

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
5 Fleet Place
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

CONTENTS

	Page
Trustees' report	3 - 8
Statement of Trustees' responsibilities	9
Independent auditors report	10 - 12
Statement of financial activities	13
Balance Sheet	14
Cash Flow Statement	15
Notes to the accounts	16 - 23

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-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 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-MUNTHER 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
--------------------------------	---------	---	--------	---------	---------

Support costs

Governance costs	-	2,020	72,113	74,133	49,951
------------------	---	-------	--------	--------	--------

Historic property repair and maintenance costs

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

Insurance

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

Charitable donations

Activities undertaken directly	-	-	6,250	6,250	31,250
--------------------------------	---	---	-------	-------	--------

	176,342	2,020	354,161	532,524	439,971
--	----------------	--------------	----------------	----------------	----------------

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