the house available for educational and cultural activities relevant to the local community. The Pennington-Mellor-Munthe Charity Trust (PMMCT) was given a cy-pres authorisation by the Charity Commission to sell Southside House to help us maximise our charitable purposes at Hellens.

The house is regularly open to the general public on payment of a nominal entrance fee which covers a guided tour. Specialist groups are catered for with organised tours.

The Charity Trust is engaged in a number of activities, most of which are designed to encourage activities in music, literacy/literature/poetry, and the environment, with emphasis placed on activities of special benefit to the local community in Herefordshire, with the West Midlands.

In order to achieve its objectives, the Chairman, a working party of the Trustees, together with the General Manager and team at Hellens Manor are actively engaged in promoting visitors and organising special events, whilst ensuring that the property is maintained in good order, and that its unique nature is not destroyed by excessive exposure.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Restoration and repairs continue under the supervision of our historic architecture consultant, Patrick McIlroy.

Education and cultural activities continue to be developed in accordance with the Charity Trust's feasibility studies.

Hellens

General

Picture and miniature restoration and conservation have continued with Alan Derbyshire of the V&A Museum. We are also creating a more robust inventory of the entire collection (Southside House and Hellens) with the help of Dr Juan Tafur, Curator at Southside House (SSH), and this before the SSH collection is moved to Hellens.

Charlie Kimberley has continued her work successfully to develop a volunteer programme covering areas such as guiding, gardens and stewarding. This is producing excellent results, good contacts and improved support.

Hellens supports local charities and communities through sharing resources and facilities. Regular events include a monthly Produce Market supporting local producers, a local Women's Group, an art class, a Sustainability Cafe, and our own Back2Wild project for vulnerable children and teenagers.

Annually the Big Apple festival celebrates local cider and perry producers, and the Herefordshire Forest School Association Outdoor Learning Conference. Other individual charitable and community events include Carriage Foundation Study Day, historical exploration days for local primary schools, a project with Hereford College of Arts Textile Department, 'Young Shakespeare' for local schools in collaboration with Ledbury Poetry Festival, a Green Investing Workshop and a Death Cafe.

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

Works

Planning permissions for the design of the Gallery at Hellens has involved considerable unforeseen work; as a Grade 2 Star building, we have been required to take on historic landscape architects and a variety of ecological experts regarding badgers, great crested newts, bats and bird nesting issues, which has delayed the start of construction. This now looks to be postponed to Spring 2025 with completion by late autumn 2026.

Conservation and restoration objectives at Hellens continue to focus on the main house; the south and east fronts, the white dining room French doors, and the gallery to the tearoom. Design expenses for the New Gallery have added to our challenges, but permissions are now being sought for us to proceed on all fronts.

Activities

Concerts, seminars for local primary school teachers, school choirs, educational visits, and historical and story-telling projects have continued more vibrantly at the house for local school children. *Shakespeare for the Young* continue their school events on site. Community activities continue, as do activities for Much Marcle's twinning with Le Barroux, a village in Southern France, initiated by the Chairman, with visits between residents, and especially school children.

The Chairman is also President of the Ledbury/Stromstadt twinning association where choir, sport and cultural activities continue. In addition to these activities, our yearly local festivities continue - The Ledbury Poetry Festival, Hellens Garden Festival (for the local Children's Hospice St Michael's), Hellensmusic Festival, The Big Apple Festival, Church, Primary School activities, Back2Wild project, and local Rotary/Lions clubs evenings etc..

Workshops, events and poetry jams were hosted again for The Ledbury Poetry Festival (of which the Charity is a Patron, and the Chairman an active partner/advisor). Poets were sponsored into twelve local primary schools. 3,000 children are now reached through our sponsorship.

Historical organisations from all over the country have made special visits.

The local branch of the Arts Society continues to be involved with textile restoration at Hellens on a weekly basis. The team is reaching completion of the frieze in needlepoint of Hellens' history over the last thousand years, receiving much attention from needlework associations nationally.

Patron

Our Patron HRH Princess Alexandra continues to support the Trust in the midst of her busy life.

Achievements and performance

Financial review

The Statement of Financial Activities shows a net surplus before gains/(losses) on investments of £8,900,161 compared to a deficit of £224,067 in the previous year. The surplus for 2024 includes the exceptional gain on sale of Southside House of £9,162,101.

Total reserves are £19,630,331 (2023 - £10,818,933), of this £17,744,124 (2023 - £8,796,720) is permanently endowed, £266,413 (2023 - £273,820) is designated as a restoration fund, leaving after allowance for tangible fixed assets free reserves a deficit of £948,313 (2023 - deficit of £479,825).

Note 16 shows a loss on investment assets of £88,762 (2023 - loss of £601,427) compared with an opening value of £7,998,422. Further comment on this movement is given under Investment Policy below.

The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately 6 months of unrestricted charitable expenditure. The Trustees consider that this level will provide sufficient funds to respond to any sudden loss of income and ensure that support and governance costs are covered.

They also feel that a level of 6 months is sufficient given the flexibility afforded by the total return approach towards the investment of the permanent endowment which allows trustees to transfer amounts from the unapplied total element of the endowment fund in case of urgent need.

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

The sale of SSH was completed on 30 June 2023 for a total net sum of £8,998,280, after deduction of expenses. Following this £8,107,000 of the proceeds have been used to purchase a portfolio of investments with the aim of providing an income to help fund the construction of the new gallery at Hellens. A portion of these funds are held in interest-bearing cash deposits, where they are available for transfer to the Trust's unrestricted funds whenever the money is required for high-value payments related to the gallery.

Over an average 6-month period charitable expenditure payments in the period equated to approximately £460,943, whilst the total value of cash balances in investment funds equates to £826,051. This level of readily available cash is, therefore, adequate for the Trust's requirements.

In total, some £239,090 (2023 - £287,593) has been expended on the restoration of the properties through the Statement of Financial Activities. There was an addition of £325,000 to the land owned by the Trust during the year (2023 - £1).

The investment portfolio increased during the year by approximately 3.25% or £260,001. Including the income return (£594,676), the increase was of the order of 10.69%. This compares with an increase of 3.53% in the NUMIS All Share Inc index over the same period. As at 5 April 2024 the Endowment Fund was invested as follows:

	5 April 2024		5 April 2023	
	Market value		Market value	
	£	%	£	%
Bonds	1,937,259	10.9	212,522	2.2
Investment Trusts	12,851,397	72.4	7,011,705	71.9
Cash	741,333	4.2	410,141	4.2
Historic Chattels	105,280	0.6	1,056,281	10.8
Land	1,052,189	5.9	1,052,189	10.8
Accrued bond Income	20,084	0.1	4,882	0.1
Cash advanced for unrestricted activities	1,036,582	5.8	-	0.0
	17,744,124	100	9,747,720	100

As in the previous year, there were redemptions in the Bond section of the portfolio. Reinvestments were made after due consideration by the Trustees covering renewable energy and social housing. These investments are new to the portfolio but will help to maintain the overall income level at an anticipated minimum of £425,000 without unduly increasing the risk.

During the year there was an increase in income generated, attributable to the investment of certain of the sales proceeds of Southside house, from £435,806 to £594,676. Looking ahead the main investment fear is that in general there might be severe dividend cuts which could affect the dividend-paying ability of the Investment Trusts we hold.

However, the investment manager is confident that the Investment Trusts we hold will maintain their pay-outs, having built up substantial reserves over the years to carry them over difficult times such as we are now experiencing and to keep intact their records of steadily rising pay-outs. Indeed, there might well be some surprise increases. So far, our income stream has shown a useful increase.

Additionally, there will be extra income from funds raised from the sale of Southside House, some of which has already been invested. The bulk of funds raised have been invested in a specialist trust, whose objective is to keep capital secure and to provide some capital growth, which is added on a daily basis. The investment will provide immediate access to capital in the event that construction of the gallery gets under way. Meantime, income is not a problem as the current portfolios are providing a steady stream of cash to cover the Trust's daily running costs and to meet its charitable objectives. At 30 September 2024 the accrued income total stood at £270,000.

The Charity Trust has considered social, environmental and ethical matters in determining its investment policy.

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

The Trustees have conducted a review of the major risks to which the Charity Trust is exposed, in particular, those related to the operations and finances of the Charity Trust and are satisfied that systems have been established to mitigate those risks.

Plans for future periods

The Trust's principal activities focus on music and musical education, literacy and language work, ecology and the environment, together with programmes of lectures, seminars, teaching work, concerts and community activities.

Hellensmusic, our Festival each year in May, the Garden Festival each year in June, and the Poetry Festival in Ledbury and at Hellens are the show pieces to our year. We are now, and for the future based at Hellens, where we serve a wide parish, extended countrywide, thanks to our growing reputation.

The Hellens Garden Festival, in aid of the children's hospice movement, continues to flourish involving, however, much more work for the Trust since we became actively responsible for the management and organisation of the festival in 2016. Development continues in the parkland with new specimen trees.

The growth in the level of activities relating to Hellensmusic and Hellens Garden Festivals has become such it was decided to create two legal entities to manage the events as separate organisations, independent of the Trust. Hellens Garden Festival was established as a Community Interest Company (CIC) on 16 May 2016, whilst Hellensmusic was established as a Charitable Incorporated Organisation (CIO) on 1 June 2016. The activities of both events are now accounted for separately in the organisations' own accounts.

It should also be noted that we work with our two other family trust organisations - Villa San Michele on Capri (created by Dr Axel Munthe) www.villasanmichele.eu, and now owned by the Swedish State, and Munthe's Hildasholm in Dalarna, Sweden www.hildasholm.org.se.

Structure, governance and management

The charity Trust was established by a declaration of trust of Major M.G.M.L. Munthe dated 21 August 1981, and is registered with the Charity Commission, England and Wales (No, 283266).

The Trustees who served during the year and up to the date of signature of the financial statements were:

Adam Munthe	Chair, Houses' supervisor
John Harkness	Deputy Chair and Finances
Edward Bonham-Carter	Finances
Martin Drury	Houses' fabric & landscape
Andrew Kean (appointed 23 September 2023)	Accounts
Patrick McIlroy (appointed 23 September 2023)	Building Consultant
Tobie Munthe	Educational, Cultural
Turi Munthe	Media, Social, Political
Sandra Romito	Collection
Peter Richey	Furniture and woodwork
Lindsay Stainton	Pictures, miniatures
Alex Walsh	Legal

Andrew Kean, our Financial Controller since 1 April 2016 continues to be an effective professional of integrity and acumen.

A majority of two-thirds of the Trustees is required to remove or appoint a Trustee.

The policies and procedures adopted by the Charity Trust for the induction and training of Trustees is a simple process because new Trustees invariably will have strong links with the Charity Trust before their election. The nature of the Charity Trust also means that new Trustees are only chosen if they have experience and expertise in areas that complement the objectives of the Charity Trust and, therefore, will need little by way of training.

The Trustees meet on a regular basis, two or three times a year, including at least one meeting at Hellens. Each of the Trustees has a particular function in the management of the Charity Trust, as noted above.

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

Hellens has a new General Manager, Sash Giles, Juan Tafur is Curator, Sam Massey, our Book-keeper, also runs the tearooms, Jan Vernal is Head Gardener and Kieran Terry, Estate Manager. His wife, Kat Terry is responsible for the Back2Wild programme, The Arts Society (being the creative needle and repair team), and heads the Hellens Garden Committee. Charlie Kimberley does all our artwork, guides, and is responsible for the vegetable garden. Amanda Cottom guides and gardens, Jules Griffith, taken on in May, guides, gardens and aids with book-keeping and security, and Sam Panter is Hellens' housekeeper.

During the accounting period, John Harkness, a Trustee and our investment consultant, working with Chris Ketchenham from the London offices of stockbrokers Walker Crips Stockbrokers Limited oversaw the investments of the Charity Trust.

The Trustees' report was approved by the Board of Trustees.

A Munthe (Chair)
Trustee

27 January 2025

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 5 APRIL 2024

The Trustees 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).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

Opinion

We have audited the financial statements of Pennington-Mellor-Munthe Charity Trust (the 'charity') for the year ended 5 April 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2024 and of its 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charity's 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

We gained an understanding of the legal and regulatory framework applicable to the Charity Trust and the sector in which it operates, and considered the risk of acts by the Charity Trust that were contrary to applicable laws and regulations including fraud.

Audit response to risks identified

We designed audit procedures to respond to identified risks, recognising that the risk of not detecting a material mis-statement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional mis-representations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Charities Act 2011 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel when considered necessary. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

Use of our report

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

Sarah Morley BA (Hons) ACA (Senior Statutory Auditor)
for and on behalf of Kendall Wadley LLP

27 January 2025

Chartered Accountants
Statutory Auditor

Granta Lodge
71 Graham Road
Malvern
Worcestershire
WR14 2JS

Kendall Wadley LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2024

Current financial year

		Unrestricted funds general	Unrestricted funds designated - restoration	Endowment funds	Total	Total
	Notes	2024 £	2024 £	2024 £	2024 £	2023 £
<u>Income and endowments from:</u>						
Donations and legacies	3	1,965	-	-	1,965	8,706
Charitable activities	4	162,912	-	-	162,912	191,676
Investments	5	7,625	14,499	572,552	594,676	435,806
Other income	6	-	-	9,162,101	9,162,101	-
Total income and endowments		172,502	14,499	9,734,653	9,921,654	636,188
<u>Expenditure on:</u>						
Raising funds	7	99,608	-	-	99,608	98,416
Charitable activities	8	921,885	-	-	921,885	761,839
Total expenditure		1,021,493	-	-	1,021,493	860,255
Net gains/(losses) on investments	11	(999)	(17,096)	(70,668)	(88,763)	(879,795)
Net (outgoing)/incoming resources before transfers		(849,990)	(2,597)	9,663,985	8,811,398	(1,103,862)
Gross transfers between funds	13	721,391	(4,810)	(716,581)	-	-
Net movement in funds		(128,599)	(7,407)	8,947,404	8,811,398	(1,103,862)
Fund balances at 6 April 2023		1,748,393	273,820	8,796,720	10,818,933	11,922,795
Fund balances at 5 April 2024		1,619,794	266,413	17,744,124	19,630,331	10,818,933

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

All income and expenditure derive from continuing activities.

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

Prior financial year

		Unrestricted funds general	Unrestricted funds designated - restoration	Endowment funds	Total
	Notes	2023 £	2023 £	2023 £	2023 £
<u>Income and endowments from:</u>					
Donations and legacies	3	8,706	-	-	8,706
Charitable activities	4	191,676	-	-	191,676
Investments	5	1,508	13,595	420,703	435,806
Total income and endowments		201,890	13,595	420,703	636,188
<u>Expenditure on:</u>					
Raising funds	7	98,416	-	-	98,416
Charitable activities	8	761,839	-	-	761,839
Total expenditure		860,255	-	-	860,255
Net gains/(losses) on investments	11	(59,302)	(26,463)	(794,030)	(879,795)
Net (outgoing)/incoming resources before transfers		(717,667)	(12,868)	(373,327)	(1,103,862)
Gross transfers between funds	13	155,600	(13,463)	(142,137)	-
Net movement in funds		(562,067)	(26,331)	(515,464)	(1,103,862)
Fund balances at 6 April 2022		2,310,460	300,151	9,312,184	11,922,795
Fund balances at 5 April 2023		1,748,393	273,820	8,796,720	10,818,933

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

BALANCE SHEET

AS AT 5 APRIL 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	14	3,725,575		3,385,686	
Heritage assets	15	1		2	
Investments	16	15,868,552		7,998,422	
		<u>19,594,128</u>		<u>11,384,110</u>	
Current assets					
Debtors	17	47,691		16,377	
Cash at bank and in hand		45,592		411,196	
		<u>93,283</u>		<u>427,573</u>	
Creditors: amounts falling due within one year	18	<u>(55,080)</u>		<u>(991,450)</u>	
Net current assets/(liabilities)			38,203		(563,877)
Total assets less current liabilities			19,632,331		10,820,233
Creditors: amounts falling due after more than one year	19		(2,000)		(1,300)
Net assets			<u>19,630,331</u>		<u>10,818,933</u>
Capital funds					
Endowment funds	22	17,744,124		8,796,720	
Income funds					
Unrestricted funds - designated - restoration		266,413		273,820	
Unrestricted funds - general		1,619,794		1,748,393	
		<u>19,630,331</u>		<u>10,818,933</u>	

The financial statements were approved by the Trustees on 27 January 2025

A Munthe (Chair)
Trustee

J Harkness (Deputy Chair)
Trustee

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 5 APRIL 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	25		(1,807,380)		267,077
Investing activities					
Purchase of tangible fixed assets		(341,547)		(4,430)	
Proceeds from disposal of tangible fixed assets		9,162,102		-	
Proceeds from disposal of heritage assets		1		-	
Purchase of investments		(8,206,311)		(1,387,591)	
Proceeds from disposal of investments		247,419		1,052,326	
Investment income received		580,112		435,806	
Net cash generated from investing activities			1,441,776		96,111
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(365,604)		363,188
Cash and cash equivalents at beginning of year			411,196		48,008
Cash and cash equivalents at end of year			45,592		411,196

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2024

1 Accounting policies

Charity information

Pennington-Mellor-Munthe Charity Trust is an unincorporated charity governed by a Trust Deed, registered with the Charity Commission, England & Wales. The principal address is 5 Earls Walk, London, W8 6EP.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value and heritage assets at a valuation as described in the notes. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

The Charity Trust has a single, restricted Endowment Fund representing those assets which must be held permanently by the Charity Trust, principally in the form of investments. Income arising on the Endowment Fund may be used in accordance with the objects of the Charity Trust, for which purpose it is transferred to unrestricted funds. Any capital gains or losses arising on the investments form part of the Endowment Fund.

Investment management charges and legal advice relating to the Fund are charged against unrestricted funds. The Endowment Fund is restricted as stipulated in an order with the Charity Commissioners for England and Wales dated 19 May 2000.

1.4 Income

All incoming resources are accounted for on a receivable basis, and have been included gross. Income is recognised once the Charity Trust has entitlement to it, there is sufficient certainty of receipt and it is, therefore, probable that the amount of income will be received and the amount of income receivable can be measured reliably. Income may be deferred where it relates to a future period.

Donations are recognised when they have been communicated and received in writing, with notification of both the amount and settlement date.

The incoming resources from the Endowment Fund are unrestricted and form part of the Unrestricted Fund.

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

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.

Support costs are differentiated between governance and other support costs. All running, establishment and governance costs are allocated to charitable activities.

The costs of raising funds consist of the costs of generating funds from visitors and events, from the sale of goods related to the property such as stationery and books, and the investment management fees.

Expenditure on charitable activities includes the running costs of the historic properties, their repair and maintenance costs, insurance and charitable donations.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

No depreciation is provided in respect of properties and the historic chattels as the residual value is considered to be greater than their carrying value.

All other assets costing more than £500 are capitalised and valued at historical cost less depreciation. Depreciation is charged on fixtures and fittings, equipment, and plant and machinery from the year of acquisition on a straight line basis over an estimated useful life of five years (20%).

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Heritage assets

The Charity Trust owns a historic property, Hellens, which together with its contents is protected and maintained for the benefit of the public. The property is a Grade 2 listed building and is open to the public during certain months of the year. Details of how this is accounted for are provided in note 15.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less,

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.12 Retirement benefits

The Charity Trust operates a defined contribution workplace pension scheme on behalf of employees which is run by NEST and which complies with the statutory requirements and regulations governing pension auto-enrolment. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds general 2024 £	Unrestricted funds general 2023 £
Donations and gifts	1,965	8,706

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2024

4 Charitable activities

	2024 £	2023 £
Activities for raising funds	75,183	95,057
Admission fees, rent, photo-shoots, book sales	87,729	95,969
Proceeds from disposals of assets (non-exceptional)	-	650
	162,912	191,676

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2024

5 Investments

	Unrestricted funds general	Unrestricted funds designated - restoration	Endowment funds	Total	Unrestricted funds general	Unrestricted funds designated - restoration	Endowment funds	Total
	2024	2024	2024	2024	2023	2023	2023	2023
	£	£	£	£	£	£	£	£
Income from listed investments	7,625	14,499	572,552	594,676	1,508	13,595	420,703	435,806

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2024

6 Other income

	Endowment funds	Total
	2024 £	2023 £
Proceeds on sale of Southside House	9,162,101	-

7 Raising funds

	Unrestricted funds general 2024 £	Unrestricted funds general 2023 £
<u>Fundraising and publicity</u>		
Staging fundraising events	36,647	49,992
Other fundraising costs	4,465	6,223
Staff costs	11,121	17,313
Fundraising and publicity	52,233	73,528
<u>Investment management</u>	47,375	24,888
	99,608	98,416

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2024

8 Charitable activities

	2024 £	2023 £
Staff costs - payroll	246,336	181,412
Other staff costs	20,087	33,903
Other running costs of historic properties	73,049	122,096
Historic property maintenance and repair	239,090	287,593
Insurance	25,809	23,462
Activities undertaken directly	25,555	39,317
Depreciation	1,657	2,631
Other support and governance costs	290,302	71,425
	<u>921,885</u>	<u>761,839</u>

Included in support and governance costs is £5,179 (2023 - £8,236) in respect of audit fees.

The exceptional increase in other costs includes fees in connection with the disposal of Southside House of £177,662.

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

The Trustee John Harkness is a consultant for a firm of stockbrokers who managed the portfolio of investments. During the year the firm of stockbrokers charges £47,375 as management fees (2023 - £24,888). Their services were provided on an arms' length basis.

The two new trustees appointed, 26 September 2023, receive fees in their professional capacities as permitted by the Trust Deed. Andrew Kean proprietor of AKAS Accountancy received fees of £11,432, and PJM Associates of which P McIlroy is a director were paid fees of £35,622.

10 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Southside House	-	1
Hellens	10	9
Central Office	1	1
	<u>11</u>	<u>11</u>

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2024

10	Employees	(Continued)	
	Employment costs	2024 £	2023 £
	Wages and salaries	239,110	187,096
	Social security costs	14,210	8,549
	Other pension costs	4,137	3,080
		<u>257,457</u>	<u>198,725</u>

The remuneration of key management personnel, who are the General Manager of Hellens and the curator of/ Administrator of Southside House, totalled £76,254 (2023 - £66,543).

There were no employees whose annual remuneration was more than £60,000.

PENNINGTON-MELLOR-MUNTHER CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2024

11 Net gains/(losses) on investments

	Unrestricted funds general	Unrestricted funds designated - restoration	Endowment funds	Total	Unrestricted funds general	Unrestricted funds designated - restoration	Endowment funds	Total
	2024	2024	2024	2024	2023	2023	2023	2023
	£	£	£	£	£	£	£	£
Gain/(loss) on investments	(999)	(17,096)	(70,668)	(88,763)	(59,302)	(26,463)	(794,030)	(879,795)

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

13 Transfers

Income received from the Endowment fund investments during the year is transferred to the Unrestricted fund on a monthly basis. Funds received from dividends and interest income arising from Endowment fund securities are transferred from the Endowment fund income and deposit accounts held by the investment manager to its Unrestricted income deposit account and from there to the Trust's HSBC bank account.

14 Tangible fixed assets

	Freehold land and buildings	Historic Chattels	Plant and equipment	Fixtures and fittings	Total
	£	£	£	£	£
Cost					
At 6 April 2023	3,231,739	149,199	8,050	165,894	3,554,882
Additions	325,000	-	-	16,547	341,547
Disposals	-	(1)	-	-	(1)
At 5 April 2024	3,556,739	149,198	8,050	182,441	3,896,428
Depreciation and impairment					
At 6 April 2023	-	-	8,050	161,146	169,196
Depreciation charged in the year	-	-	-	1,657	1,657
At 5 April 2024	-	-	8,050	162,803	170,853
Carrying amount					
At 5 April 2024	3,556,739	149,198	-	19,638	3,725,575
At 5 April 2023	3,231,739	149,199	-	4,748	3,385,686

Included within historic chattels are a number of items received from the Estate of Malcolm Munthe which have been included at a nominal value of £1, as significant costs would be involved in valuing them, which would be onerous compared with the additional benefit derived by users of these financial statements.

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

15 Heritage assets

	£
At 6 April 2023	2
Disposals	(1)
At 5 April 2024	1

The objectives of the Charity Trust were originally to protect and maintain two properties, Hellens and Southside House, and their contents for the benefit of the public. The properties were both Grade 2 listed buildings and were open to the public during certain months of the year. In December 2020 the Charity Commission granted the Trust permission to sell Southside House in order to raise funds to develop the site at Hellens, including the construction of a gallery to house and display the Trust's artworks. The sale of Southside House was completed on 30 June 2023 for a total of £9.1million.

The remaining property, Hellens, has been included in the financial statements at a nominal value of £1, as significant costs would be involved in valuing the building and its contents, which would be onerous compared with the additional benefit derived by users of these accounts in assessing the stewardship of the assets by the Trustees. Later additions and works of a capital nature have been capitalised at cost, and included within Tangible Fixed Assets.

The building and its contents are insured for a total value of up to £20,599,071.

16 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 6 April 2023	7,501,050	497,372	7,998,422
Additions	8,206,311	-	8,206,311
Valuation changes	(88,762)	-	(88,762)
Cash movements	-	328,678	328,678
Disposals	(576,097)	-	(576,097)
At 5 April 2024	15,042,502	826,050	15,868,552
Carrying amount			
At 05 April 2024	15,042,502	826,050	15,868,552
At 05 April 2023	7,501,050	497,372	7,998,422

17 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Prepayments and accrued income	47,691	16,377

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2024

18 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Other taxation and social security		5,646	2,110
Deferred income	20	5,962	906,932
Trade creditors		37,222	73,908
Accruals and deferred income		6,250	8,500
		<u>55,080</u>	<u>991,450</u>

19 Creditors: amounts falling due after more than one year

	Notes	2024 £	2023 £
Deferred income	20	<u>2,000</u>	<u>1,300</u>

20 Deferred income

	2024 £	2023 £
Other deferred income	<u>7,962</u>	<u>908,232</u>

Deferred income is included in the financial statements as follows:

	2024 £	2023 £
Deferred income is included within:		
Current liabilities	5,962	906,932
Non-current liabilities	2,000	1,300
	<u>7,962</u>	<u>908,232</u>
Movements in the year:		
Deferred income at 6 April 2023	908,232	8,160
Released from previous periods	(906,932)	(8,160)
Resources deferred in the year	6,662	908,232
	<u>7,962</u>	<u>908,232</u>
Deferred income at 5 April 2024	<u>7,962</u>	<u>908,232</u>

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

21 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £4,137 (2023 - £3,080).

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

22 Endowment funds

The Endowment fund represents those assets which must be held permanently by the charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and is transferred to unrestricted funds.

Any capital gains or losses arising on the assets form part of the Endowment fund. Investment management charges and legal advice relating to the fund are charged against unrestricted funds. The Endowment fund is restricted as stipulated in an order with the Charity Commissioners for England & Wales dated 19 May 2000.

	Movement in funds				Movement in funds				
	Balance at 6 April 2022	Incoming resources	Transfers	Revaluations gains and losses	Balance at 6 April 2023	Incoming resources	Transfers	Revaluations gains and losses	Balance at 5 April 2024
	£	£	£	£	£	£	£	£	£
Permanent endowments									
Endowment fund	9,312,184	420,703	(142,137)	(794,030)	8,796,720	9,734,653	(716,581)	(70,668)	17,744,124
	<u>9,312,184</u>	<u>420,703</u>	<u>(142,137)</u>	<u>(794,030)</u>	<u>8,796,720</u>	<u>9,734,653</u>	<u>(716,581)</u>	<u>(70,668)</u>	<u>17,744,124</u>

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

23 Analysis of net assets between funds

	Unrestricted funds 2024 £	Designated funds 2024 £	Endowment funds 2024 £	Total Unrestricted funds 2024 £	Designated funds 2023 £	Endowment funds 2023 £	Total 2023 £
Fund balances at 5 April 2024 are represented by:							
Tangible assets	2,568,107	-	1,157,468	3,725,575	2,228,218	-	3,385,686
Heritage assets	-	-	1	1	-	2	2
Investments	90,670	247,893	15,529,989	15,868,552	85,352	7,639,250	7,998,422
Current assets/(liabilities)	(1,036,983)	18,520	1,056,666	38,203	(563,877)	-	(563,877)
Long term liabilities	(2,000)	-	-	(2,000)	(1,300)	-	(1,300)
	<u>1,619,794</u>	<u>266,413</u>	<u>17,744,124</u>	<u>19,630,331</u>	<u>1,748,393</u>	<u>8,796,720</u>	<u>10,818,933</u>

PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2024

24 Capital commitments	2024	2023
	£	£
At 5 April 2024 the charity had capital commitments as follows:		
Contracted for but not provided in the financial statements:		
Acquisition of property, plant and equipment	-	241,580
25 Cash generated from operations	2024	2023
	£	£
Surplus/(deficit) for the year	8,811,398	(1,103,862)
Adjustments for:		
Investment income recognised in statement of financial activities	(594,676)	(435,806)
Gain on disposal of tangible fixed assets	(9,162,101)	-
Loss on disposal of investments	88,763	879,795
Depreciation and impairment of tangible fixed assets	1,657	2,631
Movements in working capital:		
(Increase) in debtors	(16,751)	(8,397)
(Decrease)/increase in creditors	(35,400)	32,644
(Decrease)/increase in deferred income	(900,270)	900,072
Cash (absorbed by)/generated from operations	(1,807,380)	267,077
26 Analysis of changes in net funds		
The charity had no debt during the year.		

THE PENNINGTON MELLOR MUNTHER CHARITY TRUST

England & Wales - Charity number 283266

Accounts

THE PENNINGTON-MELLOR-MUNTHE CHARITY TRUST
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2023

THE PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Adam Munthe (Chair)
John Harkness (Deputy Chair)
Martin Drury
Lindsay Stainton
Turi Munthe
Tobie Munthe
Peter Richey
Edward Bonham-Carter
Alex Walsh

Secretary

Josephine Sheridan

Charity Number

283266

Principal Address

5 Earls Walk
London
W8 6EP

Auditors

Kendall Wadley LLP
71 Graham Road
Malvern
WR14 2JS

Solicitors

Charles Russell Speechlys
5 Fleet Place
London
EC4M 7RD

Investment advisors

Walker Crips Investment Management Ltd
Old Change House
128 Queen Victoria Street
London EC4V 4BJ

THE PENNINGTON-MELLOR-MUNTHER CHARITY TRUST

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THE PENNINGTON-MELLOR-MUNTHER CHARITY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2023

The Trustees present their report and accounts for the year ended 5 April 2023.

The accounts have been prepared in accordance with the accounting policies set out in the note to the accounts and comply with the Charity Trust deed, the Charities Act 2011 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) effective 1 January 2019.

Objectives and activities

The Charity Trust's objectives are to protect and maintain, for the benefit of the public, Hellens Manor, Much Marcle, Herefordshire, and to make the house available for educational and cultural activities relevant to the local community. The PMM Charity Trust was given a cy-près authorisation by the Charity Commission to sell Southside House to help us maximise our charitable purposes at Hellens.

The house is regularly open to the general public on payment of a nominal entrance fee which covers a guided tour. Specialist groups are catered for with organised tours.

The Charity Trust is engaged in a number of activities, most of which are designed to encourage activities in music, literacy/literature/poetry, and the environment, with emphasis placed on activities of special benefit to the local community in Herefordshire, with the West Midlands.

In order to achieve its objectives, the Chairman, a working party of the Trustees, together with the General Manager and team at Hellens Manor are actively engaged in promoting visitors and organising special events, whilst ensuring that the property is maintained in good order, and that its unique nature is not destroyed by excessive exposure.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity Trust should undertake.

Restoration and repairs continue under the supervision of our historic architecture consultant, Patrick McIlroy.

Education and cultural activities continue to be developed in accordance with the charity trust's feasibility studies.

Hellens

General

Picture and miniature restoration and conservation have continued with Alan Derbyshire of the V&A Museum. We are also creating a more robust inventory of the entire collection (Southside House and Hellens) with the help of Dr Juan Tafur, Curator at Southside House, and this before the SSH collection is moved to Hellens.

Charlie Kimberley has continued her work successfully to develop a volunteer programme covering areas such as guiding, gardens and stewarding. This is producing excellent results, good contacts and improved support.

Hellens supports local charities and communities through sharing resources and facilities. Regular events include a monthly Produce Market supporting local producers, a local Women's Group, an art class, a Sustainability Cafe, and our own Back2Wild project for vulnerable children and teenagers.

Annually, the Big Apple festival celebrates local cider and perry producers, and the Herefordshire Forest School Association Outdoor Learning Conference. Other individual charitable and community events include Carriage Foundation Study Day, historical exploration days for local primary schools, a project with Hereford College of Arts Textile Department, 'Young Shakespeare' for local schools in collaboration with Ledbury Poetry Festival, a Green Investing Workshop, and a Death Cafe.

Works

After the sale of Southside House, we have begun design work on the new Gallery for Hellens. This multi purpose space will both store and exhibit artwork. We hope to start construction in autumn 2024, and to have completion by Spring 2026.

The Georgian Stable restoration provides Hellens with short-term residential space for the Trust's community projects both with children and adults.

Conservation and restoration objectives at Hellens continue to focus on the main house, the fabric of the Georgian Stables, the chimneys in the Great Kitchen, and the White Dining room. A quinquennial report by our Historical Architect was completed on the house and outbuildings. Repairs to the East front have not been completed, nor to the gallery wing. COVID-19 has not helped in any of this, and the new gallery building adds to our challenges, but we have continued much of our restoration and conservation work nonetheless. The new biomass system is functioning, and now supports the entire estate using our own fuel resources.

Activities

Concerts, seminars for local primary school teachers, school choirs, educational visits, and historical and story-telling projects have continued more vibrantly at the house for local school children. *Shakespeare for the Young* continue their school events on site. Community activities continue, as do activities for Much Marcle's twinning with Le Barroux, a village in Southern France, initiated by the Chairman, with visits between residents, and especially school children.

The Chairman is also President of the Ledbury/Strömstadt twinning association where choir, sport and cultural activities continue. In addition to these activities, our yearly local festivities continue - The Ledbury Poetry Festival, Hellens Garden Festival (for the local Children's Hospice St Michael's), Hellensmusic Festival, The Big Apple Festival, Church, and Primary school activities, B2W project, and local Rotary/Lions clubs evenings etc.

Workshops, events and poetry jams were hosted again for the Ledbury Poetry Festival (of which the Charity is a Patron, and the Chairman an active partner/advisor). Poets were sponsored into twelve local primary schools. 3000 children are now reached through our sponsorship.

Historical organisations from all over the country have made special visits.

The local branch of The Arts Society continues to be involved with textile restoration at Hellens on a weekly basis. The team is now midway through the frieze in needlepoint of Hellens' history over the last thousand years, receiving much attention from needlework associations nationally.

Achievements and performance

Our Patron HRH Princess Alexandra continues to support the Trust with enthusiasm in the midst of her very busy life.

Financial review

The Statement of Financial Activities, which follows the Auditors Report, shows a net deficit before gains/(losses) on investments of £224,066 compared to a surplus of £3,699 in the previous year.

Note 11 shows a loss on investment assets of £601,427 (2022 – gain of £407,078) compared with an opening value of £8,538,069, representing a year on year decrease in the value of investments of 7.0%. Further comment on this movement is given under Investment Policy below.

Reserves policy

The trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately 6 months of unrestricted charitable expenditure. The trustees consider that this level will provide sufficient funds to respond to any sudden loss of income and ensure that support and governance costs are covered.

The trustees consider that a level of 6 months is sufficient given the flexibility afforded by the total return approach towards the investment of the permanent endowment which allows trustees to transfer amounts from the unapplied total element of the endowment fund in the case of urgent need.

Note 15 shows that the balance held as unrestricted funds at 5 April 2023 was £1,748,394. This consists of £2,228,218 held as fixed assets and a further £411,196 which was held as cash in bank accounts. These and other current assets were offset by creditors of £991,336 of which £906,818 was received as cash during the year but has been accounted for as deferred income and will not be recognised as income until next year. Free reserves, after allowing for funds tied up in fixed assets therefore represent a negative balance of £479,825.

However, £900,000 was received in two tranches during the year as a non-refundable deposit for the sale of Southside House, and was accounted for as deferred income because the sale of the property was not completed until 30th June 2023. Of this, £400,000 was transferred to the Endowment Investment Fund where it has been held with other funds in a cash account and is available for transfer to the Trust's unrestricted funds whenever the funds are required. The total value of investment funds held in cash accounts as at 5th April was £497,372.

Over an average 6-month period charitable expenditure payments in the period equated to approximately £380,919, whilst the total value of the funds transferred from the Endowment Fund investments to the unrestricted funds for the same period was £73,508. This, combined with the total value of cash balances in investment funds equates to £570,880 which is therefore adequate for the Trust's requirements.

In total some £287,593 (2022 - £196,570) has been expended on the restoration of the properties during the year, all of which was charged on maintenance of properties through the SOFA. There was an

addition of £1 to the properties during the year (2022 - £0).

Investment policy

The investment portfolio decreased in market value during the year by approximately 7.04% or (£601,425). Including the income return (£435,806), the decrease was of the order of 1.94%. This compares with a decline of 1.82% in the FT All Share index over the same period. As at 5 April 2023 the Endowment Fund was invested as follows:

	5 April 2023 Market value		5 April 2022 Market value	
Bonds	£212,522	2.4%	£428,828	4.6%
Investment Trusts	£7,011,705	79.7%	£7,521,949	80.8%
Cash	£410,141	4.7%	£198,515	2.2%
Historic Chattels	£105,281	1.2%	£105,281	1.1%
Land	£1,052,189	12.0%	£1,052,189	11.3%
Accrued Bond Income	£4,882	0.0%	£5,423	0.0%
Totals	£8,796,720	100.0%	£9,312,185	100.0%

As in the previous year, there were redemptions in the Bond section of the portfolio. Reinvestments were made after due consideration by the Trustees covering renewable energy and social housing. These investments are new to the portfolio but will help to maintain the overall income level at around £425,000 without unduly increasing the risk.

During the year there was a slight increase in income generated, from £435,499 to £435,806. Looking ahead the main investment fear is that in general there might be severe dividend cuts which could affect the dividend-paying ability of the Investment Trusts we hold.

However, the investment manager is confident that the Investment Trusts we hold will maintain their pay-outs, having built up substantial reserves over the years to carry them over difficult times such as we are now experiencing and to keep intact their records of steadily rising pay-outs. Indeed, there might well be some surprise increases. So far our income stream has shown a useful, albeit modest increase.

Additionally, there will be added income from funds raised from the sale of Southside House, most of which has been temporarily invested in an income-producing vehicle pending work on the new gallery at Hellens. There will also be added income from the cash balances held at the Trust HSBC bank account and the investment manager. As yet the anticipated cost of building work remains an unknown, but it will be covered by the Trust resources.

The Charity Trust has considered social, environmental and ethical considerations in its investment policy.

Asset cover for funds

Note 15 sets out an analysis of the assets attributable to the various funds. These assets are sufficient to meet the Charity's obligations on a fund by fund basis.

Plans for the future

The Trust's principal activities focus on music and musical education, literacy and language work, ecology and the environment, together with programmes of lectures, seminars, teaching work, concerts and community activities.

Hellensmusic, our Festival each year in May, the Garden Festival each year in June, and the Poetry Festival in Ledbury and at Hellens are the show pieces to our year. We are now, and for the future, based at Hellens, where we serve a wide parish, extended countrywide, thanks to our growing reputation.

The Hellens Garden Festival, in aid of the children's hospice movement, continues to flourish involving, however, much more work for the Trust since we became actively responsible for the management and organisation of the festival in 2016. Development continues in the parkland with new specimen trees.

The growth in the level of activities relating to Hellensmusic and Hellens Garden Festivals has become such that it was decided to create two legal entities to manage the events as separate organisations, independent of the Trust. Hellens Garden Festival was established as a Community Interest Company (CIC) on 16 May 2016, whilst Hellensmusic was established as a Charitable Incorporated Organisation (CIO) on 1 June 2016. The activities of both events are now accounted for separately in the organisations' own accounts.

It should also be noted that we work with our two other family trust organisations – Villa San Michael on Capri (created by Dr Axel Munthe) www.villasanmichele.eu, and now owned by the Swedish State, and Munthe's Hildasholm in Dalarna, Sweden www.hildasholm.org.se

Structure, governance and management

The Trustees who served during the year were:

Edward Bonham-Carter	Finances
Martin Drury	Houses' fabric & landscape
John Harkness	Deputy Chairman & Finances
Adam Munthe	Chairman/Houses' Supervisor
Tobie Munthe	Educational/Cultural
Turi Munthe	Media/Social/Political
Peter Richey	Furniture & woodwork
Lindsay Stainton	Pictures, miniatures
Alex Walsh	Legal

Andrew Kean, our Financial Controller since 1 April 2016 continues to be an effective professional of integrity and acumen.

The Charity Trust was established by a declaration of trust of Major M.G.M.L. Munthe dated 21 August 1981, and is registered with the Charity Commissioners for England and Wales (No. 283266).

A majority of two-thirds of the Trustees is required to remove or appoint a trustee.

The policies and procedures adopted by the Charity Trust for the induction and training of Trustees is a

simple process because new Trustees invariably will already have strong links with the Charity Trust before their election. The nature of the Charity Trust also means that new Trustees are only chosen if they have experience and expertise in areas that complement the objectives of the Charity Trust and therefore will need little by way of training.

The Trustees meet on a regular basis two or three times a year, including at least one meeting at each house. Each of the Trustees has a particular function in the management of the Charity Trust (see above).

Hellens has a general manager, Justine Peberdy, the curator, Juan Tafur, Sam Massey, the bookkeeper who also runs the tearooms, Jan Vernall, the head gardener, and Kieran Terry, estate manager. His wife, Kat Terry, is responsible for the Back-to-the-Wild Programme, The Arts Society, being the creative needle and repair work throughout the house, and heads the Hellens Garden Committee. Charlie Kimberley does all our artwork, guides, and is responsible for the vegetable garden. Sam Panter is Hellens' housekeeper.

During the accounting period John Harkness, a Trustee and our investment consultant, working from the London offices of stockbrokers Walker Crips Stockbrokers Limited oversaw the investment activities of the Charity Trust.

The Trustees have conducted a review of the major risks to which the Charity Trust is exposed, in particular those related to the operations and finances of the Charity Trust and are satisfied that systems have been established to mitigate those risks.

On behalf of the Board of Trustees

Adam Munthe

Trustee

Dated: 1 February 2024

THE PENNINGTON-MELLOR-MUNTHER CHARITY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report annual accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the Charity Trust and of the incoming resources and application of resources of the Charity Trust for that year. In preparing the financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments 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 inappropriate 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 charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

So far as the Trustees are aware, there is no audit information of which the charity's auditors are unaware, and each Trustee has taken all the steps that he or she ought to have taken as a Trustee in order to make himself or herself aware of any relevant audit information, and to establish that the charity's auditors are aware of that information.

THE PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

Opinion

We have audited the financial statements of The Pennington Mellor Munthe Charity Trust (the 'charity') for the year ended 5 April 2023 which comprise the Statement of Financial Activities, the Balance Sheet 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2023 and of its 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors 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.

THE PENNINGTON-MELLOR-MUNTHER CHARITY TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PENNINGTON-MELLOR-MUNTHER CHARITY TRUST

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustee Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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:

THE PENNINGTON-MELLOR-MUNTHER CHARITY TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PENNINGTON-MELLOR-MUNTHER CHARITY TRUST

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Charities Act 2011 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel when considered necessary. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah Morley ACA
Statutory Auditor
Kendall Wadley LLP
Granta Lodge,
Malvern,
WR14 2JS

Date: 1 February 2024

THE PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2023

	Notes	Unrestricted funds	Endowment funds	Designated funds	Total 2023	Total 2022
Incoming resources from:						
Donations and legacies	2	8,706	-	-	8,706	12,399
Charitable activities	3	95,969	-	-	95,969	124,236
Other trading activities	4	95,057	-	-	95,057	80,590
Investments		1,508	420,703	13,595	435,806	435,499
Other income	5	650	-	-	650	-
Total income		201,890	420,703	13,595	636,188	652,724
Expenditure on raising funds						
<i>Costs of raising funds :</i>	6					
Costs of raising funds from visitors & events		67,305	-	-	67,305	50,378
Activities for raising funds: cost of goods	4	6,223	-	-	6,223	7,134
Investment management costs		24,888	-	-	24,888	26,698
		98,416	-	-	98,416	84,210
<i>Expenditure on charitable activities:</i>						
Running costs of historic properties		411,466	-	-	411,466	328,630
Historic property repair & maintenance costs		287,593	-	-	287,593	196,570
Insurance		23,462	-	-	23,462	24,478
Charitable donations		39,317	-	-	39,317	15,137
		761,838	-	-	761,838	564,815
Total resources expended		860,254	-	-	860,254	649,025
Net income/(expenditure) before gains/(losses) on investments		(658,364)	420,703	13,595	(224,066)	3,699
Other recognised gains/(losses):						
Net gains/(losses) on investment assets		(59,302)	(794,030)	(26,463)	(879,795)	327,182
Net income/(expenditure)		(717,666)	(373,327)	(12,868)	(1,103,861)	330,881
Transfers between funds		155,600	(142,137)	(13,463)	-	-
Net movement in funds		(562,067)	(515,464)	(26,331)	(1,103,861)	330,881
Reconciliation of funds:						
Total funds brought forward		2,310,460	9,312,184	300,151	11,922,795	11,591,914
Total funds carried forward		1,748,394	8,796,720	273,819	10,818,933	11,922,795

THE PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

BALANCE SHEET

AS AT 5 APRIL 2023

	Notes	2023	2022
Fixed assets		£	£
Tangible assets	9	3,385,686	3,383,887
Heritage assets	10	2	2
Investments	11	7,998,422	8,538,069
Total fixed assets		11,384,110	11,921,958
Current assets			
Debtors	12	14,963	11,449
Cash at bank and in hand		411,196	48,008
Total current assets		426,159	59,457
Creditors: amounts falling due within one year	13	990,036	56,820
Net current assets/(liabilities)		(563,877)	2,637
Creditors: amounts falling due within more than one year	13	1,300	1,800
Total assets less current liabilities		10,818,933	11,922,795
Trust funds			
Endowment funds	15	8,796,720	9,312,184
Designated funds – Restoration Reserve	15	273,819	300,151
Unrestricted funds	15	1,748,394	2,310,460
		10,818,933	11,922,795

The accounts were approved by the Trustees on 1 February 2024

Adam Munthe
Trustee

John Harkness
Trustee

THE PENNINGTON-MELLOR-MUNTHER CHARITY TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 5 APRIL 2023

	2023		2022	
Reconciliation of net movement in funds to net cash flows from operating activities	£	£	£	£
Net movement in funds	(1,103,861)		330,881	
Investment income	(435,806)		(435,499)	
Depreciation	2,631		2,340	
(Deduct gains)/add back losses on investments	879,795		(327,182)	
(Increase)/decrease in debtors	(8,397)		2,634	
Increase/(decrease) in creditors	932,716		8,703	
Net cash outflow from operating activities		267,078		(418,123)
Returns on investments and servicing of finance				
Investment income received	435,806		435,499	
Change in value of investments – not realised as cash	(239,944)			
Change in value of investments – realised as cash	(900,650)		(168,455)	
Net cash inflow from returns on investments and servicing of income		(704,788)		267,044
Cash flows from investing activities and capital expenditure				
Purchase of tangible fixed assets	(4,430)		(1,600)	
Disposal of tangible fixed assets	900,650		-	
Additions/purchases of investments	(1,387,591)		(1,343,958)	
Proceeds from disposals of investments	1,292,270		1,456,436	
Net cash outflow from capital expenditure		800,899		110,878
Increase/(decrease) in cash in the year		363,189		(40,201)
Reconciliation of net cash flow to movement in net cash funds				
Net cash funds at beginning of the year		48,007		88,208
Change in net funds during the year		363,189		(40,201)
Net cash funds at end of the year		411,196		48,007

THE PENNINGTON-MELLOR-MUNTHER CHARITY TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2023

1. Accounting Policies

Basis of accounting

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Charities Act 2011, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) effective 1 January 2019, and applicable regulations. They are prepared in UK pounds sterling, which is the functional currency of the charity. Monetary amounts in these statements are rounded to the nearest pound.

Preparation of financial statements on a going concern basis

The financial statements have been prepared on a going concern basis as the Trustees' assessment is that the Charity (which is a public benefit entity) is a going concern. The accounts have been prepared under the historical cost convention with items recognized at cost or transaction value unless otherwise stated in the relevant note(s) to the accounts, or where modified to include the revaluation of certain fixed assets. There are no material uncertainties about the charity's ability to continue in operation.

Funds structure

The charity has a single, restricted Endowment Fund representing those assets which must be held permanently by the Charity Trust, principally in the form of investments. Income arising on the Endowment Fund may be used in accordance with the objects of the Charity Trust, for which purpose it is transferred to unrestricted funds. Any capital gains or losses arising on the investments form part of the Endowment Fund.

Investment management charges and legal advice relating to the Fund are charged against unrestricted funds. The Endowment Fund is restricted as stipulated in an order with the Charity Commissioners for England and Wales dated 19 May 2000.

The Unrestricted Income Fund consists of those funds which the Trustees are free to use for any purpose in furtherance of the Charity Trust objects.

Incoming resources

All incoming resources are accounted for on a receivable basis, and have been included gross. Income is recognised once the Charity Trust has entitlement to it, there is sufficient certainty of receipt and it is therefore probable that the income will be received, and the amount of income receivable can be measured reliably. Income may be deferred where it relates to a future period. Donations are recognised when they have been communicated and received in writing, with notification of both the amount and settlement date. The incoming resources from the Endowment Fund are unrestricted and form part of the Unrestricted Fund.

Resources expended

All resources expended are accounted for on an accruals basis, and are allocated to the applicable expenditure headings in the financial statements.

Allocation of support and governance costs

Support costs have been differentiated between governance costs and other support costs. All running, establishment and governance costs have been allocated to charitable activities, as set out in note 6 to the accounts.

Cost of raising funds

The costs of raising funds consist of the cost of generating funds from visitors and events, from the sale of goods related to the property such as stationery and books, and the investment management fees.

Charitable activities

Expenditure on charitable activities includes the running costs of the historic properties, their repair and maintenance costs, insurance and charitable donations.

Tangible fixed assets and depreciation

No depreciation is provided in respect of properties and the historic chattels as the residual value is considered to be greater than their carrying value.

All other assets costing more than £500 are capitalised and valued at historical cost less depreciation. Depreciation is charged on fixtures and fittings, equipment, and plant and machinery from the year of acquisition on a straight-line basis over their estimated useful life of five years (i.e. 20% per annum).

Fixed asset investments

Fixed asset investments are stated at market value as at the balance sheet date using the closing quoted market price, details of which are provided in a valuation report by the investment managers. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Realised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the opening carrying value or purchase price and their valuation at market price at the year-end. Realised and unrealised investment gains and losses are combined in the statement of financial activities.

Pension

The Charity Trust operates a defined contribution workplace pension scheme on behalf of employees which is run by NEST and which complies with the statutory requirements and regulations governing pension auto-enrolment.

Heritage Assets

The Charity Trust owns two historic properties, Hellens and Southside House, which, together with their contents are protected and maintained for the benefit of the public. The properties are both Grade 2 listed buildings and are open to the public during certain months of the year. Note 10 below provides further details of how they are accounted for in the financial statements.

2. Donations and legacies

	2023 £	2022 £
Donations and gifts	8,706	12,399
Legacies receivable	-	-
	8,706	12,399

3. Charitable activities

	2023 £	2022 £
Admission fees, rent, photo shoots, book sales	95,969	124,236
Memberships	-	-
	95,969	124,236

4. Other trading activities

	2023 £	2022 £
Activities for raising funds	95,057	80,590
Activities for raising funds: costs of goods	(6,223)	(7,134)
	88,834	73,456

5. Investment & Other income

	Unrestricted funds	Endowment funds	Designated funds	2023 £	2022 £
Income from listed investments	1,508	420,703	13,595	435,806	435,499
Proceeds from disposal of assets	650	-	-	650	-
Total Investment income	2,158	420,703	13,595	436,456	435,499

6. Analysis of expenditure on raising funds

	Staff costs £	Depreciation £	Other costs £	Total 2023 £	Total 2022 £
Cost of raising funds					
- Costs of raising funds from visitors and events	17,313	-	49,992	67,305	50,378
- Activities for raising funds: cost of goods	-	-	6,223	6,223	7,134
- Investment management costs	-	-	24,888	24,888	26,698
	17,313	-	81,103	98,416	84,210

Charitable activities

Running costs of historic properties

Activities undertaken directly	215,315	-	122,095	337,410	270,524
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Support costs

Governance costs	-	2,631	71,425	74,056	58,105
<u>Historic property repair and maintenance costs</u>					
Activities undertaken directly	-	-	287,593	287,593	196,570
<u>Insurance</u>					
Activities undertaken directly	-	-	23,462	23,462	24,478
<u>Charitable donations</u>					
Activities undertaken directly	-	-	39,317	39,317	15,137
	215,315	2,631	543,892	761,838	564,814

Governance costs include payments to auditors of £8,236 (2022: £4,920) for audit fees.

7. Related party transactions and Trustees' expenses

The Trustees, and any other persons connected with them give freely of their time and expertise without any form of remuneration or other benefit in cash or kind. No expenses were paid to the Trustees during this or the previous year.

The trustee John Harkness is a consultant for a firm of stockbrokers who managed the portfolio of investments. During the year the firm of stockbrokers charged £24,888 as management fees (2022 - £26,698). Their services were provided on an arms' length basis.

8. Employees

Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Southside House	1	1
Hellens	9	8
Central Office	1	-
	11	9

Employment costs	2023 £	2022 £
Gross salaries	187,096	155,402
Employers NIC	8,549	6,546
Employers pension contributions	3,080	2,773
	198,725	164,721

There were no individual employees whose annual remuneration, (which consists of gross salary, employers' National Insurance contributions and employers' pension contributions was £60,000 or more).

The remuneration of Key Management Personnel, who are the General Manager of Hellens and the Curator/Administrator of Southside House, totalled £66,543

9. Tangible fixed assets

	Land and buildings	Historic Chattels	Plant & Machinery	Fixtures, fittings & equipment	Total
Cost					
At 6 April 2022	3,231,738	149,199	8,050	161,465	3,550,452
Additions	1	-	-	4,429	4,430
At 5 April 2023	3,231,739	149,199	8,050	165,894	3,554,882
Depreciation					
At 6 April 2022	-	-	7,000	159,565	166,565
Charge for the year	-	-	1,050	1,581	2,631
At 5 April 2023	-	-	8,050	161,146	169,196
Net book value					
At 5 April 2023	3,231,739	149,199	-	4,748	3,385,686
At 6 April 2022	3,231,738	149,199	1,050	1,900	3,383,887

Included within historic chattels are a number of items received from the Estate of Malcolm Munthe which have been included at a nominal value of £1, as significant costs would be involved in valuing them, which would be onerous compared with the additional benefit derived by users of these financial statements.

10. Heritage assets

The objectives of the Charity Trust were originally to protect and maintain two properties, Hellens and Southside House, and their contents for the benefit of the public. The properties were both Grade 2 listed buildings and were open to the public during certain months of the year. In December 2020 the Charity Commission granted the Trust permission to sell Southside House in order to raise funds to develop the site at Hellens, including the construction of a gallery to house and display the Trust's artworks. The sale of Southside House was completed after the end of the financial year on 30th June 2023 for a total of £9 million. See note 17 for further details.

As the sale had not been completed at the financial year-end both properties have been included in the financial statements at a nominal value of £1 each, as significant costs would be involved in valuing the assets, which would be onerous compared with the additional benefit derived by users of these accounts in assessing the stewardship of the assets by the Trustees. Later additions and works of a capital nature have been capitalised at cost, and included in within Tangible Fixed Assets.

The buildings and their contents have been insured for total values of up to £16,250,935 for Hellens and £15,722,228 for Southside House.

11. Fixed asset investments

	Endowment fund	Unrestricted fund	Designated fund	Endowment fund cash	Unrestricted fund cash	Designated fund cash	Total
Market Value at 6 April 2022	7,956,199	8,073	291,732	198,515	75,132	8,418	8,538,069
Disposals at opening book value	(1,309,688)	-	(16,125)	-	-	-	(1,325,813)
Acquisitions at cost	1,371,747	-	15,844	-	-	-	1,387,591
Change in value in year	(789,148)	(1,121)	(26,463)	211,626	3,268	413	(601,427)
Market Value at 5 April 2023	7,229,110	6,952	264,988	410,141	78,400	8,831	7,998,422
Historical cost:							
At 5 April 2023	7,470,035	9,073	273,597	405,965	78,400	8,831	8,245,901
At 5 April 2022	7,238,487	9,073	271,338	162,296	75,132	8,418	7,764,744

12. Debtors

	2023 £	2022 £
Prepayments and accrued income	14,963	11,449

13. Creditors: amounts falling due within one year

	2023 £	2022 £
Taxes and social security	2,110	2,504
Other creditors	73,908	43,036
Accruals	8,500	4,920
Deferred income	906,818	8,160
	991,336	58,620

Included in the above are:

Creditors: amounts falling due within more than one year

	2023 £	2022 £
Deferred income	1,300	1,800
	1,300	1,800

14. Endowment funds

The Endowment fund represents those assets which must be held permanently by the Charity Trust, principally investments. Income arising on the Endowment fund can be used in accordance with the objects of the Charity Trust and is transferred to unrestricted funds.

Any capital gain or losses arising on the investments form part of the Endowment fund. Investment management charges and legal advice relating to the fund are charged against unrestricted funds. The Endowment fund is restricted as stipulated in an order with the Charity Commissioners for England & Wales dated 19th May 2000.

Movement in funds						
	Balance at 6 April 2022	Incoming resources	Resources expended	Transfers	Investment gain/(loss)	Balance at 5 April 2023
Permanent endowments						
Endowment fund	9,312,184	420,703	-	(142,137)	(794,030)	8,796,720
	9,312,184	420,703	-	(142,137)	(794,030)	8,796,720

15. Analysis of net assets between funds

	Unrestricted funds	Endowment funds	Designated funds	Total
Fund balances at 5 April 2023 are represented by:				
- Tangible fixed assets	2,228,218	1,157,468	-	3,385,686
- Heritage assets	-	2	-	2
- Investments	85,352	7,639,251	273,819	7,998,422
- Current assets	426,159	-	-	426,159
- Creditors: falling due within one year	(990,036)	-	-	(990,036)
- Creditors: falling due within more than one year	(1,300)	-	-	(1,300)
At 5 April 2023	1,748,394	8,796,720	273,819	10,818,933

16. Capital commitments

There were capital commitments of £241,580 authorised by the Trustees as at the Balance Sheet date.

17. Post balance sheet date events

The sale of one of the historic properties included under Note 10 above, Southside House, was completed after the end of the accounting period for a sum of £9 million less expenses. Contracts of sale were exchanged on 3rd May 2022 and two initial deposits, each of £450,000, or 5% of the full price, were received by the Trust on 10th May 2022 and 26th January 2023.

The sale was completed after the end of the financial year on 30th June 2023 when the final balance of £8,098,280 was transferred to the Trust, making a total sum received for the property of £8,998,280.

The two deposits totalling £900,000 which were received during the financial year have been accounted for as deferred income at the financial year-end as the sale still had not been completed at that time.

18. Contingent asset/liability

The Trust registered for VAT with effect from 1st November 2022 and has been accounting for VAT since that date. However, given the complexity of the Trust's activities in terms of their VAT liabilities it is difficult to determine at this point in time whether or not there may be additional amounts due to or repayable from HMRC.

19. Transfers between funds

Income received from the Endowment Fund investments during the year is transferred to the Unrestricted Fund on a monthly basis. Funds received from dividends and interest income arising from Endowment Fund securities are transferred from the Endowment Fund Income and Income Deposit accounts held by the investment manager to its unrestricted Income Deposit account and from there to the Trust's HSBC bank account.

20. Prior year Statement of Financial Activities

	Unrestricted funds	Endowment funds	Designated funds	Total 2022
Incoming resources from:				
Donations and legacies	12,399	-	-	12,399
Charitable activities	124,236	-	-	124,236
Other trading activities	80,590	-	-	80,590
Investments	635	423,895	10,969	435,499
Total income	217,860	423,895	10,969	652,724
Expenditure on raising funds				
<i>Costs of raising funds :</i>				
Costs of raising funds from visitors & events	50,378	-	-	50,378
Activities for raising funds: cost of goods	7,134	-	-	7,134
Investment management costs	26,698	-	-	26,698
	84,210	-	-	84,210
<i>Expenditure on charitable activities:</i>				
Running costs of historic properties	328,630	-	-	328,630
Historic property repair and maintenance costs	196,570	-	-	196,570
Insurance	24,478	-	-	24,478
Charitable donations	15,137	-	-	15,137
	564,815	-	-	564,815
Total resources expended	649,025	-	-	649,025
Net income/(expenditure) before gains/(losses) on investments	(431,165)	423,895	10,969	3,699
Other recognised gains/(losses):				
Gains/(losses) on investment assets	4,327	308,716	14,139	327,182
Net income/(expenditure)	(426,838)	732,611	25,108	330,881
Transfers between funds	343,099	(393,099)	50,000	-
Net movement in funds	(83,739)	339,512	75,108	330,881
Reconciliation of funds:				
Total funds brought forward	2,394,199	8,972,672	225,043	11,591,914
Total funds carried forward	2,310,460	9,312,184	300,151	11,922,795

THE PENNINGTON MELLOR MUNTHER CHARITY TRUST

England & Wales - Charity number 283266

Accounts

THE PENNINGTON-MELLOR-MUNTHER CHARITY TRUST
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2022

THE PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Adam Munthe (Chair) John Harkness (Deputy Chair) Martin Drury Lindsay Stainton Turi Munthe Tobie Munthe Peter Richey Edward Bonham-Carter Alex Walsh
Secretary	Josephine Sheridan
Charity Number	283266
Principal Address	5 Earls Walk London W8 6EP
Auditors	Chariot House Limited Chartered Accountants 44 Grand Parade Brighton East Sussex BN2 9QA
Solicitors	Charles Russell Speechlys 5 Fleet Place London EC4M 7RD
Investment advisors	Walker Crips Investment Management Ltd Old Change House 128 Queen Victoria Street London EC4V 4BJ

THE PENNINGTON-MELLOR-MUNTHER CHARITY TRUST

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THE PENNINGTON-MELLOR-MUNTHER CHARITY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2022

The Trustees present their report and accounts for the year ended 5 April 2022.

The accounts have been prepared in accordance with the accounting policies set out in the note to the accounts and comply with the Charity Trust deed, the Charities Act 2011 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) effective 1 January 2019.

Objectives and activities

The Charity Trust's objectives are to protect and maintain, for the benefit of the public, Hellens Manor, Much Marcle, Herefordshire, and to make the house available for educational and cultural activities relevant to the local community. The PMM Charity Trust was given a cy-près authorisation by the Charity Commission to sell Southside House to help us maximise our charitable purposes at Hellens.

The house is regularly open to the general public on payment of a nominal entrance fee which covers a guided tour. Specialist groups are catered for with organised tours.

The Charity Trust is engaged in a number of activities, most of which are designed to encourage activities in music, literacy/literature/poetry, and the environment, with emphasis placed on activities of special benefit to the local community in Herefordshire, with the West Midlands.

In order to achieve its objectives, the Chairman, a working party of the Trustees, together with the General Manager and team at Hellens Manor are actively engaged in promoting visitors and organising special events, whilst ensuring that the property is maintained in good order, and that its unique nature is not destroyed by excessive exposure.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity Trust should undertake.

Restoration and repairs continue under the supervision of our historic architecture consultant, Patrick McIlroy.

Education and cultural activities continue to be developed in accordance with the charity trust's feasibility studies.

Hellens

General

Preparations for the 2022 season were still affected by COVID-19, but we identified that these could be managed under the existing safety regulations with reasonable success.

Picture and miniature restoration and conservation have continued with Alan Derbyshire of the V&A Museum. We are also creating a more robust inventory of the entire collection (Southside House and Hellens) with the help of Dr Juan Tafur, Curator at Southside House and this before the SSH collection is moved to Hellens.

Some of our volunteer guides have used the period of COVID-19 lockdown to research their areas of interest relating to Hellens in order to contribute to the shared archive on G-Suite. Charlie Kimberley has continued her work successfully to develop a volunteer programme covering areas such as guiding, gardens and stewarding. This is producing excellent results, good contacts and improved support.

Hellens supports local charities and communities through sharing resources and facilities. Regular events include a monthly Produce Market supporting local producers, a local Women's Group, an art class, a Sustainability Cafe and our own Back2Wild project for vulnerable children and teenagers.

Annually, the Big Apple festival celebrates local cider and perry producers, and the Herefordshire Forest School Association Outdoor Learning Conference. Other individual charitable and community events include Carriage Foundation Study Day, historical exploration days for local primary schools, a project with Hereford College of Arts Textile Department, 'Young Shakespeare' for local schools in collaboration with Ledbury Poetry Festival, a Green Investing Workshop and a Death Cafe.

Works

The Haywain Barn now operates with The Great Barn as a multi-purpose performance centre for both educational and cultural activities in the community. WC's are provided with one suitable for disabled use. The timber frame repairs to the Barns are of exceptional quality, and serve for demonstration purposes.

The Georgian Stable restoration provides Hellens with short-term residential space for the Trust's community projects both with children and adults.

Conservation and restoration objectives at Hellens continue to focus on the main house, the fabric of the Georgian Stables, the chimneys in the Great Kitchen, and the White Dining room. A quinquennial report by our Historical Architect was completed on the house and outbuildings. Repairs to the East front have not been completed, nor to the gallery wing. COVID-19 has not helped in any of this, but we have continued much of our restoration and conservation work nonetheless. A new biomass system has at last been completed, and installed to support the entire estate using our own fuel resources.

Activities

Concerts, seminars for local primary school teachers, school choirs, educational visits, and historical and story-telling projects have continued more vibrantly at the house for local school children. *Shakespeare for the Young* continue their school events on site. Community activities continue, as do activities for Much Marcle's twinning with Le Barroux, a village in Southern France, initiated by the Chairman, with visits between residents, and especially school children.

The Chairman is also President of the Ledbury/Strömstadt twinning association where choir, sport and cultural activities continue. In addition to these activities, our yearly local festivities continue - The Ledbury Poetry Festival, Hellens Garden Festival (for the local Children's Hospice St Michael's), Hellensmusic Festival, The Big Apple Festival, Church, and Primary school activities, B2W project, and local Rotary/Lions clubs evenings, etc.

Workshops, events and poetry jams were hosted again for the Ledbury Poetry Festival (of which the

Charity is a Patron, and the Chairman an active partner/advisor). Poets were sponsored into twelve local primary schools. Approx. 3,000 children are now reached through our sponsorship, although many less following the impact of COVID.

Historical organisations from all over the country have made special visits.

The local branch of the National Association of Decorative and Fine Arts Societies (NADFAS) continues to be involved with textile restoration at Hellens on a weekly basis. The team is now midway through the frieze in needlepoint of Hellens' history over the last thousand years, receiving much attention from needlework associations nationally.

Southside House

General

After agreement with the Charity Commission, Southside House has been sold with the transfer of ownership due to take place on completion, by latest March 2023. All monies realised will return to the Charity for exclusive use at Hellens.

Southside House is still open for concerts, guided tours, private tours/hire and school visits until this winter 2022/23. The team, observing protocol, have recorded and packed the contents of the Muniments and old Green Rooms. These have been boxed and stored, and the team continues to sort, list and pack the archives. Furniture and pictures are now being prepared for professional storage with Williams and Hill. The gardens have been maintained as has the House and its collections.

Works

Our conservation/restoration project on the north façade is now completed. Restoration work on adjacent roofs continues.

Activities

National Trust and Historic Houses groups have visited the House as well as Rotary groups. The gardens have become a small but significant wildlife and eco feature.

Achievements and performance

The Charity Trust's achievements can be seen in the above explanation of our activities. In general, we consider that the right balance has been struck between responsible care, restoration and conservation of the fabric of the two houses and their contents, and the best use of the properties for the advancement of the education of the public by means of our interactive work in and for the local communities. Our Patron HRH Princess Alexandra continues to support the Trust with enthusiasm in the midst of her very busy life.

Financial review

The Statement of Financial Activities, which follows the Auditors Report, shows a net surplus before gains/(losses) on investments of £3,699 compared to a deficit of (£22,646) in the previous year.

Note 11 shows a gain on investment assets of £407,078 (2021 – £1,545,125) compared with an opening value of £8,160,975, representing a year on year increase in the value of investments of 5.0%. Further comment on this movement is given under Investment Policy below.

Reserves policy

The trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately 6 months of unrestricted charitable expenditure. The trustees consider that this level will provide sufficient funds to respond to any sudden loss of income and ensure that support and governance costs are covered.

The trustees consider that a level of 6 months is sufficient given the flexibility afforded by the total return approach towards the investment of the permanent endowment which allows trustees to transfer amounts from the unapplied total element of the endowment fund in the case of urgent need.

The balance held as unrestricted funds at 5 April 2022 was £2,310,459, of which £84,040 are regarded as free reserves, after allowing for funds tied up in fixed assets. Over an average 6-month period charitable expenditure payments in the period equated to approximately £282,407, whilst the total value of the funds transferred from the Endowment Fund investments to the unrestricted funds for the same period was £196,549. This combined with free reserves of £84,040 totalled £280,590 which was therefore adequate for the Trust's requirements.

In total some £196,570 (2021 - £195,316) has been expended on the restoration of the properties during the year, all of which was charged on maintenance of properties through the SOFA. No additions were made to the properties during the year (2021 - £0).

Investment policy

The investment portfolio increased in market value during the year by approximately 5.0% or £407,078. Including the income return (£435,499), the increase was of the order of 10.3%. This compares with a rise of 10.1% in the FT All Share index over the same period. As at 5 April 2022 the Endowment Fund was invested as follows:

	5 April 2022 Market value		5 April 2021 Market value	
Bonds	£428,828	4.6%	£1,001,426	11.2%
Investment Trusts	£7,521,949	80.8%	£6,798,985	75.8%
Cash	£198,515	2.2%	£8,728	0.0%
Historic Chattels	£105,281	1.1%	£105,281	1.2%
Land	£1,052,189	11.3%	£1,052,189	11.8%
Accrued Bond Income	£5,423	0.0%	£6,063	0.0%
Totals	£9,312,185	100.0%	£8,972,672	100.0%

As in the previous year, there were redemptions in the Bond section of the portfolio. Reinvestments were made after due consideration by the Trustees covering renewable energy and social housing. These investments are new to the portfolio but will help to maintain the overall income level at around £425,000 without unduly increasing the risk.

During the year there was an increase from £425,634 to £435,499 in income generated, a rise of 2.3%. Looking ahead the main investment fear is that there will be severe dividend cuts as a result of the Covid-19 situation which will affect the dividend-paying ability of the Investment Trusts we hold.

However, the investment manager is confident that the Investment Trusts we hold will maintain their pay-outs, having built up substantial reserves over the years to carry them over difficult times such as we are now experiencing and to keep intact their records of steadily rising pay-outs. Indeed, there might well be some surprise increases. So far our income stream has shown a useful, albeit modest increase.

The Charity Trust has considered social, environmental and ethical considerations in its investment policy.

Asset cover for funds

Note 15 sets out an analysis of the assets attributable to the various funds. These assets are sufficient to meet the Charity's obligations on a fund by fund basis.

Plans for the future

The Trust continues to work towards a position where we concentrate more funds and efforts on the educational work in the communities, and this especially at Hellens where we serve a wider and more vulnerable parish, and will in the future be based.

We are also enthusiastic about our Hellensmusic Festival which is moving into its 10th anniversary. We have enjoyed packed houses, considerable community awareness, good participation from local schools and colleges, and national coverage until the impact of COVID on our activities. We plan to continue the programme for ten days in May each year.

Our musical initiatives with Espressivo concerts, William Howard (ex-Schubert Ensemble), the Wye Valley Chamber Music Festival, Much Marcle and Eastnor Primary Schools and John Masefield Secondary School, continue to provide the context for our educational efforts over the next years, as well as a venue for concerts.

The Georgian Stables provide accommodation for seminars, workshops, and poets for the Ledbury Poetry Festival in July where we concentrate our resources on the 'Schools' initiative (close to 3,000 children worked with the 'Poet-in-schools' initiative). Our chairman is a working patron of the poetry festival. The Great Barn is a favoured venue for the Festival's events.

The Hellens Garden Festival in aid of the children's hospice movement continues to flourish, involving, however, much more work for the Trust since we became actively responsible for the management and organisation of the festival in 2016. Development continues in the parkland with new specimen trees.

The growth in the level of activities relating to the Hellensmusic and the Hellens Garden Festivals has become such that it was decided to create two legal entities to manage the events as separate organisations, independent of the trust. Hellens Garden Festival was established as a Community Interest Company (CIC) on 16 May 2016, whilst Hellensmusic was established as a Charitable Incorporated Organisation (CIO) on 1 June 2016. The activities of both events are now accounted for separately in the organisations' own accounts.

It should also be noted that we work with our two other family trust organisations – Villa San Michele on Capri (created by Dr Axel Munthe) www.villasanmichele.eu, and now owned by the Swedish State, and Munthe's Hildasholm in Dalarna, Sweden www.hildasholm.org.se

Our other activities through the year are concerned with the Trust's principle focus on musical education, literacy and language work, and ecology and the environment, together with programmes of lectures, seminars, teaching work, concerts, and community activities. Further details are provided elsewhere in the Trustees report.

Structure, governance and management

The Trustees who served during the year were:

Edward Bonham-Carter	Finances
Martin Drury	Houses' fabric & landscape
John Harkness	Deputy Chairman & Finances
Adam Munthe	Chairman/Houses' Supervisor
Tobie Munthe	Educational/Cultural
Turi Munthe	Media/Social/Political
Peter Richey	Furniture & woodwork
Lindsay Stainton	Pictures, miniatures
Alex Walsh	Legal

Andrew Kean, our Financial Controller since 1 April 2016 continues to be an effective professional of integrity and acumen.

The Charity Trust was established by a declaration of trust of Major M.G.M.L. Munthe dated 21 August 1981, and is registered with the Charity Commissioners for England and Wales (No. 283266).

A majority of two-thirds of the Trustees is required to remove or appoint a trustee.

The policies and procedures adopted by the Charity Trust for the induction and training of Trustees is a simple process because new Trustees invariably will already have strong links with the Charity Trust before their election. The nature of the Charity Trust also means that new Trustees are only chosen if they have experience and expertise in areas that complement the objectives of the Charity Trust and therefore will need little by way of training.

The Trustees meet on a regular basis two or three times a year, including at least one meeting at each house. Each of the Trustees has a particular function in the management of the Charity Trust (see above).

Hellens has a General Manager, Justine Peberdy, who is responsible for managing and overseeing all activities. Sam Massey is Financial Administrator and also runs the tearooms. Jan Vernall oversees the gardens, and Kieran Terry is woodsman and beekeeper. Kat Terry guides, is responsible for the Physic Garden, organises our NADFAS ladies, and heads the Hellens Garden Festival committee. Charlie Kimberley guides and assists in the gardens, and Sam Panter is responsible for housekeeping.

Southside House also has an Administrator/Curator, Juan Tafur who will remain in situ until completion of sale. Tamer Abd-Alkrem, a Syrian student granted residency in the UK contributes on a part-time basis with educational/cultural events and gardening, whilst Tom and Georgie Georgeson, and Luke and Chiara Baker assist with general administrative duties.

During the accounting period John Harkness, a Trustee and our investment consultant, working from the London offices of stockbrokers Walker Crips Stockbrokers Limited oversaw the investment activities of the Charity Trust.

The Trustees have conducted a review of the major risks to which the Charity Trust is exposed, in particular those related to the operations and finances of the Charity Trust and are satisfied that systems have been established to mitigate those risks.

On behalf of the Board of Trustees

Adam Munthe

Trustee

Dated: October 2022

THE PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report annual accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the Charity Trust and of the incoming resources and application of resources of the Charity Trust for that year. In preparing the financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments 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 inappropriate 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 charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

So far as the Trustees are aware, there is no audit information of which the charity's auditors are unaware, and each Trustee has taken all the steps that he or she ought to have taken as a Trustee in order to make himself or herself aware of any relevant audit information, and to establish that the charity's auditors are aware of that information.

THE PENNINGTON-MELLOR-MUNTHER CHARITY TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PENNINGTON-MELLOR-MUNTHER CHARITY TRUST

Opinion

We have audited the financial statements of The Pennington Mellor Munthe Charity Trust (the 'charity') for the year ended 5 April 2022 which comprise the Statement of Financial Activities, the Balance Sheet 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2022 and of its 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors 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.

THE PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustee Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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:

THE PENNINGTON-MELLOR-MUNTHER CHARITY TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PENNINGTON-MELLOR-MUNTHER CHARITY TRUST

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Charities Act 2011 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel when considered necessary. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Chariot House Limited (Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006)
Chartered Accountants & Statutory Auditor
44 Grand Parade
Brighton, East Sussex BN2 9QA

Date: October 2022.....

THE PENNINGTON-MELLOR-MUNTHER CHARITY TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2022

	Notes	Unrestricted funds	Endowment funds	Designated funds	Total 2022	Total 2021
Incoming resources from:						
Donations and legacies	2	12,399	-	-	12,399	62,494
Charitable activities	3	124,236	-	-	124,236	49,652
Other trading activities	4	80,590	-	-	80,590	11,453
Investments	5	635	423,895	10,969	435,499	425,634
Total income		217,860	423,895	10,969	652,724	549,233
Expenditure on raising funds	6					
<i>Costs of raising funds :</i>						
Costs of raising funds from visitors & events		50,378	-	-	50,378	14,332
Activities for raising funds: cost of goods	4	7,134	-	-	7,134	907
Investment management costs		26,698	-	-	26,698	24,116
		84,210	-	-	84,210	39,355
<i>Expenditure on charitable activities:</i>						
Running costs of historic properties		328,630	-	-	328,630	307,596
Historic property repair & maintenance costs		196,570	-	-	196,570	195,316
Insurance		24,478	-	-	24,478	23,362
Charitable donations		15,137	-	-	15,137	6,250
		564,815	-	-	564,815	532,524
Total resources expended		649,025	-	-	649,025	571,879
Net income/(expenditure) before gains/(losses) on investments		(431,165)	423,895	10,969	3,699	(22,646)
Other recognised gains/(losses):						
Net gains/(losses) on investment assets		4,327	308,716	14,139	327,182	1,749,609
Net income/(expenditure)		(426,838)	732,611	25,108	330,881	1,726,963
Transfers between funds		343,099	(393,099)	50,000	-	-
Net movement in funds		(83,739)	339,512	75,108	330,881	1,726,963
Reconciliation of funds:						
Total funds brought forward		2,394,199	8,972,672	225,043	11,591,914	9,864,951
Total funds carried forward		2,310,460	9,312,184	300,151	11,922,795	11,591,914

THE PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

BALANCE SHEET

AS AT 5 APRIL 2022

	Notes	2022	2021
Fixed assets		£	£
Tangible assets	9	3,383,887	3,384,627
Heritage assets	10	2	2
Investments	11	8,538,069	8,154,912
Total fixed assets		11,921,958	11,539,541
Current assets			
Debtors	12	11,449	14,082
Cash at bank and in hand		48,008	88,208
Total current assets		59,457	102,290
Creditors: amounts falling due within one year	13	58,620	49,917
Net current assets/(liabilities)		837	52,373
Total assets less current liabilities		11,922,795	11,591,914
Trust funds			
Endowment funds	15	9,312,184	8,972,672
Designated funds – Restoration Reserve	15	300,151	225,043
Unrestricted funds	15	2,310,460	2,394,199
		11,922,795	11,591,914

The accounts were approved by the Trustees on October 2022

Adam Munthe
Trustee

John Harkness
Trustee

THE PENNINGTON-MELLOR-MUNTHER CHARITY TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 5 APRIL 2022

	2022		2021	
Reconciliation of net movement in funds to net cash flows from operating activities	£	£	£	£
Net movement in funds	330,881		1,726,963	
Investment income	(435,499)		(425,634)	
Depreciation	2,340		2,020	
(Deduct gains)/add back losses on investments	(327,182)		(1,749,609)	
(Increase)/decrease in debtors	2,634		8,150	
Increase/(decrease) in creditors	8,703		17,339	
Net cash outflow from operating activities		(418,123)		(420,771)
Returns on investments and servicing of finance				
Investment income received	435,499		425,634	
Change in value of investments – not realised as cash	(168,455)		110,416	
Net cash inflow from returns on investments and servicing of income		267,044		536,050
Cash flows from investing activities and capital expenditure				
Purchase of tangible fixed assets	(1,600)		-	
Disposal of tangible fixed assets	-		-	
Additions/purchases of investments	(1,343,958)		(914,601)	
Proceeds from disposals of investments	1,456,436		892,628	
Net cash outflow from capital expenditure		110,878		(48,973)
Increase/(decrease) in cash in the year		(40,201)		66,306
Reconciliation of net cash flow to movement in net cash funds				
Net cash funds at beginning of the year		88,208		21,902
Change in net funds during the year		(40,201)		66,306
Net cash funds at end of the year		48,007		88,208

THE PENNINGTON-MELLOR-MUNTHER CHARITY TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2022

1. Accounting Policies

Basis of accounting

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Charities Act 2011, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) effective 1 January 2019, and applicable regulations. They are prepared in UK pounds sterling, which is the functional currency of the charity. Monetary amounts in these statements are rounded to the nearest pound.

Preparation of financial statements on a going concern basis

The financial statements have been prepared on a going concern basis as the Trustees' assessment is that the Charity (which is a public benefit entity) is a going concern. The accounts have been prepared under the historical cost convention with items recognized at cost or transaction value unless otherwise stated in the relevant note(s) to the accounts, or where modified to include the revaluation of certain fixed assets. There are no material uncertainties about the charity's ability to continue in operation.

Funds structure

The charity has a single, restricted Endowment Fund representing those assets which must be held permanently by the Charity Trust, principally in the form of investments. Income arising on the Endowment Fund may be used in accordance with the objects of the Charity Trust, for which purpose it is transferred to unrestricted funds. Any capital gains or losses arising on the investments form part of the Endowment Fund.

Investment management charges and legal advice relating to the Fund are charged against unrestricted funds. The Endowment Fund is restricted as stipulated in an order with the Charity Commissioners for England and Wales dated 19 May 2000.

The Unrestricted Income Fund consists of those funds which the Trustees are free to use for any purpose in furtherance of the Charity Trust objects.

Incoming resources

All incoming resources are accounted for on a receivable basis, and have been included gross. Income is recognised once the Charity Trust has entitlement to it, there is sufficient certainty of receipt and it is therefore probable that the income will be received, and the amount of income receivable can be measured reliably. Income may be deferred where it relates to a future period. Donations are recognised when they have been communicated and received in writing, with notification of both the amount and settlement date. The incoming resources from the Endowment Fund are unrestricted and form part of the Unrestricted Fund.

Resources expended

All resources expended are accounted for on an accruals basis, and are allocated to the applicable expenditure headings in the financial statements.

Allocation of support and governance costs

Support costs have been differentiated between governance costs and other support costs. All running, establishment and governance costs have been allocated to charitable activities, as set out in note 6 to the accounts.

Cost of raising funds

The costs of raising funds consist of the cost of generating funds from visitors and events, from the sale of goods related to the property such as stationery and books, and the investment management fees.

Charitable activities

Expenditure on charitable activities includes the running costs of the historic properties, their repair and maintenance costs, insurance and charitable donations.

Tangible fixed assets and depreciation

No depreciation is provided in respect of properties and the historic chattels as the residual value is considered to be greater than their carrying value.

All other assets costing more than £500 are capitalised and valued at historical cost less depreciation. Depreciation is charged on fixtures and fittings, equipment, and plant and machinery from the year of acquisition on a straight-line basis over their estimated useful life of five years (i.e. 20% per annum).

Fixed asset investments

Fixed asset investments are stated at market value as at the balance sheet date using the closing quoted market price, details of which are provided in a valuation report by the investment managers. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Realised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the opening carrying value or purchase price and their valuation at market price at the year-end. Realised and unrealised investment gains and losses are combined in the statement of financial activities.

Pension

The Charity Trust operates a defined contribution workplace pension scheme on behalf of employees which is run by NEST and which complies with the statutory requirements and regulations governing pension auto-enrolment.

Heritage Assets

The Charity Trust owns two historic properties, Hellens and Southside House, which, together with their contents are protected and maintained for the benefit of the public. The properties are both Grade 2 listed buildings and are open to the public during certain months of the year. Note 10 below provides further details of how they are accounted for in the financial statements.

2. Donations and legacies

	2022 £	2021 £
Donations and gifts	12,399	62,494
Legacies receivable	-	-
	12,399	62,494

3. Charitable activities

	2022 £	2021 £
Admission fees, rent, photo shoots, book sales	124,236	49,562
Memberships	-	90
	124,236	49,652

4. Other trading activities

	2022 £	2021 £
Activities for raising funds	80,590	11,453
Activities for raising funds: costs of goods	(7,134)	(907)
	73,456	10,546

5. Investment & Other income

	Unrestricted funds	Endowment funds	Designated funds	2022 £	2021 £
Income from listed investments	635	423,895	10,969	435,499	424,906
Interest receivable	-	-	-	-	728
Total Investment income	635	423,895	10,969	435,499	425,634

6. Analysis of expenditure on raising funds

	Staff costs £	Depreciation £	Other costs £	Total 2022 £	Total 2021 £
Cost of raising funds					
- Costs of raising funds from visitors and events	15,199	-	35,179	50,378	14,332
- Activities for raising funds: cost of goods	-	-	7,134	7,134	907

- Investment management costs	-	-	26,698	26,698	24,116
	15,199	-	69,011	84,210	39,355

Charitable activities

Running costs of historic properties

Activities undertaken directly	186,647	-	83,877	270,524	233,463
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Support costs

Governance costs	-	2,340	55,765	58,105	74,133
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Historic property repair and maintenance costs

Activities undertaken directly	-	-	196,570	196,570	195,316
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Insurance

Activities undertaken directly	-	-	24,478	24,478	23,362
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Charitable donations

Activities undertaken directly	-	-	15,137	15,137	6,250
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	186,647	2,340	375,827	564,814	532,524
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Governance costs include payments to auditors of £4,500 (2021: £4,200) for audit fees.

7. Related party transactions and Trustees' expenses

The Trustees, and any other persons connected with them give freely of their time and expertise without any form of remuneration or other benefit in cash or kind. No expenses were paid to the Trustees during this or the previous year.

The trustee John Harkness is a consultant for a firm of stockbrokers who managed the portfolio of investments. During the year the firm of stockbrokers charged £26,698 as management fees (2021 - £24,116). Their services were provided on an arms' length basis.

8. Employees

Number of employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
Southside House	1	1
Hellens	8	7
	9	8

Employment costs

	2022	2021
	£	£
Gross salaries	155,402	141,381
Employers NIC	6,546	3,168
Employers pension contributions	2,773	2,181
	164,721	146,730

There were no individual employees whose annual remuneration, (which consists of gross salary,

employers' National Insurance contributions and employers' pension contributions was £60,000 or more).

The remuneration of Key Management Personnel, who are the General Manager of Hellens and the Curator/Administrator of Southside House, totalled £61,757

9. Tangible fixed assets

	Land and buildings	Historic Chattels	Plant & Machinery	Fixtures, fittings & equipment	Total
Cost					
At 6 April 2021	3,231,738	149,199	8,050	159,865	3,548,852
Additions	-	-	-	1,600	1,600
At 5 April 2022	3,231,738	149,199	8,050	161,465	3,550,452
Depreciation					
At 6 April 2021	-	-	5,600	158,625	164,225
Charge for the year	-	-	1,400	940	2,340
At 5 April 2022	0	0	7,000	159,565	166,565
Net book value					
At 5 April 2022	3,231,738	149,199	1,050	1,900	3,383,887
At 6 April 2021	3,231,738	149,199	2,450	1,240	3,384,627

Included within historic chattels are a number of items received from the Estate of Malcolm Munthe which have been included at a nominal value of £1, as significant costs would be involved in valuing them, which would be onerous compared with the additional benefit derived by users of these financial statements.

10. Heritage assets

The objectives of the Charity Trust are to protect and maintain two properties, Hellens and Southside House, and their contents for the benefit of the public. The properties are both Grade 2 listed buildings and are open to the public during certain months of the year.

These two properties have been included in the financial statements at a nominal £1 each, as significant costs would be involved in valuing the asset which would be onerous compared with the additional benefit derived by users of these accounts in assessing the stewardship of the assets by the Trustees. Later additions and works of a capital nature have been capitalised at cost, and included in within Tangible Fixed Assets.

The buildings and their contents have been insured for total values of up to £16,250,935 for Hellens and £15,722,228 for Southside House.

11. Fixed asset investments

	Endowment fund	Unrestricted fund	Designated fund	Endowment fund cash	Unrestricted fund cash	Designated fund cash	Total
Market Value at 6 April 2021	7,806,474	8,829	210,159	8,728	111,901	14,884	8,160,975
Disposals at opening book value	(1,354,422)	-	(19,520)	-	-	-	(1,373,942)
Acquisitions at cost	1,254,896	-	89,062	-	-	-	1,343,958
Change in value in year	249,251	(756)	12,031	189,787	(36,769)	(6,466)	407,078
Market Value at 5 April 2022	7,956,199	8,073	291,732	198,515	75,132	8,418	8,538,069
Historical cost:							
At 5 April 2022	7,238,487	9,073	271,338	162,296	75,132	8,418	7,764,744
At 5 April 2021	7,287,644	9,073	202,391	8,728	111,901	14,884	7,634,621

12. Debtors

	2022 £	2021 £
Prepayments and accrued income	11,449	14,082

13. Creditors: amounts falling due within one year

	2022 £	2021 £
Taxes and social security	2,504	959
Other creditors	43,036	37,608
Accruals	4,920	4,500
Deferred income	8,160	6,850
	58,620	49,917

14. Endowment funds

The Endowment fund represents those assets which must be held permanently by the Charity Trust, principally investments. Income arising on the Endowment fund can be used in accordance with the objects of the Charity Trust and is transferred to unrestricted funds.

Any capital gain or losses arising on the investments form part of the Endowment fund. Investment management charges and legal advice relating to the fund are charged against unrestricted funds. The Endowment fund is restricted as stipulated in an order with the Charity Commissioners for England & Wales dated 19th May 2000.

	Movement in funds					
	Balance at 6 April 2021	Incoming resources	Resources expended	Transfers	Investment gain/(loss)	Balance at 5 April 2022
Permanent endowments						
Endowment fund	8,972,672	423,895	-	(393,099)	308,716	9,312,184
	8,972,672	423,895	-	(393,099)	308,716	9,312,184

15. Analysis of net assets between funds

	Unrestricted funds	Endowment funds	Designated funds	Total
Fund balances at 5 April 2022 are represented by:				
- Tangible fixed assets	2,226,419	1,157,468	-	3,383,887
- Heritage assets	-	2	-	2
- Investments	83,205	8,160,137	300,151	8,543,493
- Current assets	59,457	(5,423)	-	54,034
- Creditors: falling due within one year	(58,621)	-	-	(58,621)
At 5 April 2022	2,310,460	9,312,184	300,151	11,922,795

16. Capital commitments

There were no capital commitments authorised by the Trustees as at the Balance Sheet date.

17. Post balance sheet date events

One of the historic properties included under Note 10 'Heritage Assets' above, Southside House, was sold after the end of the present accounting period for the sum of £9 million. Contracts were exchanged on 3rd May 2022 and an initial deposit of 5% of the full price, £450,000, was received by the Trust on 10th May.

According to the terms of the contract, completion of the sale will take place once the remaining sum of £8,550,000 has been received by the Trust. This may occur any time after 1st October 2022.

Completion of the sale will take place on the earlier of either of the following dates: 12 months from the date of exchange of contracts; or a date specified by written notice, which may be served on or after 1st October 2022. This date is to be at least two months after the date of service of the notice.

18. Contingent asset/liability

The charity is not currently registered for VAT. It is in the process of carrying out a comprehensive review of its activities to determine whether or not it may now need to register for VAT.

Given the complexity of these activities in terms of their VAT liabilities it is extremely difficult to determine whether or not there is an amount due to or repayable from HMRC at this point in time and whether a VAT registration is required. Therefore, no provision has been made in these accounts for either a contingent asset or liability

19. Prior year Statement of Financial Activities

	Unrestricted funds	Endowment funds	Designated funds	Total 2021
Incoming resources from:				
Donations and legacies	62,494	-	-	62,494
Charitable activities	49,652	-	-	49,652
Other trading activities	11,453	-	-	11,453
Investments	1,352	414,701	9,581	425,634
Total income	124,951	414,701	9,581	549,233
Expenditure on raising funds				
<i>Costs of raising funds :</i>				
Costs of raising funds from visitors & events	14,332	-	-	14,332
Activities for raising funds: cost of goods	907	-	-	907
Investment management costs	24,116	-	-	24,116
	39,355	-	-	39,355
<i>Expenditure on charitable activities:</i>				
Running costs of historic properties	307,596	-	-	307,596
Historic property repair and maintenance costs	195,316	-	-	195,316
Insurance	23,362	-	-	23,362
Charitable donations	6,250	-	-	6,250
	532,524	-	-	532,524
Total resources expended	571,879	-	-	571,879
Net income/(expenditure) before gains/(losses) on investments	(446,928)	414,701	9,581	(22,646)
Other recognised gains/(losses):				
Gains/(losses) on investment assets	5,241	1,694,415	49,953	1,749,609
Net income/(expenditure)	(441,687)	2,109,116	59,534	1,726,963
Transfers between funds	365,712	(415,712)	50,000	-
Net movement in funds	(75,975)	1,693,404	109,534	1,726,963
Reconciliation of funds:				
Total funds brought forward	2,470,174	7,279,268	115,509	9,864,951
Total funds carried forward	2,394,199	8,972,672	225,043	11,591,914

THE PENNINGTON MELLOR MUNTHER CHARITY TRUST

England & Wales - Charity number 283266

Accounts

THE PENNINGTON-MELLOR-MUNTHER CHARITY TRUST
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2021

THE PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Adam Munthe (Chair)
John Harkness (Deputy Chair)
Martin Drury
Lindsay Stainton
Turi Munthe
Tobie Munthe
Peter Richey
Edward Bonham-Carter
Alex Walsh

Secretary

Josephine Sheridan

Charity Number

283266

Principal Address

5 Earls Walk
London
W8 6EP

Auditors

Chariot House Limited
44 Grand Parade
Brighton
East Sussex BN2 9QA

Solicitors

Charles Russell Speechlys
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London
EC4M 7RD

Investment advisors

Walker Crips Stockbrokers Limited
Old Change House
128 Queen Victoria Street
London EC4V 4BJ

THE PENNINGTON-MELLOR-MUNTHER CHARITY TRUST

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THE PENNINGTON-MELLOR-MUNTHER CHARITY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2021

The Trustees present their report and accounts for the year ended 5 April 2021.

The accounts have been prepared in accordance with the accounting policies set out in the note to the accounts and comply with the Charity Trust deed, the Charities Act 2011 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) effective 1 January 2019.

Objectives and activities

The Charity Trust's objectives are to protect and maintain, for the benefit of the public, two houses of historic interest - Southside House, Wimbledon and Hellens, Much Marcle, Herefordshire and to make both houses available for educational and cultural activities relevant to the local communities.

Both houses are regularly open to the general public on payment of a nominal entrance fee, which covers a guided tour. Specialist groups are catered for with organised tours.

The Charity Trust is engaged in a number of activities, most of which are designed to encourage activities in music, literacy/literature/poetry, and the environment, with emphasis placed on activities of special benefit to the local communities in the London borough of Merton, and Herefordshire with the West Midlands.

In order to achieve its objectives a working party of the Trustees, together with the administrators of both houses, are actively engaged in promoting visitors and organising special events, whilst ensuring that the properties are maintained in good order, and that their unique nature is not destroyed by excessive exposure.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity Trust should undertake.

Restoration and repairs continue under the supervision of our historic architecture consultant, Patrick McIlroy.

Educational and cultural activities continue to be developed in accordance with the charity trust's feasibility studies.

Hellens

General

Preparations for the 2021 season have been radically adjusted due to COVID-19. We identified that these could be managed individually and flexibly while maintaining social distancing and home schooling.

A grant from Herefordshire Council's 'Fastershire' initiative provided IT training for the wardens, and the advice received led to changing the internet provider with an upgrade from broadband to wireless, saving approx. £1,000 p.a. Bookkeeping training using Xero software will lead to streamlining the month-end process away from a paper-based accounting system.

Picture and miniature restoration and conservation have continued under the supervision of our paintings' trustee Dr Lindsay Stainton who is currently advising how we might best create a robust inventory of the collection/archive. This work is particularly important given the possibility that the collection at Southside may move to Hellens. Miniatures have been sent to Alan Derbyshire (V&A expert) for cleaning and restoration, and this continues.

Some of our volunteer guides have used the period of COVID-19 lockdown to research their areas of interest relating to Hellens in order to contribute to the shared archive on G-Suite. Charlie Kimberley has been working on developing a volunteer programme to cover all areas where we could benefit from local support, such as guiding, gardens and stewarding. This has produced valuable results despite COVID.

Hellens supports local charities and communities through sharing resources and facilities. Over the last 6 months such events have included a Fungus Foray with the Herefordshire Botanical Society, a concert to support Community Action Ledbury, the annual Much Marcle Primary Christmas Fayre, the Folk Club's 25th Anniversary celebration, the Herefordshire Forest School Association Outdoor Learning Conference, a vocal workshop in the Haywain, and our own Back2Wild project for vulnerable children and teenagers.

Works

The Haywain Barn now operates with The Great Barn as a multi-purpose performance centre both for educational and cultural activities in the community. WC's are provided with one suitable for disabled use. The timber frame repairs to the Barns are of exceptional quality, and serve for demonstrations.

The Georgian Stable restoration provides Hellens with short-term residential space for the Trust's community projects both with children and adults.

Conservation and restoration objectives at Hellens now focus on the main house, the fabric of the Georgian Stables, the chimneys in the Great Kitchen, and the White Dining room. A quinquennial report by our Historical Architect has been completed on the house and outbuildings. Repairs to the East front have not been completed, nor to the gallery wing. COVID-19 has not helped in any of this, but we have continued much of our restoration and conservation work nonetheless. A new biomass system is presently being installed to support the entire estate, using our own resources.

Activities

Concerts, seminars for local primary school teachers, school choirs, educational visits, and historical and story-telling projects have continued to some extent at the house for local school children. *Shakespeare for the Young* continue their school events on site (if with limited engagement). Community activities continue, as do activities for Much Marcle's twinning with Le Barraux, a village in Southern France, initiated by the Chairman, with visits between residents, and especially school children.

The Chairman is also President of the Ledbury/Strömstadt twinning association where choir, sport and cultural activities continue. In addition to these activities, our yearly local festivities continue - The Ledbury Poetry Festival, Hellens Garden Festival (for the local Children's Hospice St Michael's), Hellensmusic Festival, The Big Apple Festival, Church, and Primary school activities, B2W project, and local Rotary/Lions clubs evenings, etc.

Workshops, events, poetry jams were hosted again for the Ledbury Poetry Festival (of which the Charity is a Patron, and the Chairman an active partner/advisor). Poets were sponsored into twelve local primary schools. Approx. 3,000 children are now reached through our sponsorship, although many less following the impact of COVID.

Historical organisations from all over the country made special visits.

NADFAS continues to be involved with textile restoration at Hellens on a weekly basis. The team is now preparing a frieze in needlepoint of Hellens' history over the last thousand years!

Southside House

General

After agreement with the Charity Commission, Southside House is presently on the market for sale. All monies realised return to the Charity for exclusive use at Hellens.

Southside House was open for concerts, guided tours, private tours/hire and school visits until February 9, 2020, after which the house was closed due to the current state of emergency. The team, observing protocol, have recorded and packed the contents of the Muniments and old Green Room. These have been boxed and stored in the studio, and the team continues to sort, list and pack the archives. The gardens have been maintained as has the House and its collections.

Works

A number of conservation/restoration projects continue or near completion on the North facade. Restoration work on adjacent roofs continues. The Trust has also completed restoration in the West basement (WC, bathroom, rising damp).

Activities

National Trust and Historic Houses groups have visited the House as well as Rotary groups. The gardens have become a small but significant wildlife and eco feature.

Southside will continue to host some concerts, lectures and charitable events linked to our educational activities in the wider community until a sale is achieved.

Achievements and performance

The Charity Trust's achievements can be seen in the above explanation of our activities. In general, we consider that the right balance has been struck between responsible care, restoration and conservation of the fabric of the two houses and their contents, and the best use of the properties for the advancement of the education of the public by means of our interactive work in and for the local communities. Our Patron HRH Princess Alexandra continues to support the Trust with enthusiasm in the midst of a very busy life.

Financial review

The Statement of Financial Activities, which follows the Auditors Report, shows a net deficit before gains/(losses) on investments of (£22,646) compared to a surplus of £83,945 in the previous year.

Note 11 shows a gain on investment assets of £1,545,125 (2020 – loss of £1,707,449) compared with an opening value of £6,466,747, representing a year on year increase in the value of investments of 23.9%. Further comment on this movement is given under Investment Policy below.

Reserves policy

In total some £195,316 (2020 - £19,562) has been expended on the restoration of the properties during the year, all of which was charged on maintenance of properties through the SOFA. No additions were made to the properties during the year (2020 - £0).

Investment policy

The investment portfolio increased in market value during the year by approximately 23.9% or £1,545,125. Including the income return (£425,634), the increase was of the order of 30.5%. This compares with a rise of 30.1% in the FT All Share index over the same period. As at 5 April 2021 the Endowment Fund was invested as follows:

	5 April 2021 Market value		5 April 2020 Market value	
Bonds	£1,001,426	11.2%	£1,393,295	19.1%
Investment Trusts	£6,798,985	75.8%	£4,707,665	64.7%
Cash	£8,728	0.0%	£8,195	0.0%
Historic Chattels	£105,281	1.2%	£105,281	1.5%
Land	£1,052,189	11.8%	£1,052,189	14.5%
Accrued Bond Income	£6,063	0.0%	£12,643	0.2%
Totals	£8,972,672	100.0%	£7,279,268	100.0%

As in the previous year, there were redemptions in the Bond section of the portfolio. Reinvestments were made after due consideration by the Trustees covering renewable energy and social housing. These investments are new to the portfolio but will help to maintain the overall income level at around £425,000 without unduly increasing the risk.

During the year there was a small reduction from £436,883 to £425,634 in income generated, a modest fall of 2.6%. Looking ahead the main investment fear is that there will be severe dividend cuts as a result of the Covid-19 situation which will affect the dividend-paying ability of the Investment Trusts we hold.

However, the investment manager is confident that the Investment Trusts we hold will maintain their pay-outs, having built up substantial reserves over the years to carry them over difficult times such as we are now experiencing and to keep intact their records of steadily rising pay-outs. Indeed, there might well be some surprise increases. So far our income stream has shown a useful, albeit modest increase.

The Charity Trust has considered social, environmental and ethical considerations in its investment policy.

Asset cover for funds

Note 15 sets out an analysis of the assets attributable to the various funds. These assets are sufficient to meet the Charity's obligations on a fund by fund basis.

Plans for the future

The Trust continues to work towards a position where we concentrate more funds and efforts on the educational work in the communities, and this especially at Hellens where we serve a wider and more vulnerable parish. In essence, Trustees believe that our potential to serve the local community at Southside is less effective than in Herefordshire, and this because Wimbledon and the Borough of Merton have other aspirations as a middle-class borough.

We are also enthusiastic about our Hellensmusic Festival which is moving (if virtually) into its 9th year. We have enjoyed packed houses, considerable community awareness, good participation from local schools and colleges, and national coverage until the impact of COVID on our activities. We plan to continue the programme for ten days in May each year.

Our musical initiatives with Espressivo concerts, William Howard (ex-Schubert Ensemble), the Wye Valley Chamber Music Festival, Much Marcle and Eastnor Primary Schools and John Masefield Secondary School, continue to provide the context for our educational efforts over the next years, as well as a venue for concerts.

The Georgian Stables provide accommodation for seminars, workshops, and poets for the Ledbury Poetry Festival in July where we concentrate our resources on the 'Schools' initiative (close to 3,000 children worked with the 'Poet-in-schools' initiative). The Great Barn is a favoured venue for the Festival's events.

The Hellens Garden Festival in aid of the children's hospice movement continues to flourish, involving, however, much more work for the Trust since we became actively involved in the management and organisation of the festival in 2016. Development continues in the parkland with new specimen trees.

The growth in the level of activities relating to the Hellensmusic and the Hellens Garden Festivals has become such that it was decided to create two legal entities to manage the events as separate organisations, independent of the trust. Hellens Garden Festival was established as a Community Interest Company (CIC) on 16 May 2016, whilst Hellensmusic was established as a Charitable Incorporated Organisation (CIO) on 1 June 2016. The activities of both events are now accounted separately for in the organisations' own accounts.

Our other activities through the year are concerned with the Trust's principle focus on musical education, literacy and language work, and ecology and the environment, together with programmes of lectures, seminars, teaching work, concerts, and community activities. Further details are provided elsewhere in the Trustees report.

Structure, governance and management

The Trustees who served during the year were:

Edward Bonham-Carter	Finances
Martin Drury	Houses' fabric & landscape
John Harkness	Deputy Chairman & Finances
Adam Munthe	Chairman/Houses' Supervisor
Tobie Munthe	Educational/Cultural
Turi Munthe	Media/Social/Political
Peter Richey	Furniture & woodwork
Lindsay Stainton	Pictures, miniatures
Alex Walsh	Legal

Andrew Kean, our Financial Controller since 1 April 2016 is proving to be an effective and cost-saving professional of integrity and acumen.

The Charity Trust was established by a declaration of trust of Major M.G.M.L. Munthe dated 21 August 1981, and is registered with the Charity Commissioners for England and Wales (No. 283266).

A majority of two-thirds of the Trustees is required to remove or appoint a trustee.

The policies and procedures adopted by the Charity Trust for the induction and training of Trustees is a simple process because new Trustees invariably will already have strong links with the Charity Trust before their election. The nature of the Charity Trust also means that new Trustees are only chosen if they have experience and expertise in areas that complement the objectives of the Charity Trust and therefore will need little by way of training.

The Trustees meet on a regular basis two or three times a year, including at least one meeting at each house. Each of the Trustees has a particular function in the management of the Charity Trust (see above).

Hellens has a General Manager, Justine Peberdy, who is responsible for managing and overseeing all activities. Sam Massey is Financial Administrator and also runs the tearooms. Jan Vernall oversees the gardens, and Kieran Terry is woodsman and beekeeper. Kat Terry guides, is responsible for the Physic Garden, organises our NADFAS ladies, and heads the Hellens Garden Festival committee. Charlie Kimberley guides and assists in the gardens, and Sam Panter is responsible for housekeeping.

Southside House also has an Administrator/Curator, Juan Tafur. Tamer Abd-Alkrem, a Syrian student granted residency in the UK contributes on a part-time basis with educational/cultural events and gardening, and Saira Niazi helps with general admin duties.

During the accounting period John Harkness, a Trustee and our investment consultant, working from the London offices of stockbrokers Walker Crips Stockbrokers Limited oversaw the investment activities of the Charity Trust.

The Trustees have conducted a review of the major risks to which the Charity Trust is exposed, in particular those related to the operations and finances of the Charity Trust and are satisfied that systems have been established to mitigate those risks.

On behalf of the Board of Trustees



Adam Munthe
Trustee

Dated: 1st October 2021

THE PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report annual accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the Charity Trust and of the incoming resources and application of resources of the Charity Trust for that year. In preparing the financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments 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 inappropriate 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 charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

So far as the Trustees are aware, there is no audit information of which the charity's auditors are unaware, and each Trustee has taken all the steps that he or she ought to have taken as a Trustee in order to make himself or herself aware of any relevant audit information, and to establish that the charity's auditors are aware of that information.

THE PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

Opinion

We have audited the financial statements of The Pennington Mellor Munthe Charity Trust (the 'charity') for the year ended 5 April 2021 which comprise the Statement of Financial Activities, the Balance Sheet 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2021 and of its 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustee Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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 gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

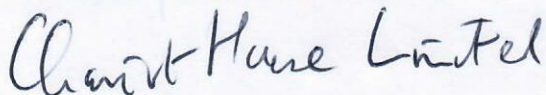
We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Charities Act 2011 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel when considered necessary. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Chariot House Limited (Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006)
Chartered Accountants
44 Grand Parade
Brighton, East Sussex BN2 9QA



Date: 5 October 2021.....

THE PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2021

	Notes	Unrestricted funds	Endowment funds	Designated funds	Total 2021	Total 2020
Incoming resources from:						
Donations and legacies	2	62,494	-	-	62,494	1,915
Charitable activities	3	49,652	-	-	49,652	48,146
Other trading activities	4	11,453	-	-	11,453	87,028
Investments	5	1,352	414,701	9,581	425,634	436,883
Total income		124,951	414,701	9,581	549,233	573,972
Expenditure on raising funds						
<i>Costs of raising funds :</i>	6					
Costs of raising funds from visitors & events		14,332	-	-	14,332	24,635
Activities for raising funds: cost of goods	4	907	-	-	907	-
Investment management costs		24,116	-	-	24,116	25,421
		39,355	-	-	39,355	50,056
<i>Expenditure on charitable activities:</i>						
Running costs of historic properties		307,596	-	-	307,596	365,159
Historic property repair & maintenance costs		195,316	-	-	195,316	19,562
Insurance		23,362	-	-	23,362	24,000
Charitable donations		6,250	-	-	6,250	31,250
		532,524	-	-	532,524	439,971
Total resources expended		571,879	-	-	571,879	490,027
Net income/(expenditure) before gains/(losses) on investments		(446,928)	414,701	9,581	(22,646)	83,945
Other recognised gains/(losses):						
Gains/(losses) on investment assets		5,241	1,694,415	49,953	1,749,609	(1,653,030)
Net income/(expenditure)		(441,687)	2,109,116	59,534	1,726,963	(1,569,085)
Transfers between funds		365,712	(415,712)	50,000	-	-
Net movement in funds		(75,975)	1,693,404	109,534	1,726,963	(1,569,085)
Reconciliation of funds:						
Total funds brought forward		2,470,174	7,279,268	115,509	9,864,951	11,434,036
Total funds carried forward		2,394,199	8,972,672	225,043	11,591,914	9,864,951

THE PENNINGTON-MELLOR-MUNTHER CHARITY TRUST

BALANCE SHEET

AS AT 5 APRIL 2021

	Notes	2021	2020
Fixed assets		£	£
Tangible assets	9	3,384,627	3,386,647
Heritage assets	10	2	2
Investments	11	8,154,912	6,466,747
Total fixed assets		11,539,541	9,853,396
Current assets			
Debtors	12	14,082	22,232
Cash at bank and in hand		88,208	21,902
Total current assets		102,290	44,134
Creditors: amounts falling due within one year	13	49,917	32,579
Net current assets/(liabilities)		52,373	11,555
Total assets less current liabilities		11,591,914	9,864,951
Trust funds			
Endowment funds	15	8,972,672	7,279,268
Designated funds – Restoration Reserve	15	225,043	115,509
Unrestricted funds	15	2,394,199	2,470,174
		11,591,914	9,864,951

The accounts were approved by the Trustees on 1st October 2021


Adam Munthe
Trustee


John Harkness
Trustee

THE PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 5 APRIL 2021

	2021		2020	
	£	£	£	£
Reconciliation of net movement in funds to net cash flows from operating activities				
Net movement in funds	1,726,963		(1,569,084)	
Investment income	(425,634)		(436,883)	
Depreciation	2,020		2,020	
(Deduct gains)/add back losses on investments	(1,749,609)		1,653,030	
(Increase)/decrease in debtors	8,150		7,944	
Increase/(decrease) in creditors	17,339		(3,980)	
Net cash outflow from operating activities		(420,771)		(346,953)
Returns on investments and servicing of finance				
Investment income received	425,634		436,883	
Change in value of investments – not realised as cash	110,416		31,056	
Net cash inflow from returns on investments and servicing of income		536,050		467,939
Cash flows from investing activities and capital expenditure				
Purchase of tangible fixed assets	-		-	
Disposal of tangible fixed assets	-		-	
Additions/purchases of investments	(914,601)		(1,050,284)	
Proceeds from disposals of investments	892,628		897,738	
Net cash outflow from capital expenditure		(48,973)		(152,546)
Increase/(decrease) in cash in the year		66,306		(31,560)
Reconciliation of net cash flow to movement in net cash funds				
Net cash funds at beginning of the year		21,902		53,462
Change in net funds during the year		66,306		(31,560)
Net cash funds at end of the year		88,208		21,902

THE PENNINGTON-MELLOR-MUNTHE CHARITY TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2021

1. Accounting Policies

Basis of accounting

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Charities Act 2011, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) effective 1 January 2019, and applicable regulations.

Preparation of financial statements on a going concern basis

The financial statements have been prepared on a going concern basis as the Trustees' assessment is that the Charity (which is a public benefit entity) is a going concern. The accounts have been prepared under the historical cost convention with items recognized at cost or transaction value unless otherwise stated in the relevant note(s) to the accounts, or where modified to include the revaluation of certain fixed assets. There are no material uncertainties about the charity's ability to continue in operation.

Funds structure

The charity has a single, restricted Endowment Fund representing those assets which must be held permanently by the Charity Trust, principally in the form of investments. Income arising on the Endowment Fund may be used in accordance with the objects of the Charity Trust, for which purpose it is transferred to unrestricted funds. Any capital gains or losses arising on the investments form part of the Endowment Fund.

Investment management charges and legal advice relating to the Fund are charged against unrestricted funds. The Endowment Fund is restricted as stipulated in an order with the Charity Commissioners for England and Wales dated 19 May 2000.

The Unrestricted Income Fund consists of those funds which the Trustees are free to use for any purpose in furtherance of the Charity Trust objects.

Incoming resources

All incoming resources are accounted for on a receivable basis, and have been included gross. Income is recognised once the Charity Trust has entitlement to it, there is sufficient certainty of receipt and it is therefore probable that the income will be received, and the amount of income receivable can be measured reliably. Income may be deferred where it relates to a future period. Donations are recognised when they have been communicated and received in writing, with notification of both the amount and settlement date. The incoming resources from the Endowment Fund are unrestricted and form part of the Unrestricted Fund.

Resources expended

All resources expended are accounted for on an accruals basis, and are allocated to the applicable expenditure headings in the financial statements.

Allocation of support and governance costs

Support costs have been differentiated between governance costs and other support costs. All running, establishment and governance costs have been allocated to charitable activities, as set out in note 6 to the accounts.

Cost of raising funds

The costs of raising funds consist of the cost of generating funds from visitors and events, from the sale of goods related to the property such as stationery and books, and the investment management fees.

Charitable activities

Expenditure on charitable activities includes the running costs of the historic properties, their repair and maintenance costs, insurance and charitable donations.

Tangible fixed assets and depreciation

No depreciation is provided in respect of properties and the historic chattels as the residual value is considered to be greater than their carrying value.

All other assets costing more than £500 are capitalised and valued at historical cost less depreciation. Depreciation is charged on fixtures and fittings, equipment, and plant and machinery from the year of acquisition on a straight-line basis over their estimated useful life of five years (i.e. 20% per annum).

Fixed asset investments

Fixed asset investments are stated at market value as at the balance sheet date using the closing quoted market price, details of which are provided in a valuation report by the investment managers. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Realised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the opening carrying value or purchase price and their valuation at market price at the year-end. Realised and unrealised investment gains and losses are combined in the statement of financial activities.

Pension

The Charity Trust operates a defined contribution workplace pension scheme on behalf of employees which is run by NEST and which complies with the statutory requirements and regulations governing pension auto-enrolment.

2. Donations and legacies

	2021 £	2020 £
Donations and gifts	62,494	1,915
Legacies receivable	-	-
	62,494	1,915

3. Charitable activities

	2021 £	2020 £
Admission fees, rent, photo shoots, book sales	49,562	47,396
Memberships	90	750
	49,652	48,146

4. Other trading activities

	2021 £	2020 £
Activities for raising funds	11,453	87,028
Activities for raising funds: costs of goods	(907)	-
	10,546	87,028

5. Investment & Other income

	Unrestricted funds	Endowment funds	Designated funds	2021 £	2020 £
Income from listed investments	624	414,701	9,581	424,906	436,867
Interest receivable	728	-	-	728	16
Total Investment income	1,352	414,701	9,581	425,634	436,883

6. Analysis of expenditure on raising funds

	Staff costs £	Depreciation £	Other costs £	Total 2021 £	Total 2020 £
Cost of raising funds					
- Costs of raising funds from visitors and events	460	-	13,872	14,332	24,635
- Activities for raising funds: cost of goods	-	-	907	907	-
- Investment management costs	-	-	24,116	24,116	25,421
	460	-	38,895	39,355	50,056

Charitable activitiesRunning costs of historic properties

Activities undertaken directly	176,342	-	57,121	233,463	315,208
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Support costs

Governance costs	-	2,020	72,113	74,133	49,951
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Historic property repair and maintenance costs

Activities undertaken directly	-	-	195,316	195,316	19,562
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Insurance

Activities undertaken directly	-	-	23,362	23,362	24,000
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Charitable donations

Activities undertaken directly	-	-	6,250	6,250	31,250
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	176,342	2,020	354,161	532,524	439,971
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Governance costs include payments to auditors of £4,200 (2020: £4,080) for audit fees.

7. Related party transactions and Trustees' expenses

The Trustees, and any other persons connected with them give freely of their time and expertise without any form of remuneration or other benefit in cash or kind. No expenses were paid to the Trustees during this or the previous year.

The trustee John Harkness is a consultant for a firm of stockbrokers who managed the portfolio of investments. During the year the firm of stockbrokers charged £24,116 as management fees (2020 - £25,421). Their services were provided on an arms' length basis.

8. Employees**Number of employees**

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Southside House	1	1
Hellens	7	9
	8	10

Employment costs

	2021 £	2020 £
Gross salaries	141,381	149,877
Employers NIC	3,168	10,670
Employers pension contributions	2,181	2,934
	146,730	163,481

There were no employees whose annual remuneration was £60,000 or more.

9. Tangible fixed assets

	Land and buildings	Historic Chattels	Plant & Machinery	Fixtures, fittings & equipment	Total
Cost					
At 6 April 2020	3,231,738	149,199	8,050	158,865	3,548,852
Additions	-	-	-	-	-
At 5 April 2021	3,231,738	149,199	8,050	159,865	3,548,852
Depreciation					
At 6 April 2020	-	-	4,200	158,005	162,205
Charge for the year	-	-	1,400	620	2,020
At 5 April 2021	0	0	5,600	158,625	164,225
Net book value					
At 5 April 2021	3,231,738	149,199	2,450	1,240	3,384,627
At 6 April 2020	3,231,738	149,199	3,850	1,860	3,386,647

Included within historic chattels are a number of items received from the Estate of Malcolm Munthe which have been included at a nominal value of £1, as significant costs would be involved in valuing them, which would be onerous compared with the additional benefit derived by users of these financial statements.

10. Heritage assets

The objectives of the Charity Trust are to protect and maintain two properties, Hellens and Southside House, and their contents for the benefit of the public. The properties are both Grade 2 listed buildings and are open to the public during certain months of the year.

These two properties have been included in the financial statements at a nominal £1 each, as significant costs would be involved in valuing the asset which would be onerous compared with the additional benefit derived by users of these accounts in assessing the stewardship of the assets by the Trustees. Later additions and works of a capital nature have been capitalised at cost, and included in within Tangible Fixed Assets.

11. Fixed asset investments

	Endowment fund	Unrestricted fund	Designated fund	Endowment fund cash	Unrestricted fund cash	Designated fund cash	Total
Market Value at 6 April 2020	6,100,961	7,668	108,174	8,195	234,415	7,334	6,466,747
Disposals at opening book value	(792,499)	-	-	-	-	-	(792,499)
Acquisitions at cost	889,570	-	52,032	-	-	-	941,602
Change in value in year	1,608,443	1,161	49,953	533	(122,514)	7,550	1,545,125
Market Value at 5 April 2021	7,806,474	8,829	210,159	8,728	111,901	14,884	8,160,975
Historical cost:							
At 5 April 2021	7,287,644	9,073	202,391	8,728	111,901	14,884	7,634,621
At 5 April 2020	7,360,294	9,073	150,359	8,195	234,415	7,334	7,769,670

12. Debtors

	2021 £	2020 £
Prepayments and accrued income	14,082	22,232

13. Creditors: amounts falling due within one year

	2021 £	2020 £
Taxes and social security	959	3,207
Other creditors	37,608	13,983
Accruals	4,500	5,500
Deferred income	6,850	9,889
	49,917	32,579

14. Endowment funds

The Endowment fund represents those assets which must be held permanently by the Charity Trust, principally investments. Income arising on the Endowment fund can be used in accordance with the objects of the Charity Trust and is transferred to unrestricted funds.

Any capital gain or losses arising on the investments form part of the Endowment fund. Investment management charges and legal advice relating to the fund are charged against unrestricted funds. The Endowment fund is restricted as stipulated in an order with the Charity Commissioners for England & Wales dated 19th May 2000.

Movement in funds						
	Balance at 6 April 2020	Incoming resources	Resources expended	Transfers	Investment gain/(loss)	Balance at 5 April 2021
Permanent endowments						
Endowment fund	7,279,268	414,701	-	(415,712)	1,694,415	8,972,672
	7,279,268	414,701	-	(415,712)	1,694,415	8,972,672

15. Analysis of net assets between funds

	Unrestricted funds	Endowment funds	Designated funds	Total
Fund balances at 5 April 2021 are represented by:				
- Tangible fixed assets	2,227,159	1,157,468	-	3,384,627
- Heritage assets	-	2	-	2
- Investments	120,730	7,809,139	225,043	8,154,912
- Current assets	96,227	6,063	-	102,290
- Creditors: falling due within one year	(49,917)	-	-	(49,917)
At 5 April 2021	2,394,199	8,972,672	225,043	11,591,914

16. Capital commitments

There were no capital commitments authorised by the Trustees as at the Balance Sheet date.

17. Prior year comparative figures by fund

	Unrestricted funds	Endowment funds	Designated funds	Total 2020
Incoming resources from:				
Donations and legacies	1,915	-	-	1,915
Charitable activities	48,146	-	-	48,146
Other trading activities	87,028	-	-	87,028
Investments	625	429,988	6,270	436,883
Total income	137,714	429,988	6,270	573,972
Expenditure on raising funds				
<i>Costs of raising funds :</i>				
Costs of raising funds from visitors & events	24,635	-	-	24,635
Activities for raising funds: cost of goods	-	-	-	-
Investment management costs	25,421	-	-	25,421
	50,056	-	-	50,056
<i>Expenditure on charitable activities:</i>				
Running costs of historic properties	365,159	-	-	365,159
Historic property repair and maintenance costs	19,562	-	-	19,562
Insurance	24,000	-	-	24,000
Charitable donations	31,250	-	-	31,250
	439,971	-	-	439,971
Total resources expended	490,027	-	-	490,027
Net income/(expenditure) before gains/(losses) on investments	(352,313)	429,988	6,270	83,945
Other recognised gains/(losses):				
Gains/(losses) on investment assets	(10,061)	(1,602,208)	(40,761)	(1,653,030)
Net income/(expenditure)	(362,374)	(1,172,220)	(34,491)	(1,569,085)
Transfers between funds	274,401	(424,401)	150,000	-
Net movement in funds	(87,973)	(1,596,621)	115,509	(1,569,085)
Reconciliation of funds:				
Total funds brought forward	2,558,147	8,875,889	-	11,434,035
Total funds carried forward	2,470,174	7,279,268	115,509	9,864,951