

KNEBworth HOUSE EDUCATION AND PRESERVATION TRUST

England & Wales · Charity number 289346

Details

Status Registered

Legal form Trust

Registered 1984-05-04

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

Contact

Address Knebworth House
Knebworth Park
Old Knebworth
Knebworth
SG3 6PY

Phone 01438812661

Email ASaunders@knebworthhouse.com

Website www.knebworthhouse.com

Activities

Objects: (I) TO PRESERVE FOR THE BENEFIT OF THE NATION BUILDINGS OF NATIONAL HISTORIC OR ARCHITECTURAL OR ARTISTICK INTEREST AND IMPORTANCE AND TO PROTECT AND IMPROVE THE AMENITIES OF SUCH BUILDINGS AND THERI SURROUNDINGS. (II) TO PRESERVE FOR THE BENEFIT OF THE NATION AND AS AN ADJUNCT TO ANY BUILDINGS AS AFORESAID FURNITURE PICURES AND OTHER CHATTELS O NAIONAL HISTORIC OR ARTISTIC INTEREST. (III) TO ADVANCE THE HISTORICAL ARCHITECTURAL AND AESTHETIC EDUCATION OF THE PUBLIC AND IN

Activities: The object of the Trust is to preserve, conserve, restore and maintain for the educational and aesthetic benefit of the public now and in the future the Mansion known as Knebworth House, Knebworth in the County of Hertford, its historically associated chattels, muniments and other contents, the surrounding gardens, outbuildings, forest and parkland

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Education/training, Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- Hertfordshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-02-28	£308,933	£402,569	-	-
2024-02-29	£756,513	£473,498	£2,597,774	0
2023-02-28	£470,743	£539,368	-	-
2022-02-28	£732,554	£580,119	£2,378,115	0
2021-02-28	£335,827	£401,346	-	-

Trustees

Name	Role	Appointed
ROBERT HARRISON ICETON RUTTER	Chair	2011-11-17
EDWARD LYTTON COBBOLD		2014-11-11
John Francis Dudley Hoy		2024-03-20
Marcus Louis Taverner		2023-11-15
Morwenna Gray Lytton Cobbold		2018-11-29
THE HONOURABLE RICHARD STUCLEY LYTTON COBBOLD		

KNEBORTH HOUSE EDUCATION AND PRESERVATION TRUST

England & Wales - Charity number 289346

Accounts

TRUSTEES' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
28 FEBRUARY 2025

KNEBworth HOUSE
EDUCATION &
PRESERVATION TRUST

KNEB WORTH HOUSE EDUCATION & PRESERVATION TRUST

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KNEBworth HOUSE EDUCATION & PRESERVATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 28 FEBRUARY 2025

Trustees	The Hon. R Lytton Cobbold Mr R H I Rutter, Chair The Hon. E Lytton Cobbold Mayor of Stevenage North Herts Council Knebworth Parish Council The Hon. M G Lytton Cobbold Bush Mr J F D Hoy, Vice Chair Mr M L Taverner, KC
Charity registered number	289346
Principal operating office	The Estate Office Knebworth House Knebworth SG3 6PY
Accountants	Menzies LLP Chartered Accountants Richmond House Walkern Road Stevenage Herts SG1 3QP
Investment Managers	Rathbone Investment Management Ltd 159 New Bond Street London W1Y 9PA
Solicitors	Farrer and Co, 66 Lincoln's Inn Fields London WC2A 3LH
Independent Examiner	Janice Matthews Menzies LLP Magna House 18-32 London Road Staines-Upon-Thames TW18 4BP

KNEBworth HOUSE EDUCATION & PRESERVATION TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2025

The trustees present their report with the financial statements of the charity for the year ended 28th February 2025. The trustees have adopted the provisions of 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

a. Policies and objectives

The object of the Trust is to preserve, conserve, restore and maintain for the educational and aesthetic benefit of the public now and in the future the Mansion known as Knebworth House, Knebworth in the County of Hertford, its historically associated chattels, monuments and other contents, the surrounding gardens, outbuildings, forest and parkland including neighbouring buildings of historic, social, aesthetic and architectural association with the Mansion in particular St Mary's Church, the Mausoleum, the Manor and Lodge Barns in Knebworth Park.

In addition, within the boundaries of Knebworth Parish the Trustees seek to:

- a) promote high standards of planning and architecture in or affecting the said area and
- b) secure the preservation, protection and development and improvement of features of historic or public interest in the said area.

b. Charitable public benefit

In line with the objective/aim of the Trust as stated above, and as detailed in the Deed of Creation dated 9 April 1984, the Trust has been successful in completing 5 (out of 10) phases of structural restoration on Knebworth House; 80% of the Formal Gardens have been restored; the Mausoleum received substantial restoration in 2001; St. Mary's Church has received assistance; and the historic deer park, avenues of trees, and woodland are managed. The Trust continues to manage the restoration, preservation and maintenance of its principal objective areas through the assistance of its appointed managers following the guidelines of its Conservation Plan published in May 1991, and a prescriptive maintenance plan overseen by quarterly visits of a conservation consultant, and the full-time maintenance, gardens and administrative teams. The public benefit by the maintenance and preservation of the historic site through public visits, educational visits, and public footpath access. Any potential environmental detriment is assessed, is currently considered to be minimal, and is managed.

Beneficiaries are the public at large. The educational opportunities appeal to all ages. Opportunities to support other charitable aims are considered and many accepted annually. The admission fees charged are regularly reviewed and considered to be of good value and an average price for similar experiences nationwide. Discounts are available for families, groups, whether educational or general, and for seniors. Accompanied children under the age of four are admitted free of charge. Complimentary admission vouchers are granted to numerous groups, schools and societies to meet their fund-raising aims and in some cases to provide days out for the underprivileged. In recent years, a free annual admission day has occurred for Knebworth Parish residents.

c. Public benefit

The trustees have complied with the duty in section 4 of the Charities Act 2011 and have regard to the public benefit guidance as issued by the Charity Commission as shown in the objectives above.

We have referred to the guidance on public benefit when reviewing our aims and objectives and in planning our future activities in particular, the Trustees consider how planned activities will contribute to the aims and objectives that they have set.

This public benefit statement forms the basis for all judgements regarding operational reports to the Board meetings, in order to be reassured that the facilities and services currently managed by the charity continue to meet these criteria. At these meetings, the Financial Controller also presents the quarterly financial position including taking account of any restricted funds and the Charity's status as a going concern.

KNEBworth HOUSE EDUCATION & PRESERVATION TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2025

Achievements and performance

a. Charitable activities

It was a positive trading year with a 29% increase in group and education bookings, in addition to maintaining the YTD day visitor numbers. A large film location booking occurred in the Autumn and previous productions have begun to be aired which has grown film tourism as well as production interest.

Local history units of work for schools to supplement visits, are available for free on our website and have been accessed over 2000 times, downloaded around 300 times this year. These were created in conjunction with teachers from our partner schools in Stevenage.

The Home Office takeover for Asylum use of the Novotel hotel has entered a third continuous year and has caused further negative effects on sales, weddings, day visitors, filming and events as it remains unavailable to the public in any context. This matter is being actively pursued by the Trustees, by the Trust Managers as well as by Stevenage Borough Council.

KHEPT has offered support for local initiatives, hosted an opera performance for Hertfordshire Sheltered Residents in the House, donated to the National Garden Scheme, supported the Stevenage Community Trust, Hertfordshire Community Trust, and Knebworth Twinning Association, and issued complimentary entrance vouchers to local schools and charities to support their fund-raising initiatives. The Parish Open Day was held on 24th March, to encourage local awareness, greater village inclusion and public benefit.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Financial position

A total of £361,033 (2024: £433,653) was expended on the maintenance and running costs of Knebworth House and Gardens. The Trustees continue to keep administration costs as low as possible, as in the current economic climate the Trust has no wish to realise any of the investment portfolio unless it is absolutely necessary. Rathbone Investment Management Ltd manages the investment portfolio, and the year end investment values had decreased by £103,128 to £366,883 (2024: £470,011). There were a number of sales producing net proceeds of £20,356. The Trustees have worked to concentrate their investments in Blue Chip equities and fixed interest securities to give a balanced portfolio but maintain income levels and minimise overall risks. The Trustees are aware that they sometimes need to react quickly to particular emergencies and as a result include in the portfolio investments that can be readily accessed. The Trust also has a property portfolio receiving rents.

Unrestricted funds as at 28 February 2025 amounted to £2,206,272 (2024: £2,597,774). The Trustees endeavour to maintain free reserves sufficient to produce an income to meet annual expenditure, including routine repairs and maintenance on Grade II* Knebworth House and its formal gardens.

KNEBworth HOUSE EDUCATION & PRESERVATION TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2025

c. Reserves policy

KHEPT's policy on reserves has been to maintain them at a level of four months' non-discretionary expenditure. This meets the Charity Commission's recommendations. Unrestricted reserves at the end of year were £2,206,272 (2024: £2,597,774), representing over four months' non-discretionary expenditure.

The Trustees maintain and review cash levels to meet its ongoing requirements.

The Board considers that the reserves at the end of the year satisfied this policy.

Structure, governance and management

a. Governing document

The Knebworth House Education and Preservation Trust (KHEPT) was created by a deed dated 9 April 1984 and is entered in the Central Register of Charities at number 289346.

The Trustees in office during the year and at the date of this report are set out on page 1.

The Trustees appointed to pursue the objectives of the Trust comprise three members of the Lytton Cobbold family, three independent Trustees and three ex-officio Trustees representing the local community.

The independent Trustees meet on a regular basis to review the financial data and agree spending priorities. Budgets are set at the beginning of each financial year and monitored throughout the year. The day-to-day control is delegated to the Trust Managers (Lytton Enterprises Ltd and Knebworth Estates).

The Trust has appointed Rathbone Investment Management Ltd to optimise the level of return on all its quoted investments, subject to minimal perceived risk.

Statement of Trustees' responsibilities

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, the Charities Act 2011, Charity (accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- 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 which 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 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.

KNEB WORTH HOUSE EDUCATION & PRESERVATION TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2025

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



.....
Mr R H I Rutter
Chair

Date: 19 November 2025

KNEBworth HOUSE EDUCATION & PRESERVATION TRUST

MENZIES
BRIGHTER THINKING

INDEPENDENT EXAMINERS' REPORT

Independent examiner's report to the Trustees of Knebworth House Education & Preservation Trust ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 28 February 2025.

Responsibilities and basis of report

As the Trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

Your attention is drawn to the fact that the Charity has prepared the accounts 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) 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 been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

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

1. accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

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

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. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed: 
Janice Matthews FCA

Dated: 01-Dec-2025

Menzies LLP
Magna House
18-32 London Road
Staines-Upon-Thames
TW18 4BP

KNEB WORTH HOUSE EDUCATION & PRESERVATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 28 FEBRUARY 2025

	Note	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:				
Donations and legacies	3	4,274	4,274	493,122
Investments	4	153,686	153,686	150,676
Other income	5	150,973	150,973	112,715
Total income		308,933	308,933	756,513
Expenditure on:				
Charitable activities	6	402,569	402,569	473,498
Total expenditure		402,569	402,569	473,498
Net (expenditure)/income before net (losses)/gains on investments		(93,636)	(93,636)	283,015
Net (losses)/gains on investments		(2,866)	(2,866)	872
Net movement in funds before other recognised gains/(losses)		(96,502)	(96,502)	283,887
Other recognised gains/(losses):				
Losses on revaluation of fixed assets		(295,000)	(295,000)	-
Net movement in funds		(391,502)	(391,502)	283,887
Reconciliation of funds:				
Total funds brought forward		2,597,774	2,597,774	2,313,887
Net movement in funds		(391,502)	(391,502)	283,887
Total funds carried forward		2,206,272	2,206,272	2,597,774

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

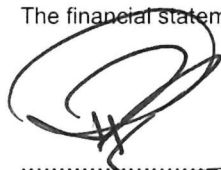
The notes on pages 9 to 17 form part of these financial statements.

KNEBWORTH HOUSE EDUCATION & PRESERVATION TRUST

BALANCE SHEET AS AT 28 FEBRUARY 2025

	Note	28 February 2025 £	29 February 2024 £
Fixed assets			
Tangible assets	8	1,886,506	2,181,506
Investments	9	366,962	470,090
		<u>2,253,468</u>	<u>2,651,596</u>
Current assets			
Debtors	10	50,514	53,585
Cash at bank and in hand		55,130	106,830
		<u>105,644</u>	<u>160,415</u>
Current liabilities			
Creditors: amounts falling due within one year	11	(111,165)	(127,562)
		<u>(5,521)</u>	<u>32,853</u>
Net current liabilities / assets			
		<u>2,247,947</u>	<u>2,684,449</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	12	(41,675)	(86,675)
		<u>2,206,272</u>	<u>2,597,774</u>
Total net assets			
Charity funds			
Unrestricted funds			
General funds	13	1,267,159	1,363,661
Revaluation reserve		939,113	1,234,113
		<u>2,206,272</u>	<u>2,597,774</u>
Total unrestricted funds	13	<u>2,206,272</u>	<u>2,597,774</u>
		<u>2,206,272</u>	<u>2,597,774</u>

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



.....
Mr R H I Rutter - Trustee

Date: 11 November 2025

The notes on pages 9 to 17 form part of these financial statements.

KNEBWORTH HOUSE EDUCATION & PRESERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025

1. General information

Knebworth House Education & Preservation Trust is a charitable organisation, registered in England and Wales. The charity's registration number and principal address can be found within the reference and administration details on page 1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and 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 Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

It meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Income

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.3 Expenditure

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

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

KNEBworth HOUSE EDUCATION & PRESERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025

2. Accounting policies (continued)

2.4 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Neither the original value nor improvements to Knebworth House and Gardens are capitalised because the buildings are historic and inalienable.

For Freehold property and Long-term leasehold property the revaluation policy has been adopted and the last valuation was carried out in November 2024.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- not depreciated
Long-term leasehold property	- not depreciated
Other fixed assets	- not depreciated

2.5 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

2.6 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.7 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.8 Fund accounting

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

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

KNEBWORTH HOUSE EDUCATION & PRESERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025

2. Accounting policies (continued)

2.9 Taxation

The Trust is a registered charity (No. 289346) and accordingly is not liable to taxation on its income, which is shown inclusive of tax recoverable.

3. Income from donations and legacies

	Unrestricted funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Donations	4,274	4,274	493,122

4. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Rents received	139,556	139,556	135,298
Income from local listed investments	14,130	14,130	15,378
	153,686	153,686	150,676

KNEBworth HOUSE EDUCATION & PRESERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025

5. Other incoming resources

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from house opening	150,973	150,973	112,715

6. Analysis of expenditure by activities

	Charitable activities 2025 £	Support costs 2025 £	Total funds 2025 £	Total funds 2024 £
Garden upkeeps	125,866	-	125,866	120,446
House maintenance	88,983	-	88,983	82,084
Building and contents insurance	42,992	-	42,992	33,729
Management overheads	62,356	-	62,356	47,493
Education programme and direct trust costs	36,945	-	36,945	35,051
Strategic repairs	3,891	-	3,891	114,850
Investment managers fee	-	2,107	2,107	2,855
Professional fees	-	27,835	27,835	21,722
Sundry expenses	-	2,589	2,589	3,012
Accountancy fees	-	3,825	3,825	4,600
Interest payable on loan	-	3,819	3,819	6,367
Trustees' indemnity insurance	-	1,361	1,361	1,289
	<u>361,033</u>	<u>41,536</u>	<u>402,569</u>	<u>473,498</u>
<i>Total 2024</i>	<u>433,653</u>	<u>39,845</u>	<u>473,498</u>	

7. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 28 February 2025, no Trustee expenses have been incurred (2024 - £NIL).

KNEBworth HOUSE EDUCATION & PRESERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025

8. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Other fixed assets £	Total £
Cost or valuation				
At 1 March 2024	1,390,000	775,000	16,506	2,181,506
Revaluations	(70,000)	(225,000)	-	(295,000)
At 28 February 2025	<u>1,320,000</u>	<u>550,000</u>	<u>16,506</u>	<u>1,886,506</u>
Net book value				
At 28 February 2025	<u>1,320,000</u>	<u>550,000</u>	<u>16,506</u>	<u>1,886,506</u>
At 29 February 2024	<u>1,390,000</u>	<u>775,000</u>	<u>16,506</u>	<u>2,181,506</u>

Lytton Arms Public House

This was valued as at 29 November 2024 at an open market value of £830,000 by Fleurets. The original cost in 1985 was £281,302.

The property was initially subject to a 30 year lease granted on 29 May 1985, with a further 10 year extension granted on 25 March 2015. A revised lease for a 15 year term was issued in March 2018.

Novotel

This was valued as at 29 November 2024 at an open market value of £460,000 by Fleurets. The original cost was £69,585.

Under the terms of the lease, peppercorn rent is payable to the Lessor until 31 March 2054, market rent is payable thereafter.

Knebworth House and Gardens

In the year ended 31st October 1985, the Trust received a 70 year lease of Knebworth House and Gardens. In the opinion of the Trustees, as the property is held as part of the objects of the Trust it is not considered appropriate to place a value on the Trust's interest in the property.

Land at entrance to Knebworth Park

On 6th February 1985 the Trust was gifted a 70 year lease of land at the entrance to Knebworth Park (the original hotel site). The land was valued in May 2020 on an open market value basis of £90,000 by Land Partners LLP, Chartered Surveyors. The land is let to Lytton Enterprises on a short term lease.

KB2 Land

During the prior year land (known as KB2 land) was donated by the late Lord Cobbold. This land had a value of £490,000.

Chattels

Chattels acquired by the Trust are stated at cost.

KNEBworth HOUSE EDUCATION & PRESERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025

9. Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 March 2024	470,011	79	470,090
Additions	20,555	-	20,555
Disposals	(120,760)	-	(120,760)
Revaluations	(2,923)	-	(2,923)
At 28 February 2025	<u>366,883</u>	<u>79</u>	<u>366,962</u>
Net book value			
At 28 February 2025	<u>366,883</u>	<u>79</u>	<u>366,962</u>
At 29 February 2024	<u>470,011</u>	<u>79</u>	<u>470,090</u>

The Trust's assets continue to be managed by Rathbone Investment Management Limited. As at 28 February 2025 the portfolio has been invested in the following assets:

U.K. Fixed Interest Securities - 0.00% (2024: 0.00%)
 U.K. Equity Securities - 99.09% (2024: 99.26%)
 Cash - 0.91% (2024: 0.74%)

The Trust holds a 79% interest (2024: 79%) in the issued share capital of Old Knebworth Amenity Company Limited, a non profit making management company which is registered in England. This company manages the Village Green in Old Knebworth. This is valued at cost, being £79.

10. Debtors

	28 February 2025 £	29 February 2024 £
Due within one year		
Other debtors	12,182	19,067
Prepayments and accrued income	38,332	34,518
	<u>50,514</u>	<u>53,585</u>

KNEB WORTH HOUSE EDUCATION & PRESERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025

11. Creditors: Amounts falling due within one year

	28 February 2025	<i>29 February 2024</i>
	£	£
Bank loans	10,825	10,829
Trade creditors	2,619	9,917
Other creditors	93,896	102,991
Accruals and deferred income	3,825	3,825
	<hr/> 111,165 <hr/>	<hr/> 127,562 <hr/>

12. Creditors: Amounts falling due after more than one year

	28 February 2025	<i>29 February 2024</i>
	£	£
Bank loans	6,675	16,675
Other creditors	35,000	70,000
	<hr/> 41,675 <hr/>	<hr/> 86,675 <hr/>

KNEBworth HOUSE EDUCATION & PRESERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025

13. Statement of funds

Statement of funds - current year

	Balance at 1 March 2024 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 28 February 2025 £
Unrestricted funds					
General Funds	1,363,661	308,933	(402,569)	(2,866)	1,267,159
Revaluation reserve	1,234,113	-	-	(295,000)	939,113
	<u>2,597,774</u>	<u>308,933</u>	<u>(402,569)</u>	<u>(297,866)</u>	<u>2,206,272</u>

Statement of funds - prior year

	Balance at 1 March 2023 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 29 February 2024 £
Unrestricted funds					
General Funds	1,079,774	756,513	(473,498)	872	1,363,661
Revaluation reserve	1,234,113	-	-	-	1,234,113
	<u>2,313,887</u>	<u>756,513</u>	<u>(473,498)</u>	<u>872</u>	<u>2,597,774</u>

14. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 28 February 2025 £	Total funds 28 February 2025 £
Tangible fixed assets	1,886,506	1,886,506
Fixed asset investments	366,962	366,962
Current assets	105,644	105,644
Creditors due within one year	(111,165)	(111,165)
Creditors due in more than one year	(41,675)	(41,675)
Total	<u>2,206,272</u>	<u>2,206,272</u>

KNEBworth HOUSE EDUCATION & PRESERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025

14. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 29 February 2024 £</i>	<i>Total funds 29 February 2024 £</i>
Tangible fixed assets	2,181,506	2,181,506
Fixed asset investments	470,090	470,090
Current assets	160,415	160,415
Creditors due within one year	(127,562)	(127,562)
Creditors due in more than one year	(86,675)	(86,675)
Total	<u>2,597,774</u>	<u>2,597,774</u>

15. Related Party Disclosures

The Trustees have appointed Lytton Enterprises Limited to act as the Trust managers. The managers submit an annual expenditure budget to the Trustees and account on a monthly basis for the actual expenditure. Lytton Enterprises Limited also manages all the visitors to Knebworth House and Gardens and is remunerated on a revenue share agreement by the Trust. This amounted to £150,973 (2024: £111,946) for the year.

Included within charitable expenditure are expenses recharged by Lytton Enterprises Limited at cost of £313,787 (2024: £284,135) made up as follows:

Garden upkeep- £125,866 (2024: £120,446)
House maintenance- £88,983 (2024: £82,084)
Direct trust costs- £36,945 (2024: £35,051)
Management overheads- £61,993 (2024: £46,554)

Lytton Enterprises Limited paid rent to the Trust of £16,200 (2024: £15,000) in respect of the family occupancy of the private areas of Knebworth House and Lord Henry Lytton Cobbold paid rent of £1,200 (2024: £1,200) to the Trust for the occasional private use of public rooms within Knebworth House.

All rents are considered to be at market value and subject to regular review and negotiation.

The Trustees are pleased to report that the late Lord Cobbold left farmland in the village of Knebworth to the Trust, such land was formally transferred in March 2023 following which the Trust receives an independently valued rental income.

KNEBORTH HOUSE EDUCATION AND PRESERVATION TRUST

England & Wales - Charity number 289346

Accounts

Charity number: 289346

TRUSTEES' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
29 FEBRUARY 2024

KNEBworth HOUSE
EDUCATION &
PRESERVATION TRUST

MENZIES
BRIGHTER THINKING

KNEBworth HOUSE EDUCATION & PRESERVATION TRUST

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KNEBWORTH HOUSE EDUCATION & PRESERVATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 29 FEBRUARY 2024

Trustees Mr R G Fernley, Chair (ceased appointment 30 June 2023)
The Hon. R Lytton Cobbold
Mr D W Morgan (resigned 15 November 2023)
Mr R H I Rutter, Chairman
The Hon. E Lytton Cobbold
Mayor of Stevenage
North Herts Council, Chairman
Knebworth Parish Council, Chairman
The Hon. M G Lytton Cobbold Bush
Mr J F D Hoy (appointed 20 March 2024)
Mr M L Taverner, KC (appointed 15 November 2023)

Charity registered number 289346

Principal operating office The Estate Office
Knebworth House
Knebworth
SG3 6PY

Accountants Menzies LLP
Chartered Accountants
Richmond House
Walkern Road
Stevenage
SG1 3QP

Investment Managers Rathbone Investment Management Ltd
159 New Bond Street
London
W1Y 9PA

Solicitors Farrer and Co,
66 Lincoln's Inn Fields
London
WC2A 3LH

Independent Examiner Janice Matthews
Menzies LLP
Magna House
18-32 London Road
Staines-Upon-Thames
TW18 4BP

KNEBWORTH HOUSE EDUCATION & PRESERVATION TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 29 FEBRUARY 2024

The trustees present their report with the financial statements of the charity for the year ended 29th February 2024. The trustees have adopted the provisions of 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

a. Policies and objectives

The object of the Trust is to preserve, conserve, restore and maintain for the educational and aesthetic benefit of the public now and in the future the Mansion known as Knebworth House, Knebworth in the County of Hertford, its historically associated chattels, monuments and other contents, the surrounding gardens, outbuildings, forest and parkland including neighbouring buildings of historic, social, aesthetic and architectural association with the Mansion in particular St Mary's Church, the Mausoleum, the Manor and Lodge Barns in Knebworth Park.

In addition, within the boundaries of Knebworth Parish the Trustees seek to:

- a) promote high standards of planning and architecture in or affecting the said area and
- b) secure the preservation, protection and development and improvement of features of historic or public interest in the said area.

b. Charitable public benefit

In line with the objective/aim of the Trust as stated above, and as detailed in the Deed of Creation dated 9 April 1984, the Trust has been successful in completing 5 (out of 10) phases of structural restoration on Knebworth House; 80% of the Formal Gardens have been restored; the Mausoleum received substantial restoration in 2001; St. Mary's Church has received assistance; and the historic deer park, avenues of trees, and woodland are managed. The Trust continues to manage the restoration, preservation and maintenance of its principal objective areas through the assistance of its appointed managers following the guidelines of its Conservation Plan published in May 1991, and a prescriptive maintenance plan overseen by quarterly visits of a conservation consultant, and the full-time maintenance, gardens and administrative teams. The public benefit by the maintenance and preservation of the historic site through public visits, educational visits, and public footpath access. Any potential environmental detriment is assessed, is currently considered to be minimal, and is managed.

Beneficiaries are the public at large. The educational opportunities appeal to all ages. Opportunities to support other charitable aims are considered and many accepted annually. The admission fees charged are regularly reviewed and considered to be of good value and an average price for similar experiences nationwide. Discounts are available for families, groups whether educational or general, and for seniors. Accompanied children under the age of four are admitted free of charge. Complimentary admission vouchers are granted to numerous groups, schools and societies to meet their fund-raising aims and in some cases to provide days out for the underprivileged. In recent years a free annual admission day has occurred for Knebworth Parish residents.

c. Public benefit

The trustees have complied with the duty in section 4 of the Charities Act 2011 and have regard to the public benefit guidance as issued by the Charity Commission as shown in the objectives above.

We have referred to the guidance on public benefit when reviewing our aims and objectives and in planning our future activities in particular, the Trustees consider how planned activities will contribute to the aims and objectives that they have set.

This public benefit statement forms the basis for all judgements regarding operational reports to the Board meetings, in order to be reassured that the facilities and services currently managed by the charity continue to meet these criteria. At these meetings, the Financial Controller also presents the quarterly financial position including taking account of any restricted funds and the Charity's status as a going concern.

KNEBWORTH HOUSE EDUCATION & PRESERVATION TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 29 FEBRUARY 2024

Achievements and performance

a. Charitable activities

It was overall a positive trading year, though required proactive marketing and added value to achieve it. Visitor numbers dropped by 10% however dwell time, secondary spending, and group visits grew. Added value family activities from storytelling to craft making, and falconry were offered throughout the summer school holidays. The exhibition highlighting the film, rock history, and Lytton family in India has been very well received, as have visits to the Watchtower – both of which are included as extra value with House entry.

The Ukrainian war, economic and cost-of-living crisis has continued to affect days out and tourism, though Knebworth has performed well within the industry. The Home Office takeover for Asylum use of the Novotel hotel has entered a second year and has caused further negative effects on sales, weddings, filming and events as it remains unavailable to the public in any context. This matter is being actively pursued by the Trustees and by the Trust Managers.

Film location work has declined sharply due to the writer's and actor's guilds strikes. Enquiries and interest remain strong, and Knebworth has good working relationships within the industry, but recovery is slow.

KHEPT has offered support for local initiatives, hosted an opera performance for Hertfordshire Sheltered Residents in the House, supported the National Garden Scheme, the Stevenage Community Trust, Hertfordshire Community Trust, and Knebworth Twinning Association, and issued complimentary entrance vouchers to local schools and charities to support their fund-raising initiatives. The Parish Open Day was held in March offering free tickets to residents, as well as to visiting displaced Ukrainian families and their hosts, to encourage local awareness, greater village inclusion and public benefit.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Financial position

A total of £433,653 (2023: £499,561) was expended on the maintenance and running costs of Knebworth House and Gardens. The Trustees continue to keep administration costs as low as possible, as in the current economic climate the Trust has no wish to realise any of the investment portfolio unless it is absolutely necessary. Rathbone Investment Management Ltd manages the investment portfolio, and the year end investment values had increased by £1,166 to £470,011 (2023: £476,489). There were a number of sales producing net proceeds of £20,356. The Trustees have worked to concentrate their investments in Blue Chip equities and fixed interest securities to give a balanced portfolio but maintain income levels and minimise overall risks. The Trustees are aware that they sometimes need to react quickly to particular emergencies and as a result include in the portfolio investments that can be readily accessed. The Trust also has a property portfolio receiving rents.

Unrestricted funds as at 29 February 2024 amounted to £2,597,774 (2023: £2,313,887). The Trustees endeavour to maintain free reserves sufficient to produce an income to meet annual expenditure, including routine repairs and maintenance on Grade II* Knebworth House and its formal gardens.

KNEBWORTH HOUSE EDUCATION & PRESERVATION TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 29 FEBRUARY 2024

c. Reserves policy

KHEPT's policy on reserves has been to maintain them at a level of four months' non-discretionary expenditure. This meets the Charity Commission's recommendations. Unrestricted reserves at the end of year were £2,597,774 (2023: 2,313,887), representing over four months' non-discretionary expenditure.

The Trustees maintains and review cash levels to meet its ongoing requirements.

The Board considers that the reserves at the end of the year satisfied this policy.

Structure, governance and management

a. Governing document

The Knebworth House Education and Preservation Trust (KHEPT) was created by a deed dated 9 April 1984 and is entered in the Central Register of Charities at number 289346.

The Trustees in office during the year and at the date of this report are set out on page 1.

The Trustees appointed to pursue the objectives of the Trust comprise three members of the Lytton Cobbold family, three independent Trustees and three ex-officio Trustees representing the local community.

The independent Trustees meet on a regular basis to review the financial data and agree spending priorities. Budgets are set at the beginning of each financial year and monitored throughout the year. The day to day control is delegated to the Trust Managers (Lytton Enterprises Ltd and Knebworth Estates).

The Trust has appointed Rathbone Investment Management Ltd to optimise the level of return on all its quoted investments, subject to minimal perceived risk.

Plans for future periods

The Trustees continue to pursue fund raising in line with the latest cost estimates for the backlog of structural restoration needed at Knebworth House. The 2019 estimate was £11.3 million for structural restoration and £16.3 million for structural restoration with operational improvements. The Trust believes that the only way to raise sums of this size is through enabling development on land within the Knebworth Estates, a parcel of which was gifted to the trust by the late Lord (David) Cobbold.

In addition to ongoing maintenance work, the Western Sunken Lawn garden steps renovation was completed, two sets of six steps with pier caps, as well as the Oak Study terrace steps which were reset, with replacement Portland Stone installed where failed. The Southern roofs remain the principal concern with regular water ingress and consistent deterioration. Quarterly inspections continue with the Restoration consultant utilising the Quinquennial Condition Survey completed in 2021. The Trust continues to investigate all avenues of funding.

KNEBWORTH HOUSE EDUCATION & PRESERVATION TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 29 FEBRUARY 2024

Statement of Trustees' responsibilities

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, the Charities Act 2011, Charity (accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- 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 which 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 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.

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



Mr R H I Rutter - Trustee

Date: 20/11/24.

INDEPENDENT EXAMINERS' REPORT

Independent examiner's report to the Trustees of Knebworth House Education & Preservation Trust ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 29 February 2024.

Responsibilities and basis of report

As the Trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

Your attention is drawn to the fact that the Charity has prepared the accounts 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) 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 been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

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

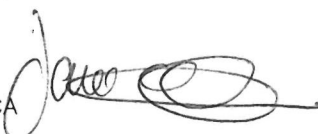
1. accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

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

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. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed:

Janice Matthews FCA



Dated: 26 November 2024

Menzies LLP
Chartered Accountants
Magna House
18-32 London Road
Staines-Upon-Thames
TW18 4BP

KNEBWORTH HOUSE EDUCATION & PRESERVATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 29 FEBRUARY 2024

	Note	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:				
Donations and legacies	3	493,122	493,122	153,904
Investments	4	150,676	150,676	151,991
Other income	5	112,715	112,715	164,848
Total income		756,513	756,513	470,743
Expenditure on:				
Charitable activities	6	473,498	473,498	539,368
Total expenditure		473,498	473,498	539,368
Net income/(expenditure) before net gains on investments		283,015	283,015	(68,625)
Net gains on investments		872	872	4,397
Net movement in funds		283,887	283,887	(64,228)
Reconciliation of funds:				
Total funds brought forward		2,313,887	2,313,887	2,378,115
Net movement in funds		283,887	283,887	(64,228)
Total funds carried forward		2,597,774	2,597,774	2,313,887

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

The notes on pages 10 to 19 form part of these financial statements.

KNEBWORTH HOUSE EDUCATION & PRESERVATION TRUST

BALANCE SHEET AS AT 29 FEBRUARY 2024

	Note	29 February 2024 £	28 February 2023 £
Fixed assets			
Tangible assets	8	2,181,506	1,691,506
Investments	9	470,090	476,568
		<u>2,651,596</u>	<u>2,168,074</u>
Current assets			
Debtors	10	53,585	228,472
Cash at bank and in hand		106,830	80,190
		<u>160,415</u>	<u>308,662</u>
Creditors: amounts falling due within one year	11	(127,562)	(65,997)
Net current assets		<u>32,853</u>	<u>242,665</u>
Total assets less current liabilities		<u>2,684,449</u>	<u>2,410,739</u>
Creditors: amounts falling due after more than one year	12	(86,675)	(96,852)
Total net assets		<u>2,597,774</u>	<u>2,313,887</u>
Charity funds			
Unrestricted funds			
General funds	13	1,363,661	1,079,774
Revaluation reserve		1,234,113	1,234,113
Total unrestricted funds	13	<u>2,597,774</u>	<u>2,313,887</u>
Total funds		<u>2,597,774</u>	<u>2,313,887</u>

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


.....
Mr R H I Rutter - Trustee


.....
Mr J F D Hoy - Trustee

Date:

20/4/24

The notes on pages 10 to 19 form part of these financial statements.

KNEBWORTH HOUSE EDUCATION & PRESERVATION TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 29 FEBRUARY 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	15	30,158	(58,832)
Cash flows from investing activities			
Movement of investments		6,478	51,651
Net cash provided by investing activities		6,478	51,651
Cash flows from financing activities			
Movement on borrowing		(9,996)	(10,000)
Net cash used in financing activities		(9,996)	(10,000)
Change in cash and cash equivalents in the year		26,640	(17,181)
Cash and cash equivalents at the beginning of the year		80,190	97,371
Cash and cash equivalents at the end of the year	16	106,830	80,190

The notes on pages 10 to 19 form part of these financial statements

KNEBWORTH HOUSE EDUCATION & PRESERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

1. General information

Knebworth House Education & Preservation Trust is a charitable organisation, registered in England and Wales. The charity's registration number and principal address can be found within the reference and administration details on page 1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and 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 Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

It meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Income

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

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.3 Expenditure

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

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

KNEBWORTH HOUSE EDUCATION & PRESERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

2. Accounting policies (continued)

2.3 Expenditure (continued)

All expenditure is inclusive of irrecoverable VAT.

2.4 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Neither the original value nor improvements to Knebworth House and Gardens are capitalised because the buildings are historic and inalienable.

For Freehold property and Long-term leasehold property the revaluation policy has been adopted and the last valuation was carried out in 2019. A formal valuation for tangible fixed assets will be carried out for the year ended 29 February 2024.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- not depreciated
Other fixed assets	- not depreciated

2.5 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

2.6 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.7 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

KNEBworth HOUSE EDUCATION & PRESERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

2. Accounting policies (continued)

2.8 Fund accounting

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

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

2.9 Taxation

The Trust is a registered charity (No. 289346) and accordingly is not liable to taxation on its income, which is shown inclusive of tax recoverable.

3. Income from donations and legacies

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations	493,122	493,122	150,855
Grants	-	-	3,049
	<u>493,122</u>	<u>493,122</u>	<u>153,904</u>

4. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Rents received	135,298	135,298	129,003
Income from local listed investments	15,378	15,378	22,988
	<u>150,676</u>	<u>150,676</u>	<u>151,991</u>

KNEBWORTH HOUSE EDUCATION & PRESERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

5. Other incoming resources

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from house opening	112,715	112,715	164,848

6. Analysis of expenditure by activities

	Charitable activities 2024 £	Support costs 2024 £	Total funds 2024 £	Total funds 2023 £
Garden upkeeps	120,446	-	120,446	112,762
House maintenance	82,084	-	82,084	83,957
Building and contents insurance	33,729	-	33,729	38,892
Management overheads	47,493	-	47,493	82,472
Education programme and direct trust costs	35,051	-	35,051	33,544
Strategic repairs	114,850	-	114,850	146,645
Investment managers fee	-	2,855	2,855	3,007
Professional fees	-	21,722	21,722	22,959
Sundry expenses	-	3,012	3,012	2,245
Accountancy fees	-	4,600	4,600	5,640
Interest payable on loan	-	6,367	6,367	5,956
Trustees' indemnity insurance	-	1,289	1,289	1,289
	<u>433,653</u>	<u>39,845</u>	<u>473,498</u>	<u>539,368</u>
<i>Total 2023</i>	<u>498,272</u>	<u>41,096</u>	<u>539,368</u>	

7. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 29 February 2024, no Trustee expenses have been incurred (2023 - £NIL).

KNEBWORTH HOUSE EDUCATION & PRESERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

8. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Other fixed assets £	Total £
Cost or valuation				
At 1 March 2023	900,000	775,000	16,506	1,691,506
Additions	490,000	-	-	490,000
At 29 February 2024	<u>1,390,000</u>	<u>775,000</u>	<u>16,506</u>	<u>2,181,506</u>
Net book value				
At 29 February 2024	<u>1,390,000</u>	<u>775,000</u>	<u>16,506</u>	<u>2,181,506</u>
At 28 February 2023	<u>900,000</u>	<u>775,000</u>	<u>16,506</u>	<u>1,691,506</u>

Lytton Arms Public House

This was valued as at 15 August 2019 at an open market value of £900,000 by Brown and Lee, Chartered Surveyors. The original cost in 1985 was £281,302.

The property was initially subject to a 30 year lease granted on 29 May 1985, with a further 10 year extension granted on 25 March 2015. A revised lease for a 15 year term was issued in March 2018.

Novotel

This was valued as at 15 August 2019 at an open market value of £685,000 by Brown and Lee, Chartered Surveyors. The original cost was £69,585.

Under the terms of the lease, peppercorn rent is payable to the Lessor until 31 March 2054, market rent is payable thereafter.

Knebworth House and Gardens

In the year ended 31st October 1985, the Trust received a 70 year lease of Knebworth House and Gardens. In the opinion of the Trustees, as the property is held as part of the objects of the Trust it is not considered appropriate to place a value on the Trust's interest in the property.

Land at entrance to Knebworth Park

On 6th February 1985 the Trust was gifted a 70 year lease of land at the entrance to Knebworth Park (the original hotel site). The land was valued in May 2020 on an open market value basis of £90,000 by Land Partners LLP, Chartered Surveyors. The land is let to Lytton Enterprises on a short term lease.

KB2 Land

During the year land (known as KB2 land) was donated by the late Lord Cobbold. This land had a value of £490,000.

Chattels

Chattels acquired by the Trust are stated at cost.

KNEBWORTH HOUSE EDUCATION & PRESERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

9. Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 March 2023	476,489	79	476,568
Additions	16,208	-	16,208
Disposals	(23,852)	-	(23,852)
Revaluations	1,166	-	1,166
At 29 February 2024	<u>470,011</u>	<u>79</u>	<u>470,090</u>
Net book value			
At 29 February 2024	<u>470,011</u>	<u>79</u>	<u>470,090</u>
At 28 February 2023	<u>476,489</u>	<u>79</u>	<u>476,568</u>

The Trust's assets continue to be managed by Rathbone Investment Management Limited. As at 29 February 2024 the portfolio has been invested in the following assets:

U.K. Fixed Interest Securities - 0.00% (2023: 0.00%)
 U.K. Equity Securities - 99.26% (2023: 80.73%)
 Cash - 0.74% (2023: 1.18%)

The Trust holds a 79% interest (2023: 79%) in the issued share capital of Old Knebworth Amenity Company Limited, a non profit making management company which is registered in England. This company manages the Village Green in Old Knebworth. This is valued at cost, being £79.

10. Debtors

	29 February 2024 £	28 February 2023 £
Due within one year		
Trade debtors	-	178,185
Other debtors	19,067	26,775
Prepayments and accrued income	34,518	23,512
	<u>53,585</u>	<u>228,472</u>

KNEBworth HOUSE EDUCATION & PRESERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

11. Creditors: Amounts falling due within one year

	29 February 2024 £	28 February 2023 £
Bank loans	10,829	10,648
Trade creditors	9,917	2,580
Other creditors	102,991	31,375
Accruals and deferred income	3,825	21,394
	<u>127,562</u>	<u>65,997</u>

12. Creditors: Amounts falling due after more than one year

	29 February 2024 £	28 February 2023 £
Bank loans	16,675	26,852
Other creditors	70,000	70,000
	<u>86,675</u>	<u>96,852</u>

KNEBWORTH HOUSE EDUCATION & PRESERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

13. Statement of funds

Statement of funds - current year

	Balance at 1 March 2023 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 29 February 2024 £
Unrestricted funds					
General Funds	1,079,774	756,513	(473,498)	872	1,363,661
Revaluation reserve	1,234,113	-	-	-	1,234,113
	<u>2,313,887</u>	<u>756,513</u>	<u>(473,498)</u>	<u>872</u>	<u>2,597,774</u>

Statement of funds - prior year

	Balance at 1 March 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 28 February 2023 £
Unrestricted funds					
General Funds	1,144,002	470,743	(539,368)	4,397	1,079,774
Revaluation reserve	1,234,113	-	-	-	1,234,113
	<u>2,378,115</u>	<u>470,743</u>	<u>(539,368)</u>	<u>4,397</u>	<u>2,313,887</u>

14. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 29 February 2024 £	Total funds 29 February 2024 £
Tangible fixed assets	2,181,506	2,181,506
Fixed asset investments	470,090	470,090
Current assets	160,415	160,415
Creditors due within one year	(127,562)	(127,562)
Creditors due in more than one year	(86,675)	(86,675)
Total	<u>2,597,774</u>	<u>2,597,774</u>

KNEBworth HOUSE EDUCATION & PRESERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

14. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 28 February 2023 £</i>	<i>Total funds 28 February 2023 £</i>
Tangible fixed assets	1,691,506	1,691,506
Fixed asset investments	476,568	476,568
Current assets	308,662	308,662
Creditors due within one year	(65,997)	(65,997)
Creditors due in more than one year	(96,852)	(96,852)
Total	<u><u>2,313,887</u></u>	<u><u>2,313,887</u></u>

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

	<i>29 February 2024 £</i>	<i>28 February 2023 £</i>
Net income/expenditure for the period (as per Statement of Financial Activities)	<u>283,887</u>	<u>(64,228)</u>
Adjustments for:		
Decrease in debtors	174,887	36,323
Increase/(decrease) in creditors	61,384	(30,927)
Non cash item	(490,000)	-
Net cash provided by/(used in) operating activities	<u><u>30,158</u></u>	<u><u>(58,832)</u></u>

16. Analysis of cash and cash equivalents

	<i>29 February 2024 £</i>	<i>28 February 2023 £</i>
Cash in hand	106,830	80,190
Total cash and cash equivalents	<u><u>106,830</u></u>	<u><u>80,190</u></u>

KNEBWORTH HOUSE EDUCATION & PRESERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

17. Analysis of changes in net debt

	At 1 March 2023	Cash flows	At 29 February 2024
	£	£	£
Cash at bank and in hand	80,190	26,640	106,830
Debt due within 1 year	(10,648)	(181)	(10,829)
Debt due after 1 year	(26,852)	10,177	(16,675)
	<u>42,690</u>	<u>36,636</u>	<u>79,326</u>

18. Related Party Disclosures

The Trustees have appointed Lytton Enterprises Limited to act as the Trust managers. The managers submit an annual expenditure budget to the Trustees and account on a monthly basis for the actual expenditure. Lytton Enterprises Limited also manages all the visitors to Knebworth House and Gardens and is remunerated on a revenue share agreement by the Trust. This amounted to £111,946 (2023: £164,848) for the year.

Included within charitable expenditure are expenses recharged by Lytton Enterprises Limited at cost of £284,135 (2023: £310,205) made up as follows:

Garden upkeep- £120,446 (2023: £112,762)
House maintenance- £82,084 (2023: £83,957)
Direct trust costs- £35,051 (2023: £33,544)
Management overheads- £46,554 (2023: £79,942)

Lytton Enterprises Limited paid rent to the Trust of £15,000 (2023: £11,250) in respect of the family occupancy of the private areas of Knebworth House and Hon. Henry Lytton Cobbold paid rent of £1,200 (2023: £1,200) to the Trust for the occasional private use of public rooms within Knebworth House.

All rent are considered to be at market value and subject to regular review and negotiation.

The Trustees are pleased to report that the late Lord Cobbold left farmland in the village of Knebworth to the Trust, such land being formally transferred in March 2023 following which the Trust will receive a rental income.

KNEBORTH HOUSE EDUCATION AND PRESERVATION TRUST

England & Wales - Charity number 289346

Accounts

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28TH FEBRUARY 2023
FOR
KNEBWORTH HOUSE
EDUCATION & PRESERVATION TRUST**

Menzies LLP
Chartered Accountants and Statutory Auditors
Richmond House
Walkern Road
Stevenage
Hertfordshire
SG1 3QP

**KNEB WORTH HOUSE
EDUCATION & PRESERVATION TRUST**

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FOR THE YEAR ENDED 28TH FEBRUARY 2023**

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**KNEBORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 28TH FEBRUARY 2023**

TRUSTEES	Mr R G Fernley - Chair The Hon R Lytton Cobbold Mr D W Morgan Mr R H I Rutter Chairman The Hon. E Lytton Cobbold Mayor of Stevenage Chairman North Herts Council Chairman Knebworth Parish Council The Hon M G Lytton Cobbold
PRINCIPAL ADDRESS	The Estate Office Knebworth House Knebworth Hertfordshire SG3 6PY
REGISTERED CHARITY NUMBER	289346
AUDITORS	Menzies LLP Chartered Accountants and Statutory Auditors Richmond House Walkern Road Stevenage Hertfordshire SG1 3QP
SOLICITORS	Farrer and Co, 66 Lincoln's Inn Fields, London, WC2A 3LH
INVESTMENT MANAGERS	Rathbone Investment Management Ltd, 159 New Bond Street, London, W1Y 9PA

**KNEBORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 28TH FEBRUARY 2023**

The trustees present their report with the financial statements of the charity for the year ended 28th February 2023. The trustees have adopted the provisions of 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

Objectives and aims

The object of the Trust is to preserve, conserve, restore and maintain for the educational and aesthetic benefit of the public now and in the future the Mansion known as Knebworth House, Knebworth in the County of Hertford, its historically associated chattels, monuments and other contents, the surrounding gardens, outbuildings, forest and parkland including neighbouring buildings of historic, social, aesthetic and architectural association with the Mansion in particular St Mary's Church, the Mausoleum, the Manor and Lodge Barns in Knebworth Park.

In addition, within the boundaries of Knebworth Parish the Trustees seek to:

- a) promote high standards of planning and architecture in or affecting the said area and
- b) secure the preservation, protection and development and improvement of features of historic or public interest in the said area.

Charitable public benefit

In line with the objective/aim of the Trust as stated above, and as detailed in the Deed of Creation dated 9 April 1984, the Trust has been successful in completing 5 (out of 10) phases of structural restoration on Knebworth House; 80% of the Formal Gardens have been restored; the Mausoleum received substantial restoration in 2001; St. Mary's Church has received assistance; and the historic deer park, avenues of trees, and woodland are managed. The Trust continues to manage the restoration, preservation and maintenance of its principal objective areas through the assistance of its appointed managers following the guidelines of its Conservation Plan published in May 1991, and a prescriptive maintenance plan overseen by quarterly visits of a conservation consultant, and the full-time maintenance, gardens and administrative teams. The public benefit by the maintenance and preservation of the historic site through public visits, educational visits, and public footpath access. Any potential environmental detriment is assessed, is currently considered to be minimal, and is managed.

Beneficiaries are the public at large. The educational opportunities appeal to all ages. Opportunities to support other charitable aims are considered and many accepted annually. The admission fees charged are regularly reviewed and considered to be of good value and an average price for similar experiences nationwide. Discounts are available for families, groups whether educational or general, and pensioners. Accompanied children under the age of four are admitted free of charge. Complimentary admission vouchers are granted to numerous groups, schools and societies to meet their fund-raising aims and in some cases to provide days out for the underprivileged. In recent years a free annual admission day has occurred for Knebworth Parish residents.

**KNEBworth HOUSE
EDUCATION & PRESERVATION TRUST**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 28TH FEBRUARY 2023**

OBJECTIVES AND ACTIVITIES

Public benefit

The trustees have complied with the duty in section 4 of the Charities Act 2011 and have regard to the public benefit guidance as issued by the Charity Commission as shown in the objectives above.

We have referred to the guidance on public benefit when reviewing our aims and objectives and in planning our future activities in particular, the Trustees consider how planned activities will contribute to the aims and objectives that they have set.

This public benefit statement forms the basis for all judgements regarding operational reports to the Board meetings, in order to be reassured that the facilities and services currently managed by the charity continue to meet these criteria. At these meeting, the Financial Controller also presents the quarterly financial position including taking account of any restricted funds and the Charity's status as a going concern.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

We had a strong, positive trading year free of pandemic restrictions with above-budget revenue, though visitor numbers and spending remained frustrated by the Ukrainian war, fluctuating petrol and energy costs, a very hot summer, the cost of living and economic difficulties. The Home Office takeover for Asylum use of the Novotel hotel has been difficult and is affecting events and enquiries as it is not available in any context to the public.

Film location work has remained strong with television programmes, advertising campaigns, and feature films. The new exhibition highlighting the film, rock history, and Lytton family in India has been very well received, as have visits to the Watchtower - both of which are included as extra value with House entry.

KHEPT has offered support for local initiatives, hosted an opera performance for Hertfordshire Sheltered Residents in the House, supported the National Garden Scheme, the Stevenage Community Trust, Hertfordshire Community Trust, and Knebworth Twinning Association, and issued complimentary entrance vouchers to local schools and charities to support their fund-raising initiatives. The Parish Open Day was held in March offering free tickets to residents, as well as to visiting displaced Ukrainian families and their hosts, to encourage local awareness, greater village inclusion and public benefit.

FINANCIAL REVIEW

Financial position

A total of £499,561 (2022: £550,035) was expended on the maintenance and running costs of Knebworth House and Gardens, against which grants were received of £3,049. The Trustees continue to keep administration costs as low as possible, as in the current economic climate the Trust has no wish to realise any of the investment portfolio unless it is absolutely necessary. Rathbone Investment Management Ltd manages the investment portfolio, and the year end investment values had decreased by £51,651 to £476,489 (2022: £528,140). There were a number of sales producing net proceeds of £129,449. The Trustees have worked to concentrate their investments in Blue Chip equities and fixed interest securities to give a balanced portfolio but maintain income levels and minimise overall risks. The Trustees are aware that they sometimes need to react quickly to particular emergencies and as a result include in the portfolio investments that can be readily accessed. The Trust also has a property portfolio receiving rents.

Unrestricted funds at 28 February 2023 amounted to £2,313,887 (2022: £2,378,115). The Trustees endeavour to maintain free reserves sufficient to produce an income to meet annual expenditure, including routine repairs and maintenance on Grade II* Knebworth House and its formal gardens.

**KNEB WORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 28TH FEBRUARY 2023**

FINANCIAL REVIEW

Reserves policy

KHEPT's policy on reserves has been to maintain them at a level of four months' non-discretionary expenditure. This meets the Charity Commission's recommendations. Unrestricted reserves at the end of year were £2,313,887 (2022: £2,378,115), representing over four months' non-discretionary expenditure.

The Trustees maintains and review cash levels to meet its ongoing requirements.

The Board considers that the reserves at the end of the year satisfied this policy.

FUTURE PLANS

The Trustees continue to pursue fund raising in line with the latest cost estimates for the backlog of structural restoration needed at Knebworth House. The 2017 estimate is £11 million for structural restoration and £16.3 million for structural restoration with operational improvements. The Trust believes that the only way to raise sums of this size is through enabling development on land within the Knebworth Estates.

The repair to the Northwest Corner of the House completed this year through much appreciated support from Historic England, and the Cultural Recovery Fund via the Historic Houses Foundation. Underpinning, scaffolding, render, stone and glazing repair were completed on schedule. Following a generous donation from LEL the Southern turrets, connecting battlements, render and three chimneys were repaired and made safe, as well as repairs to the Eastern sunken lawn steps.

The Trust continues to investigate all avenues of funding, and the trustees are grateful for the assistance of the officers of those organisations who are able to support us with their time and expertise.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Knebworth House Education and Preservation Trust (KHEPT) was created by a deed dated 9 April 1984 and is entered in the Central Register of Charities at number 289346.

The Trustees in office during the year are set out on page 1.

The Trustees appointed to pursue the objectives of the Trust comprise three members of the Lytton Cobbold family, three independent Trustees and three ex-officio Trustees representing the local community.

The independent Trustees meet on a regular basis to review the financial data and agree spending priorities. Budgets are set at the beginning of each financial year and monitored throughout the year. The day to day control is delegated to the Trust Managers (Lytton Enterprises Ltd and Knebworth Estates).

The Trust has appointed Rathbone Investment Management Ltd to optimise the level of return on all its quoted investments, subject to minimal perceived risk.

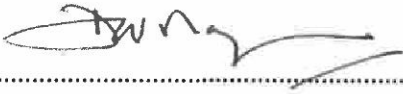
EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

KNEBORTH HOUSE
EDUCATION & PRESERVATION TRUST

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 28TH FEBRUARY 2023

Approved by order of the board of trustees on 15th November 2023 and signed on its behalf by:



.....
Trustee

**KNEBORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 28TH FEBRUARY 2023**

The trustees are responsible for preparing the Report of the Trustees 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, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 which 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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
KNEBworth HOUSE
EDUCATION & PRESERVATION TRUST**

Opinion

We have audited the financial statements of Knebworth House Education & Preservation Trust (the 'charity') for the year ended 28th February 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position 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 28th February 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.

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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
KNEB WORTH HOUSE
EDUCATION & PRESERVATION TRUST**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 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 Trustees' 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
KNEBWORTH HOUSE
EDUCATION & PRESERVATION TRUST**

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.

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

- We obtained an understanding of the legal and regulatory framework applicable to the charity and the sector in which they operate. We determined that the following law and regulation was most significant: the Charities Act 2011.
- We obtained an understanding of how the charity is complying with this legal and regulatory framework by making inquiries to the trustees. We corroborated our inquiries through our review of minutes and papers provided the trustees.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team include:
 - identifying and assessing the design effectiveness of controls the trustees have in place to prevent and detect fraud;
 - understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - challenging assumptions and judgments made by the trustees in significant accounting estimates;
 - identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
 - assessing the extent of compliance with the relevant laws and regulations.
- We have reviewed the financial statements and considered whether they are consistent with our understanding of the charity or indicate a previously unrecognised risk of material misstatement that could be 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
KNEBworth HOUSE
EDUCATION & PRESERVATION 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 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.

Menzies LLP

Menzies LLP
Chartered Accountants and Statutory Auditors
Richmond House
Walkern Road
Stevenage
Hertfordshire
SG1 3QP

Date: *23rd November 2023*

**KNEB WORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 28TH FEBRUARY 2023**

	Notes	Unrestricted funds £	Restricted fund £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and grants	3	153,904	-	153,904	405,201
Investment income	4	151,991	-	151,991	140,232
Other income		164,848	-	164,848	187,121
Total		470,743	-	470,743	732,554
EXPENDITURE ON					
Charitable activities	5				
General		539,368	-	539,368	580,119
Net gains on investments		4,397	-	4,397	39,756
NET INCOME/(EXPENDITURE)		(64,228)	-	(64,228)	192,191
RECONCILIATION OF FUNDS					
Total funds brought forward		2,378,115	-	2,378,115	2,185,924
TOTAL FUNDS CARRIED FORWARD		2,313,887	-	2,313,887	2,378,115

The notes form part of these financial statements

**KNEBORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**STATEMENT OF FINANCIAL POSITION
28TH FEBRUARY 2023**

	Notes	Unrestricted funds £	Restricted fund £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	9	1,691,506	-	1,691,506	1,691,506
Investments	10	476,568	-	476,568	528,219
		<u>2,168,074</u>	<u>-</u>	<u>2,168,074</u>	<u>2,219,725</u>
CURRENT ASSETS					
Debtors	11	228,472	-	228,472	264,795
Cash at bank		80,190	-	80,190	97,371
		<u>308,662</u>	<u>-</u>	<u>308,662</u>	<u>362,166</u>
CREDITORS					
Amounts falling due within one year	12	(65,997)	-	(65,997)	(46,276)
		<u>242,665</u>	<u>-</u>	<u>242,665</u>	<u>315,890</u>
NET CURRENT ASSETS					
		<u>2,410,739</u>	<u>-</u>	<u>2,410,739</u>	<u>2,535,615</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS					
Amounts falling due after more than one year	13	(96,852)	-	(96,852)	(157,500)
		<u>2,313,887</u>	<u>-</u>	<u>2,313,887</u>	<u>2,378,115</u>
NET ASSETS					


The notes form part of these financial statements

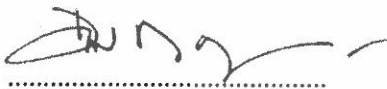
**KNEB WORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**STATEMENT OF FINANCIAL POSITION - continued
28TH FEBRUARY 2023**

FUNDS	15		
Unrestricted funds		<u>2,313,887</u>	<u>2,378,115</u>
TOTAL FUNDS		<u><u>2,313,887</u></u>	<u><u>2,378,115</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on ~~15th November 2023~~ and were signed on its behalf by:


.....
Mr R H I Rutter - Trustee


.....
Mr D W Morgan - Trustee

The notes form part of these financial statements

**KNEBWORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH FEBRUARY 2023**

1. STATUTORY INFORMATION

Knebworth House Education & Preservation Trust is a charitable organisation, registered in England and Wales. The charity's registration number and principal address can be found within the reference and administration details on page 1.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The financial statements have been prepared on a going concern basis.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Investments

Managed investments are shown in the balance sheet at market value less any provision necessary for permanent diminution in value. Investment properties, where capable of valuation, are shown at their open market value.

Fixed assets

Depreciation is provided on all tangible assets, with the exception of investment properties, at rates calculated to write off evenly the cost, of each asset, over its expected useful life of 5 years.

Neither the original value nor improvements to Knebworth House and Gardens are capitalised because the buildings are historic, inalienable and form part of the endowment.

Taxation

The Trust is a registered charity (No. 289346) and accordingly is not liable to taxation on its income, which is shown inclusive of tax recoverable and form part of the endowment.

**KNEBORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2023**

2. ACCOUNTING POLICIES - continued

Cost of generating funds

These costs refer to grant application and long term planning advice relating to the Trust land and property.

3. DONATIONS AND GRANTS

	2023	2022
	£	£
Donations	150,855	204,561
Grants	3,049	200,640
	<u>153,904</u>	<u>405,201</u>

4. INVESTMENT INCOME

	2023	2022
	£	£
Rents received	129,003	121,387
Listed investments	22,988	18,845
	<u>151,991</u>	<u>140,232</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
General	<u>498,272</u>	<u>41,096</u>	<u>539,368</u>

**KNEB WORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2023**

6. SUPPORT COSTS

	Governance costs £ <u><u>41,096</u></u>
General	

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 28th February 2023 nor for the year ended 28th February 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 28th February 2023 nor for the year ended 28th February 2022.

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and grants	405,201	-	405,201
Investment income	140,232	-	140,232
Other income	187,121	-	187,121
	<u>732,554</u>	<u>-</u>	<u>732,554</u>
Total			
 EXPENDITURE ON			
Charitable activities			
General	580,119	-	580,119
	<u>39,756</u>	<u>-</u>	<u>39,756</u>
Net gains on investments			
	192,191	-	192,191
NET INCOME			
 RECONCILIATION OF FUNDS			
Total funds brought forward	2,185,924	-	2,185,924
	<u>2,378,115</u>	<u>-</u>	<u>2,378,115</u>
TOTAL FUNDS CARRIED FORWARD			

**KNEBworth HOUSE
EDUCATION & PRESERVATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2023**

9. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Chattels £	Totals £
COST				
At 1st March 2022 and 28th February 2023	900,000	775,000	16,506	1,691,506
NET BOOK VALUE				
At 28th February 2023	900,000	775,000	16,506	1,691,506
At 28th February 2022	900,000	775,000	16,506	1,691,506

Lytton Arms Public House

This was valued as at 15 August 2019 at an open market value of £900,000 by Brown and Lee, Chartered Surveyors. The original cost in 1985 was £281,302.

The property was initially subject to a 30 year lease granted on 29 May 1985, with a further 10 year extension granted on 25 March 2015. A revised lease for a 15 year term was issued in March 2018.

Novotel

This was valued as at 15 August 2019 at an open market value of £685,000 by Brown and Lee, Chartered Surveyors. The original cost was £69,585.

Under the terms of the lease, peppercorn rent is payable to the Lessor until 31 March 2054, market rent is payable thereafter.

Knebworth House and Gardens

In the year ended 31st October 1985, the Trust received a 70 year lease of Knebworth House and Gardens. In the opinion of the Trustees, as the property is held as part of the objects of the Trust it is not considered appropriate to place a value on the Trust's interest in the property.

Land at entrance to Knebworth Park

On 6th February 1985 the Trust was gifted a 70 year lease of land at the entrance to Knebworth Park (the original hotel site). The land was valued in May 2020 on an open market value basis of £90,000 by Land Partners LLP, Chartered Surveyors. The land is let to Lytton Enterprises on a short term lease.

Chattels

Chattels acquired by the Trust are stated at cost.

**KNEBworth HOUSE
EDUCATION & PRESERVATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2023**

10. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 1st March 2022	528,140	79	528,219
Additions	85,675	-	85,675
Disposals	(83,633)	-	(83,633)
Movement in market value	(53,693)	-	(53,693)
	<u>476,489</u>	<u>79</u>	<u>476,568</u>
NET BOOK VALUE			
At 28th February 2023	<u>476,489</u>	<u>79</u>	<u>476,568</u>
At 28th February 2022	<u>528,140</u>	<u>79</u>	<u>528,219</u>

The Trust's assets continue to be managed by Rathbone Investment Management Limited. As at 28 February 2023 the portfolio has been invested in the following assets:

U.K. Fixed Interest Securities - 0.00% (2022: 15.99%)
U.K. Equity Securities - 98.82% (2022: 80.73%)
Cash - 1.18% (2022: 3.28%)

The Trust holds a 79% interest (2022: 79%) in the issued share capital of Old Knebworth Amenity Company Limited, a non profit making management company which is registered in England. This company manages the Village Green in Old Knebworth. This is valued at cost, being £79.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Other debtors	178,185	227,270
VAT	26,775	7,362
Prepayments	23,512	30,163
	<u>228,472</u>	<u>264,795</u>

**KNEBworth HOUSE
EDUCATION & PRESERVATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2023**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		2023	2022
		£	£
Bank loans and overdrafts (see note 14)		10,648	10,000
Trade creditors		2,580	5,603
Other creditors		52,769	30,673
		<u>65,997</u>	<u>46,276</u>
13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		2023	2022
		£	£
Bank loans (see note 14)		26,852	37,500
Other creditors		70,000	120,000
		<u>96,852</u>	<u>157,500</u>
14. LOANS			
An analysis of the maturity of loans is given below:			
		2023	2022
		£	£
Amounts falling due within one year on demand:			
Bank loans		<u>10,648</u>	<u>10,000</u>
Amounts falling between one and two years:			
Bank loans - 1-2 years		<u>26,852</u>	<u>37,500</u>
15. MOVEMENT IN FUNDS			
		Net	
	At 1/3/22	movement	At
	£	in funds	28/2/23
		£	£
Unrestricted funds			
General fund	2,378,115	(64,228)	2,313,887
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>2,378,115</u>	<u>(64,228)</u>	<u>2,313,887</u>

**KNEB WORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2023**

15. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	470,743	(539,368)	4,397	(64,228)
	<u>470,743</u>	<u>(539,368)</u>	<u>4,397</u>	<u>(64,228)</u>
TOTAL FUNDS	<u>470,743</u>	<u>(539,368)</u>	<u>4,397</u>	<u>(64,228)</u>

Comparatives for movement in funds

	At 1/3/21 £	Net movement in funds £	At 28/2/22 £
Unrestricted funds			
General fund	2,185,924	192,191	2,378,115
	<u>2,185,924</u>	<u>192,191</u>	<u>2,378,115</u>
TOTAL FUNDS	<u>2,185,924</u>	<u>192,191</u>	<u>2,378,115</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	732,554	(580,119)	39,756	192,191
	<u>732,554</u>	<u>(580,119)</u>	<u>39,756</u>	<u>192,191</u>
TOTAL FUNDS	<u>732,554</u>	<u>(580,119)</u>	<u>39,756</u>	<u>192,191</u>

**KNEBORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2023**

16. RELATED PARTY DISCLOSURES

The Trustees have appointed Lytton Enterprises Limited to act as the Trust managers. The managers submit an annual expenditure budget to the Trustees and account on a monthly basis for the actual expenditure. Lytton Enterprises Limited also manages all the visitors to Knebworth House and Gardens and is remunerated on a revenue share agreement by the Trust. This amounted to £164,848 (2022: £187,121) for the year.

Included within charitable expenditure are expenses recharged by Lytton Enterprises Limited at cost of £310,205 (2022: £228,829) made up as follows:

Garden upkeep - £112,762 (2022: £99,339)

House maintenance - £83,957 (2022: £86,689)

Direct Trust costs - £33,544 (2022: £27,073)

Management overheads - £79,942 (2022: £15,728)

Lytton Enterprises Limited paid rent to the Trust of £11,250 (2022: £14,800) in respect of the family occupancy of the private areas of Knebworth House and Hon. Henry Lytton Cobbold paid rent of £1,200 (2022: £1,200) to the Trust for the occasional private use of public rooms within Knebworth House.

All rents are considered to be at market value and subject to regular review and negotiation.

17. POST BALANCE SHEET EVENTS

The Trustees are pleased to report that the late Lord Cobbold left farmland in the village of Knebworth to the Trust, such land being formally transferred in March 2023 following which the Trust will receive a rental income.

**KNEB WORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 28TH FEBRUARY 2023**

	2023	2022
	£	£
INCOME AND ENDOWMENTS		
Donations and grants		
Donations	150,855	204,561
Grants	3,049	200,640
	153,904	405,201
Investment income		
Rents received	129,003	121,387
Listed investments	22,988	18,845
	151,991	140,232
Other income		
Income from house opening	164,848	187,121
	470,743	732,554
EXPENDITURE		
Charitable activities		
Garden upkeep	112,762	99,339
House maintenance	83,957	86,689
Buildings and contents insurance	38,892	31,748
Education programme and direct trust costs	33,544	27,073
Management overheads	82,472	16,539
Strategic repairs	146,645	288,647
	498,272	550,035
Support costs		
Governance costs		
Trustees' indemnity insurance	1,289	1,289
Investment managers fee	3,007	3,122
Professional fees	22,959	14,623
Sundry expenses	2,388	2,828
Carried forward	29,643	21,862

This page does not form part of the statutory financial statements

**KNEB WORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 28TH FEBRUARY 2023**

	2023	2022
	£	£
Governance costs		
Brought forward	29,643	21,862
Auditors' remuneration	5,640	5,600
Interest payable on loan	5,813	2,622
	<u>41,096</u>	<u>30,084</u>
Total resources expended	<u>539,368</u>	<u>580,119</u>
Net (expenditure)/income before gains and losses	(68,625)	152,435
Realised recognised gains and losses		
Realised gains	45,816	25,541
Unrealised gains / (losses)	(41,419)	14,215
	<u>(64,228)</u>	<u>192,191</u>

This page does not form part of the statutory financial statements

KNEBORTH HOUSE EDUCATION AND PRESERVATION TRUST

England & Wales - Charity number 289346

Accounts

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28TH FEBRUARY 2022
FOR
KNEBworth HOUSE
EDUCATION & PRESERVATION TRUST**

Wags LLP t/a Wagstaffs
Chartered Accountants and Statutory Auditors
Richmond House
Walkern Road
Stevenage
Hertfordshire
SG1 3QP

**KNEBORTH HOUSE
EDUCATION & PRESERVATION TRUST**

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FOR THE YEAR ENDED 28TH FEBRUARY 2022**

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**KNEBworth HOUSE
EDUCATION & PRESERVATION TRUST**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

TRUSTEES	Mr R G Fernley Chairman The Hon R Lytton Cobbold Mr D W Morgan Mr R H I Rutter Vice Chairman The Hon. E Lytton Cobbold Mayor of Stevenage Chairman North Herts Council Chairman Knebworth Parish Council Miss M G Lytton Cobbold
PRINCIPAL ADDRESS	The Estate Office Knebworth House Knebworth Hertfordshire SG3 6PY
REGISTERED CHARITY NUMBER	289346
AUDITORS	Wags LLP t/a Wagstaffs Chartered Accountants and Statutory Auditors Richmond House Walkern Road Stevenage Hertfordshire SG1 3QP
SOLICITORS	Farrer and Co, 66 Lincoln's Inn Fields, London, WC2A 3LH
INVESTMENT MANAGERS	Rathbone Investment Management Ltd, 159 New Bond Street, London, W1Y 9PA

**KNEBORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

The trustees present their report with the financial statements of the charity for the year ended 28th February 2022. The trustees have adopted the provisions of 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

Objectives and aims

The object of the Trust is to preserve, conserve, restore and maintain for the educational and aesthetic benefit of the public now and in the future the Mansion known as Knebworth House, Knebworth in the County of Hertford, its historically associated chattels, monuments and other contents, the surrounding gardens, outbuildings, forest and parkland including neighbouring buildings of historic, social, aesthetic and architectural association with the Mansion in particular St Mary's Church, the Mausoleum, the Manor and Lodge Barns in Knebworth Park.

In addition, within the boundaries of Knebworth Parish the Trustees seek to:

- a) promote high standards of planning and architecture in or affecting the said area and
- b) secure the preservation, protection and development and improvement of features of historic or public interest in the said area.

Charitable public benefit

In line with the objective/aim of the Trust as stated above, and as detailed in the Deed of Creation dated 9 April 1984, the Trust has been successful in completing 5 (out of 10) phases of structural restoration on Knebworth House; 80% of the Formal Gardens have been restored; the Mausoleum received substantial restoration in 2001; St. Mary's Church has received assistance; and the historic deer park, avenues of trees, and woodland are managed. The Trust continues to manage the restoration, preservation and maintenance of its principal objective areas through the assistance of its appointed managers following the guidelines of its Conservation Plan published in May 1991, and a prescriptive maintenance plan overseen by quarterly visits of a conservation consultant, and the full-time maintenance, gardens and administrative teams. The public benefit by the maintenance and preservation of the historic site through public visits, educational visits, and public footpath access. Any potential environmental detriment is assessed, is currently considered to be minimal, and is managed.

Beneficiaries are the public at large. The educational opportunities appeal to all ages. Opportunities to support other charitable aims are considered and many accepted annually. The admission fees charged are regularly reviewed and considered to be of good value and an average price for similar experiences nationwide. Discounts are available for families, groups whether educational or general, and pensioners. Accompanied children under the age of four are admitted free of charge. Complimentary admission vouchers are granted to numerous groups, schools and societies to meet their fund-raising aims and in some cases to provide days out for the underprivileged. In recent years a free annual admission day has occurred for Knebworth Parish residents.

**KNEBWORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

OBJECTIVES AND ACTIVITIES

Public benefit

The trustees have complied with the duty in section 4 of the Charities Act 2011 and have regard to the public benefit guidance as issued by the Charity Commission as shown in the objectives above.

We have referred to the guidance on public benefit when reviewing our aims and objectives and in planning our future activities in particular, the Trustees consider how planned activities will contribute to the aims and objectives that they have set.

This public benefit statement forms the basis for all judgements regarding operational reports to the Board meetings, in order to be reassured that the facilities and services currently managed by the charity continue to meet these criteria. At these meeting, the Financial Controller also presents the quarterly financial position including taking account of any restricted funds and the Charity's status as a going concern.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

2021 was a year of continued Covid-19 pandemic restrictions and rebuilding of customer confidence, with capacity restrictions required, and outdoor public events unable to occur until mid-July. The team worked hard to make the most of business opportunities to operate with advanced tickets, careful cost control and continued efforts to ensure safe access for our visitors and staff. Ticket demand was high, most days sold out, and events such as Open-air theatre and cinema remained popular. Film and TV production bookings were the revenue leader and greatly assisted with lost revenue opportunities elsewhere.

Education and group bookings are slowly returning, online resource, outreach and outdoor-based programmes are popular. KHEPT has been successful with the award of it's fifth Sandford Award for Excellence in Heritage Education, and received the highest score in all categories. The award has been held continuously since 2001.

KHEPT supported the Knebworth Covid Response group, Hertfordshire Community Fund, the National Garden Scheme, the Stevenage Community Trust, and issued complimentary entrance vouchers to local schools, and charities to support their fund-raising initiatives. The Parish open day was held in July once restrictions had eased, and helps to encourage local awareness, greater village inclusion and public benefit, and while attendance was below pre-pandemic numbers it was three times that of 2020.

**KNEBworth HOUSE
EDUCATION & PRESERVATION TRUST**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

FINANCIAL REVIEW

Financial position

A total of £550,035 (2021: £368,094) was expended on the maintenance and running costs of Knebworth House and Gardens, against which grants were received of £200,640. The Trustees continue to keep administration costs as low as possible, as in the current economic climate the Trust has no wish to realise any of the investment portfolio unless it is absolutely necessary. Rathbone Investment Management Ltd manages the investment portfolio, and the year end investment values had increased by £34,496 to £528,140 (2021: £493,644). There were a number of sales producing net proceeds of £14,283. The Trustees have worked to concentrate their investments in Blue Chip equities and fixed interest securities to give a balanced portfolio but maintain income levels and minimise overall risks. The Trustees are aware that they sometimes need to react quickly to particular emergencies and as a result include in the portfolio investments that can be readily accessed. The Trust also has a property portfolio receiving rents.

Unrestricted funds at 28 February 2022 amounted to £2,378,115 (2021:£2,185,924). The Trustees endeavour to maintain free reserves sufficient to produce an income to meet annual expenditure, including routine repairs and maintenance on Grade II* Knebworth House and its formal gardens.

FUTURE PLANS

The Trustees continue to pursue fund raising in line with the latest cost estimates for the backlog of structural restoration needed at Knebworth House. The 2017 estimate is £11 million for structural restoration and £16.3 million for structural restoration with operational improvements. The Trust believes that the only way to raise sums of this size is through enabling development on land within the Knebworth Estates. The Watchman's Tower project completed on time and on budget in 2020, and is now accessible and enjoyed by visitors. The Northwest Corner of the House continues to deteriorate and funding was achieved through Historic England, and through the Cultural Recovery Fund via the Historic Houses Foundation. Underpinning, scaffolding, render, stone and glazing repair commenced in January 2021 and will complete later in the year as scheduled. The Trust continues to investigate all avenues of funding, and the trustees are grateful for the assistance of the officers of those organisations who are able to support us with their time and expertise.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Knebworth House Education and Preservation Trust (KHEPT) was created by a deed dated 9 April 1984 and is entered in the Central Register of Charities at number 289346.

The Trustees in office during the year and at the date of this report are set out on page 1.

The Trustees appointed to pursue the objectives of the Trust comprise three members of the Lytton Cobbold family, three independent Trustees and three ex-officio Trustees representing the local community.

The independent Trustees meet on a regular basis to review the financial data and agree spending priorities. Budgets are set at the beginning of each financial year and monitored throughout the year. The day to day control is delegated to the Trust Managers (Lytton Enterprises Ltd and Knebworth Estates).

The Trust has appointed Rathbone Investment Management Ltd to optimise the level of return on all its quoted investments, subject to minimal perceived risk.

**KNEB WORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

Approved by order of the board of trustees on16/11/2022..... and signed on its behalf by:


.....
Trustee

**KNEBworth HOUSE
EDUCATION & PRESERVATION TRUST**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

The trustees are responsible for preparing the Report of the Trustees 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, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which 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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
KNEBWORTH HOUSE
EDUCATION & PRESERVATION TRUST**

Opinion

We have audited the financial statements of Knebworth House Education & Preservation Trust (the 'charity') for the year ended 28th February 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows 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 28th February 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
KNEB WORTH HOUSE
EDUCATION & PRESERVATION TRUST**

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 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 where the Charities (Accounts and Reports) Regulations 2008 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 Trustees' 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
KNEBORTH HOUSE
EDUCATION & PRESERVATION TRUST**

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.

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

- We obtained an understanding of the legal and regulatory framework applicable to the charity and the sector in which they operate. We determined that the following law and regulation was most significant: the Charities Act 2011.

- We obtained an understanding of how the charity is complying with this legal and regulatory framework by making inquiries to the trustees. We corroborated our inquiries through our review of minutes and papers provided the trustees.

- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team include:

- identifying and assessing the design effectiveness of controls the trustees have in place to prevent and detect fraud;
- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- challenging assumptions and judgments made by the trustees in significant accounting estimates;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- assessing the extent of compliance with the relevant laws and regulations.

- We have reviewed the financial statements and considered whether they are consistent with our understanding of the charity or indicate a previously unrecognised risk of material misstatement that could be 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
KNEBworth HOUSE
EDUCATION & PRESERVATION 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 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.



Wags LLP t/a Wagstaffs
Chartered Accountants and Statutory Auditors
Richmond House
Walkern Road
Stevenage
Hertfordshire
SG1 3QP

Date: 16/11/2022

**KNEBORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

	Notes	Unrestricted funds £	Restricted fund £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and grants	3	405,201	-	405,201	105,048
Investment income	4	140,232	-	140,232	128,554
Other income		187,121	-	187,121	102,225
Total		732,554	-	732,554	335,827
EXPENDITURE ON					
Charitable activities	5				
General		580,119	-	580,119	401,346
Net gains on investments		39,756	-	39,756	138,211
NET INCOME		192,191	-	192,191	72,692
RECONCILIATION OF FUNDS					
Total funds brought forward		2,185,924	-	2,185,924	2,113,232
TOTAL FUNDS CARRIED FORWARD		2,378,115	-	2,378,115	2,185,924

The notes form part of these financial statements

**KNEB WORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**STATEMENT OF FINANCIAL POSITION
28TH FEBRUARY 2022**

	Notes	Unrestricted funds £	Restricted fund £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	9	1,691,506	-	1,691,506	1,691,506
Investments	10	528,219	-	528,219	493,728
		<u>2,219,725</u>	-	<u>2,219,725</u>	2,185,229
CURRENT ASSETS					
Debtors	11	264,795	-	264,795	63,418
Cash at bank		97,371	-	97,371	153,731
		<u>362,166</u>	-	<u>362,166</u>	217,149
CREDITORS					
Amounts falling due within one year	12	(46,276)	-	(46,276)	(168,954)
		<u>315,890</u>	-	<u>315,890</u>	48,195
NET CURRENT ASSETS					
		<u>2,535,615</u>	-	<u>2,535,615</u>	2,233,424
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS					
Amounts falling due after more than one year	13	(157,500)	-	(157,500)	(47,500)
		<u>2,378,115</u>	-	<u>2,378,115</u>	2,185,924
NET ASSETS					


The notes form part of these financial statements

**KNEB WORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**STATEMENT OF FINANCIAL POSITION - continued
28TH FEBRUARY 2022**

FUNDS	15		
Unrestricted funds		<u>2,378,115</u>	<u>2,185,924</u>
TOTAL FUNDS		<u><u>2,378,115</u></u>	<u><u>2,185,924</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on 16/4/2022 and were signed on its behalf by:



.....
Mr R H I Rutter - Trustee



.....
Mr D W Morgan - Trustee

The notes form part of these financial statements

**KNEB WORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

Notes	2022 £	2021 £
Cash flows from operating activities		
Cash generated from operations 1	(77,965)	18,245
Net cash (used in)/provided by operating activities	(77,965)	18,245
Cash flows from investing activities		
Purchase of fixed asset investments	(47,146)	(24,272)
Sale of fixed asset investments	66,725	27,550
Market value adjustment	(14,319)	609
Dividends received	18,845	15,346
Net cash provided by investing activities	24,105	19,233
Cash flows from financing activities		
New loans in year	-	50,000
Loan repayments in year	(2,500)	-
Net cash (used in)/provided by financing activities	(2,500)	50,000
Change in cash and cash equivalents in the reporting period	(56,360)	87,478
Cash and cash equivalents at the beginning of the reporting period	153,731	66,253
Cash and cash equivalents at the end of the reporting period	97,371	153,731

The notes form part of these financial statements

**KNEBworth HOUSE
EDUCATION & PRESERVATION TRUST**

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	192,191	72,692
Adjustments for:		
Gain on investments	(39,756)	(138,211)
Dividends received	(18,845)	(15,346)
Increase in debtors	(201,377)	(27,488)
(Decrease)/increase in creditors	(10,178)	126,598
	<u> </u>	<u> </u>
Net cash (used in)/provided by operations	(77,965)	18,245
	<u> </u>	<u> </u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/3/21	Cash flow	At 28/2/22
	£	£	£
Net cash			
Cash at bank	<u>153,731</u>	<u>(56,360)</u>	<u>97,371</u>
	<u>153,731</u>	<u>(56,360)</u>	<u>97,371</u>
Debt			
Debts falling due within 1 year	(2,500)	(7,500)	(10,000)
Debts falling due after 1 year	(47,500)	10,000	(37,500)
	<u> </u>	<u> </u>	<u> </u>
	(50,000)	2,500	(47,500)
	<u> </u>	<u> </u>	<u> </u>
Total	<u>103,731</u>	<u>(53,860)</u>	<u>49,871</u>

The notes form part of these financial statements

**KNEBORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

1. STATUTORY INFORMATION

Knebworth House Education & Preservation Trust is a charitable organisation, registered in England and Wales. The charity's registration number and principal address can be found within the reference and administration details on page 1.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The financial statements have been prepared on a going concern basis.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Investments

Managed investments are shown in the balance sheet at market value less any provision necessary for permanent diminution in value. Investment properties, where capable of valuation, are shown at their open market value.

Fixed assets

Depreciation is provided on all tangible assets, with the exception of investment properties, at rates calculated to write off evenly the cost, of each asset, over its expected useful life of 5 years.

Neither the original value nor improvements to Knebworth House and Gardens are capitalised because the buildings are historic, inalienable and form part of the endowment.

Taxation

The Trust is a registered charity (No. 289346) and accordingly is not liable to taxation on its income, which is shown inclusive of tax recoverable and form part of the endowment.

**KNEBWORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

2. ACCOUNTING POLICIES - continued

Cost of generating funds

These costs refer to grant application and long term planning advice relating to the Trust land and property.

3. DONATIONS AND GRANTS

	2022	2021
	£	£
Donations	204,561	549
Grants	200,640	104,499
	<u>405,201</u>	<u>105,048</u>

4. INVESTMENT INCOME

	2022	2021
	£	£
Rents received	121,387	113,208
Listed investments	18,845	15,346
	<u>140,232</u>	<u>128,554</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
General	550,035	30,084	580,119
	<u>550,035</u>	<u>30,084</u>	<u>580,119</u>

**KNEBORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

6. SUPPORT COSTS

	Governance costs £ <u>30,084</u>
General	

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 28th February 2022 nor for the year ended 28th February 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 28th February 2022 nor for the year ended 28th February 2021.

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and grants	105,048	-	105,048
Investment income	128,554	-	128,554
Other income	102,225	-	102,225
Total	335,827	-	335,827
EXPENDITURE ON			
Charitable activities			
General	401,346	-	401,346
Net gains on investments	138,211	-	138,211
NET INCOME	72,692	-	72,692
RECONCILIATION OF FUNDS			
Total funds brought forward	2,113,232	-	2,113,232
TOTAL FUNDS CARRIED FORWARD	2,185,924	-	2,185,924

**KNEBWORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

9. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Chattels £	Totals £
COST				
At 1st March 2021 and 28th February 2022	900,000	775,000	16,506	1,691,506
NET BOOK VALUE				
At 28th February 2022	900,000	775,000	16,506	1,691,506
At 28th February 2021	900,000	775,000	16,506	1,691,506

Lytton Arms Public House

This was valued as at 15 August 2019 at an open market value of £900,000 by Brown and Lee, Chartered Surveyors. The original cost in 1985 was £281,302.

The property was initially subject to a 30 year lease granted on 29 May 1985, with a further 10 year extension granted on 25 March 2015. A revised lease was issued in March 2018.

Novotel

This was valued as at 15 August 2019 at an open market value of £685,000 by Brown and Lee, Chartered Surveyors. The original cost was £69,585.

Under the terms of the lease, peppercorn rent is payable to the Lessor until 31 March 2054, market rent is payable thereafter.

Knebworth House and Gardens

In the year ended 31st October 1985, the Trust received a 70 year lease of Knebworth House and Gardens. In the opinion of the Trustees, as the property is held as part of the objects of the Trust it is not considered appropriate to place a value on the Trust's interest in the property.

Land at entrance to Knebworth Park

On 6th February 1985 the Trust was gifted a 70 year lease of land at the entrance to Knebworth Park (the original hotel site). The land was valued in May 2020 on an open market value basis of £90,000 by Land Partners LLP, Chartered Surveyors. The land is let to Lytton Enterprises on a short term lease.

Chattels

Chattels acquired by the Trust are stated at cost.

**KNEBWORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

10. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 1st March 2021	493,644	79	493,723
Additions	47,146	-	47,146
Disposals	(41,184)	-	(41,184)
Movement in market value	28,534	-	28,534
	<u>528,140</u>	<u>79</u>	<u>528,219</u>
NET BOOK VALUE			
At 28th February 2022	<u>528,140</u>	<u>79</u>	<u>528,219</u>
At 28th February 2021	<u>493,644</u>	<u>79</u>	<u>493,723</u>

The Trust's assets continue to be managed by Rathbone Investment Management Limited. As at 28 February 2022 the portfolio has been invested in the following assets:

U.K. Fixed Interest Securities - 15.99% (2021: 15.73%)

U.K. Equity Securities - 80.73% (2021: 83.66%)

Cash - 3.28% (2021: 0.61%)

The Trust holds a 79% interest (2021: 79%) in the issued share capital of Old Knebworth Amenity Company Limited, a non profit making management company which is registered in England. This company manages the Village Green in Old Knebworth. This is valued at cost, being £79.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Other debtors	227,270	12,775
VAT	7,362	23,201
Prepayments and accrued income	741	-
Prepayments	29,422	27,442
	<u>264,795</u>	<u>63,418</u>

**KNEBworth HOUSE
EDUCATION & PRESERVATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 14)	10,000	2,500
Trade creditors	5,603	31,602
Other creditors	30,673	134,852
	46,276	168,954
	46,276	168,954

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Bank loans (see note 14)	37,500	47,500
Other creditors	120,000	-
	157,500	47,500
	157,500	47,500

14. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year on demand:		
Bank loans	10,000	2,500
	10,000	2,500
Amounts falling between one and two years:		
Bank loans - 1-2 years	37,500	47,500
	37,500	47,500
	37,500	47,500

15. MOVEMENT IN FUNDS

	At 1/3/21	Net movement in funds	At 28/2/22
	£	£	£
Unrestricted funds			
General fund	2,185,924	192,191	2,378,115
	2,185,924	192,191	2,378,115
TOTAL FUNDS	2,185,924	192,191	2,378,115

**KNEB WORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

15. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	732,554	(580,119)	39,756	192,191
	<u>732,554</u>	<u>(580,119)</u>	<u>39,756</u>	<u>192,191</u>
TOTAL FUNDS	<u><u>732,554</u></u>	<u><u>(580,119)</u></u>	<u><u>39,756</u></u>	<u><u>192,191</u></u>

Comparatives for movement in funds

	At 1/3/20 £	Net movement in funds £	At 28/2/21 £
Unrestricted funds			
General fund	2,113,232	72,692	2,185,924
	<u>2,113,232</u>	<u>72,692</u>	<u>2,185,924</u>
TOTAL FUNDS	<u><u>2,113,232</u></u>	<u><u>72,692</u></u>	<u><u>2,185,924</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	335,827	(401,346)	138,211	72,692
	<u>335,827</u>	<u>(401,346)</u>	<u>138,211</u>	<u>72,692</u>
TOTAL FUNDS	<u><u>335,827</u></u>	<u><u>(401,346)</u></u>	<u><u>138,211</u></u>	<u><u>72,692</u></u>

**KNEBworth HOUSE
EDUCATION & PRESERVATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

16. RELATED PARTY DISCLOSURES

The Trustees have appointed Lytton Enterprises Limited to act as the Trust managers. The managers submit an annual expenditure budget to the Trustees and account on a monthly basis for the actual expenditure. Lytton Enterprises Limited also manages all the visitors to Knebworth House and Gardens and is remunerated on a revenue share agreement by the Trust. This amounted to £187,121 (2021: £102,225) for the year.

Included within charitable expenditure are expenses recharged by Lytton Enterprises Limited at cost of £228,829 (2021: £228,291) made up as follows:

Garden upkeep - £99,339 (2021: £91,943)
House maintenance - £86,689 (2021: £86,065)
Direct Trust costs - £27,073 (2021: £26,424)
Management overheads - £15,728 (2021: £23,859)

Lytton Enterprises Limited paid rent to the Trust of £14,800 (2021: £14,200) in respect of the family occupancy of the private areas of Knebworth House and Hon. Henry Lytton Cobbold paid rent of £1,200 (2021: £1,200) to the Trust for the occasional private use of public rooms within Knebworth House.

All rents are considered to be at market value and subject to regular review and negotiation.

**KNEB WORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

	2022	2021
	£	£
INCOME AND ENDOWMENTS		
Donations and grants		
Donations	204,561	549
Grants	200,640	104,499
	405,201	105,048
Investment income		
Rents received	121,387	113,208
Listed investments	18,845	15,346
	140,232	128,554
Other income		
Income from house opening	187,121	102,225
	732,554	335,827
EXPENDITURE		
Charitable activities		
Garden upkeep	99,339	91,943
House maintenance	86,689	88,011
Buildings and contents insurance	31,748	32,013
Education programme and direct trust costs	27,073	26,424
Management overheads	16,539	23,829
Strategic repairs	288,647	105,874
	550,035	368,094
Support costs		
Governance costs		
Trustees' indemnity insurance	1,289	2,368
Investment managers fee	3,122	2,649
Professional fees	14,623	12,938
Sundry expenses	2,828	615
Carried forward	21,862	18,570

This page does not form part of the statutory financial statements

**KNEBORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

	2022	2021
	£	£
Governance costs		
Brought forward	21,862	18,570
Auditors' remuneration	5,600	5,250
Interest payable on loan	2,622	117
COVID grant	-	9,315
	<u>30,084</u>	<u>33,252</u>
Total resources expended	<u>580,119</u>	<u>401,346</u>
Net income/(expenditure) before gains and losses	152,435	(65,519)
Realised recognised gains and losses		
Realised gains	25,541	13,267
Unrealised gains / (losses)	14,215	34,944
	<u>192,191</u>	<u>(17,308)</u>

This page does not form part of the statutory financial statements

KNEBORTH HOUSE EDUCATION AND PRESERVATION TRUST

England & Wales - Charity number 289346

Accounts

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28TH FEBRUARY 2021
FOR
KNEBworth HOUSE
EDUCATION & PRESERVATION TRUST**

Wags LLP t/a Wagstaffs
Chartered Accountants and Statutory Auditors
Richmond House
Walkern Road
Stevenage
Hertfordshire
SG1 3QP

**KNEB WORTH HOUSE
EDUCATION & PRESERVATION TRUST**

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FOR THE YEAR ENDED 28TH FEBRUARY 2021**

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**KNEBworth HOUSE
EDUCATION & PRESERVATION TRUST**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 28TH FEBRUARY 2021**

TRUSTEES	Mr R G Fernley Chairman The Hon R Lytton Cobbold Mr D W Morgan Mr R H I Rutter Vice Chairman Mr E Lytton Cobbold Mayor of Stevenage Chairman North Hert District Council Chairman Knebworth Parish Council Miss M G Lytton Cobbold
PRINCIPAL ADDRESS	The Estate Office Knebworth House Knebworth Hertfordshire SG3 6PY
REGISTERED CHARITY NUMBER	289346
AUDITORS	Wags LLP t/a Wagstaffs Chartered Accountants and Statutory Auditors Richmond House Walkern Road Stevenage Hertfordshire SG1 3QP
SOLICITORS	Farrer and Co, 66 Lincoln's Inn Fields, London, WC2A 3LH
INVESTMENT MANAGERS	Rathbone Investment Management Ltd, 159 New Bond Street, London, W1Y 9PA

**KNEBORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 28TH FEBRUARY 2021**

The trustees present their report with the financial statements of the charity for the year ended 28th February 2021. The trustees have adopted the provisions of 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

Objectives and aims

The object of the Trust is to preserve, conserve, restore and maintain for the educational and aesthetic benefit of the public now and in the future the Mansion known as Knebworth House, Knebworth in the County of Hertford, its historically associated chattels, monuments and other contents, the surrounding gardens, outbuildings, forest and parkland including neighbouring buildings of historic, social, aesthetic and architectural association with the Mansion in particular St Mary's Church, the Mausoleum, the Manor and Lodge Barns in Knebworth Park.

In addition, within the boundaries of Knebworth Parish the Trustees seek to:

- a) promote high standards of planning and architecture in or affecting the said area and
- b) secure the preservation, protection and development and improvement of features of historic or public interest in the said area.

Charitable public benefit

In line with the objective/aim of the Trust as stated above, and as detailed in the Deed of Creation dated 9 April 1984, the Trust has been successful in completing 5 (out of 10) phases of structural restoration on Knebworth House; 80% of the Formal Gardens have been restored; the Mausoleum received substantial restoration in 2001; St. Mary's Church has received assistance; and the historic deer park, avenues of trees, and woodland are managed. The Trust continues to manage the restoration, preservation and maintenance of its principal objective areas through the assistance of its appointed managers following the guidelines of its Conservation Plan published in May 1991, and a prescriptive maintenance plan overseen by quarterly visits of a conservation consultant, and the full-time maintenance, gardens and administrative teams. The public benefit by the maintenance and preservation of the historic site through public visits, educational visits, and public footpath access. Any potential environmental detriment is assessed, is currently considered to be minimal, and is managed.

Beneficiaries are the public at large. The educational opportunities appeal to all ages. Opportunities to support other charitable aims are considered and many accepted annually. The admission fees charged are regularly reviewed and considered to be of good value and an average price for similar experiences nationwide. Discounts are available for families, groups whether educational or general, and pensioners. Accompanied children under the age of four are admitted free of charge. Complimentary admission vouchers are granted to numerous groups, schools and societies to meet their fund-raising aims and in some cases to provide days out for the underprivileged. In recent years a free annual admission day has occurred for Knebworth Parish residents.

**KNEBORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 28TH FEBRUARY 2021**

OBJECTIVES AND ACTIVITIES

Public benefit

The trustees have complied with the duty in section 4 of the Charities Act 2011 and have regard to the public benefit guidance as issued by the Charity Commission as shown in the objectives above.

We have referred to the guidance on public benefit when reviewing our aims and objectives and in planning our future activities in particular, the Trustees consider how planned activities will contribute to the aims and objectives that they have set.

This public benefit statement forms the basis for all judgements regarding operational reports to the Board meetings, in order to be reassured that the facilities and services currently managed by the charity continue to meet these criteria. At these meeting, the Financial Controller also presents the quarterly financial position including taking account of any restricted funds and the Charity's status as a going concern.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

2020 was a year like no other with the Covid-19 pandemic, resulting lockdown, enforced closure and hugely altered open season. We worked hard to open as soon as possible following government restrictions and easement, opening under a Covid-safe working system with increased staffing, enhanced cleaning, social distancing measures and timed capped tickets. After much lobbying and support both direct to the Secretary of State and through our trade organisations to include the Historic House Association and Visit Herts, the gardens reopened on the 27th May and the house and playground re-opened from 4th July. The team worked hard to make the most of the opportunities to reopen and to ensure safe access for our visitors and staff. We extended the season where possible with additional daily opening, evening gardens access and continuing through December which made up the lost access days. We achieved just over 50% of our YTD visitor numbers from last year.

We also managed to secure a few socially-distanced public events to include two open-air garden theatres, drive-in cinema for the month of July, and a drive-in concert through the Pub in the Park promoters. It was not possible to go ahead with any of the other 28 pre-advertised events, despite initial postponement all Spring and Summer events were cancelled in the end. We supported the Knebworth Covid Response group with free admission for 160 volunteers to thank them for their support to village residents, have made a donation to the National Garden Scheme, supported the Stevenage Community Trust, and issued complimentary entrance vouchers to local schools, and charities to support their fund-raising initiatives. The parish open day was held the first opening weekend in March before the first lockdown to encourage local awareness, greater village inclusion and public benefit, however only 10% of last year's visitor numbers attended at 122. Despite the cancellation of the Spring and Summer film location bookings, we were one of the first to welcome Covid-safe filming to re-commence which has helped to replace lost visitor revenue.

**KNEBworth HOUSE
EDUCATION & PRESERVATION TRUST**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 28TH FEBRUARY 2021**

FINANCIAL REVIEW

Financial position

A total of £368,094 (2020: £382,049) was expended on the maintenance and running costs of Knebworth House and Gardens, against which grants were received of £80,500. The Trustees continue to keep administration costs as low as possible, as in the current economic climate the Trust has no wish to realise any of the investment portfolio unless it is absolutely necessary. Rathbone Investment Management Ltd manages the investment portfolio, and the year end investment values had increased by £44,324 to £493,644 (2020: £449,320). There were a number of sales producing net proceeds of £14,283. The Trustees have worked to concentrate their investments in Blue Chip equities and fixed interest securities to give a balanced portfolio but maintain income levels and minimise overall risks. The Trustees are aware that they sometimes need to react quickly to particular emergencies and as a result include in the portfolio investments that can be readily accessed. The Trust also has a property portfolio receiving rents.

Unrestricted funds at 28 February 2021 amounted to £2,185,924 (2020:£2,113,232). The Trustees endeavour to maintain free reserves sufficient to produce an income to meet annual expenditure, including routine repairs and maintenance on Grade II* Knebworth House and its formal gardens.

FUTURE PLANS

The Trustees continue to pursue fund raising in line with the latest cost estimates for the backlog of structural restoration needed at Knebworth House. The 2017 estimate is £11 million for structural restoration and £16.3 million for structural restoration with operational improvements. The Trust believes that the only way to raise sums of this size is through enabling development on land within the Knebworth Estates. The Watchman's Tower project completed on time and on budget in 2020, and is now accessible and enjoyed by visitors. The Northwest Corner of the House continues to deteriorate and funding was achieved through Historic England, and through the Cultural Recovery Fund via the Historic Houses Foundation. Underpinning, scaffolding, render, stone and glazing repair commenced in January 2021 and will complete later in the year as scheduled. The Trust continues to investigate all avenues of funding, and the trustees are grateful for the assistance of the officers of those organisations who are able to support us with their time and expertise.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Knebworth House Education and Preservation Trust (KHEPT) was created by a deed dated 9 April 1984 and is entered in the Central Register of Charities at number 289346.

The Trustees in office during the year and at the date of this report are set out on page 1.

The Trustees appointed to pursue the objectives of the Trust comprise three members of the Lytton Cobbold family, three independent Trustees and three ex-officio Trustees representing the local community.

The independent Trustees meet on a regular basis to review the financial data and agree spending priorities. Budgets are set at the beginning of each financial year and monitored throughout the year. The day to day control is delegated to the Trust Managers (Lytton Enterprises Ltd and Knebworth Estates).

The Trust has appointed Rathbone Investment Management Ltd to optimise the level of return on all its quoted investments, subject to minimal perceived risk.

KNEB WORTH HOUSE
EDUCATION & PRESERVATION TRUST

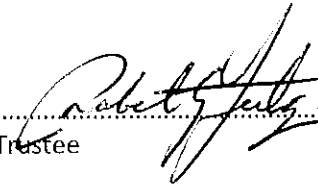
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 28TH FEBRUARY 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Lord Cobbold retired, Morwenna Lytton Cobbold was elected as a new trustee, formalised on 29 November 2018 KHEPT deed of appointment.

Approved by order of the board of trustees on 17 Nov. 2021 and signed on its behalf by:


.....
Trustee

**KNEBORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 28TH FEBRUARY 2021**

The trustees are responsible for preparing the Report of the Trustees 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, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 which 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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
KNEBWORTH HOUSE
EDUCATION & PRESERVATION TRUST**

Opinion

We have audited the financial statements of Knebworth House Education & Preservation Trust (the 'charity') for the year ended 28th February 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position 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 28th February 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
KNEBWORTH HOUSE
EDUCATION & PRESERVATION TRUST**

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 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 where the Charities (Accounts and Reports) Regulations 2008 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 Trustees' 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
KNEBWORTH HOUSE
EDUCATION & PRESERVATION TRUST**

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.

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 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 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.

Wags LLP t/a Wagstaffs
Chartered Accountants and Statutory Auditors
Richmond House
Walkern Road
Stevenage
Hertfordshire
SG1 3QP

Date:17/11/2021.....

**KNEBORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 28TH FEBRUARY 2021**

	Notes	Unrestricted funds £	Restricted fund £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and grants	3	105,048	-	105,048	124,035
Investment income	4	128,554	-	128,554	127,315
Other income		102,225	-	102,225	100,570
Total		335,827	-	335,827	351,920
EXPENDITURE ON					
Charitable activities					
General	5	401,346	-	401,346	406,103
Net gains on investments		138,211	-	138,211	4,645
NET INCOME/(EXPENDITURE)		72,692	-	72,692	(49,538)
RECONCILIATION OF FUNDS					
Total funds brought forward		2,113,232	-	2,113,232	2,162,770
TOTAL FUNDS CARRIED FORWARD		2,185,924	-	2,185,924	2,113,232

The notes form part of these financial statements

**KNEBworth HOUSE
EDUCATION & PRESERVATION TRUST**

**STATEMENT OF FINANCIAL POSITION
28TH FEBRUARY 2021**

	Notes	Unrestricted funds £	Restricted fund £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	9	1,691,506	-	1,691,506	1,601,506
Investments	10	493,723	-	493,723	449,399
		<u>2,185,229</u>	<u>-</u>	<u>2,185,229</u>	<u>2,050,905</u>
CURRENT ASSETS					
Debtors	11	63,418	-	63,418	35,930
Cash at bank		153,731	-	153,731	66,253
		<u>217,149</u>	<u>-</u>	<u>217,149</u>	<u>102,183</u>
CREDITORS					
Amounts falling due within one year	12	(168,954)	-	(168,954)	(39,856)
		<u>48,195</u>	<u>-</u>	<u>48,195</u>	<u>62,327</u>
NET CURRENT ASSETS					
		<u>2,233,424</u>	<u>-</u>	<u>2,233,424</u>	<u>2,113,232</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS					
Amounts falling due after more than one year	13	(47,500)	-	(47,500)	-
		<u>2,185,924</u>	<u>-</u>	<u>2,185,924</u>	<u>2,113,232</u>
NET ASSETS					

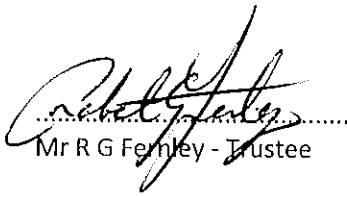
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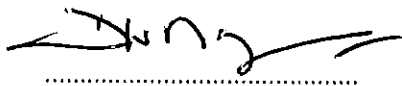
KNEBORTH HOUSE
EDUCATION & PRESERVATION TRUST

STATEMENT OF FINANCIAL POSITION - continued
28TH FEBRUARY 2021

FUNDS	15		
Unrestricted funds		<u>2,185,924</u>	<u>2,113,232</u>
TOTAL FUNDS		<u><u>2,185,924</u></u>	<u><u>2,113,232</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on ...17 Nov 2021..... and were signed on its behalf by:


.....
Mr R G Fernley - Trustee


.....
Mr D W Morgan - Trustee

The notes form part of these financial statements

**KNEBORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH FEBRUARY 2021**

1. STATUTORY INFORMATION

Knebworth House Education & Preservation Trust is a charitable organisation, registered in England and Wales. The charity's registration number and principal address can be found within the reference and administration details on page 1.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The financial statements have been prepared on a going concern basis.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Investments

Managed investments are shown in the balance sheet at market value less any provision necessary for permanent diminution in value. Investment properties, where capable of valuation, are shown at their open market value.

Fixed assets

Depreciation is provided on all tangible assets, with the exception of investment properties, at rates calculated to write off evenly the cost, of each asset, over its expected useful life of 5 years.

Neither the original value nor improvements to Knebworth House and Gardens are capitalised because the buildings are historic, inalienable and form part of the endowment.

Taxation

The Trust is a registered charity (No. 289346) and accordingly is not liable to taxation on its income, which is shown inclusive of tax recoverable and form part of the endowment.

**KNEBORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2021**

2. ACCOUNTING POLICIES - continued

Cost of generating funds

These costs refer to grant application and long term planning advice relating to the Trust land and property.

3. DONATIONS AND GRANTS

	2021	2020
	£	£
Donations	549	32,935
Grants	104,499	91,100
	<u>105,048</u>	<u>124,035</u>

4. INVESTMENT INCOME

	2021	2020
	£	£
Rents received	113,208	103,454
Listed investments	15,346	23,861
	<u>128,554</u>	<u>127,315</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
General	<u>368,094</u>	<u>33,252</u>	<u>401,346</u>

**KNEBworth HOUSE
EDUCATION & PRESERVATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2021**

6. SUPPORT COSTS

	Governance costs £ <u>33,252</u>
General	

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 28th February 2021 nor for the year ended 29th February 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 28th February 2021 nor for the year ended 29th February 2020.

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and grants	124,035	-	124,035
Investment income	127,315	-	127,315
Other income	100,570	-	100,570
	351,920	-	351,920
Total			
 EXPENDITURE ON			
Charitable activities			
General	406,103	-	406,103
Net gains on investments	4,645	-	4,645
	(49,538)	-	(49,538)
NET INCOME/(EXPENDITURE)			
 RECONCILIATION OF FUNDS			
Total funds brought forward	2,162,770	-	2,162,770
	2,113,232	-	2,113,232
TOTAL FUNDS CARRIED FORWARD			

**KNEBworth HOUSE
EDUCATION & PRESERVATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2021**

9. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Chattels £	Totals £
Cost or valuation				
At 1st March 2020	900,000	685,000	16,506	1,601,506
Revaluations	-	90,000	-	90,000
At 28th February 2021	<u>900,000</u>	<u>775,000</u>	<u>16,506</u>	<u>1,691,506</u>
Net book value				
At 28th February 2021	<u>900,000</u>	<u>775,000</u>	<u>16,506</u>	<u>1,691,506</u>
At 29th February 2020	<u>900,000</u>	<u>685,000</u>	<u>16,506</u>	<u>1,601,506</u>

Lytton Arms Public House

This was valued as at 15 August 2019 at an open market value of £900,000 by Brown and Lee, Chartered Surveyors. The original cost in 1985 was £281,302.

The property was initially subject to a 30 year lease granted on 29 May 1985, with a further 10 year extension granted on 25 March 2015. A revised lease was issued in March 2018.

Novotel

This was valued as at 15 August 2019 at an open market value of £685,000 by Brown and Lee, Chartered Surveyors. The original cost was £69,585.

Under the terms of the lease, peppercorn rent is payable to the Lessor until 31 March 2054, market rent is payable thereafter.

Knebworth House and Gardens

In the year ended 31st October 1985, the Trust received a 70 year lease of Knebworth House and Gardens. In the opinion of the Trustees, as the property is held as part of the objects of the Trust it is not considered appropriate to place a value on the Trust's interest in the property.

Land at entrance to Knebworth Park

On 6th February 1985 the Trust was gifted a 70 year lease of land at the entrance to Knebworth Park (the original hotel site). The land was valued in May 2020 on an open market value basis of £90,000 by Land Partners LLP, Chartered Surveyors. The land is let to Lytton Enterprises on a short term lease.

Chattels

Chattels acquired by the Trust are stated at cost.

**KNEBworth HOUSE
EDUCATION & PRESERVATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2021**

10. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Totals £
Market value			
At 1st March 2020	449,320	79	449,399
Additions	24,272	-	24,272
Disposals	(14,283)	-	(14,283)
Movement in market value	34,335	-	34,335
	<u>493,644</u>	<u>79</u>	<u>493,723</u>
Net book value			
At 28th February 2021	<u>493,644</u>	<u>79</u>	<u>493,723</u>
At 29th February 2020	<u>449,320</u>	<u>79</u>	<u>449,399</u>

The Trust's assets continue to be managed by Rathbone Investment Management Limited. As at 28 February 2021 the portfolio has been invested in the following assets:

U.K. Fixed Interest Securities - 15.73% (2020: 17.97%)
U.K. Equity Securities - 83.66% (2020: 81.35%)
Cash - 0.61% (2020: 0.68%)

The Trust holds a 79% interest (2020: 79%) in the issued share capital of Old Knebworth Amenity Company Limited, a non profit making management company which is registered in England. This company manages the Village Green in Old Knebworth. This is valued at cost, being £79.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Other debtors	12,775	-
VAT	23,201	9,981
Prepayments	27,442	25,949
	<u>63,418</u>	<u>35,930</u>

KNEBworth HOUSE
EDUCATION & PRESERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2021

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	2021	2020	
	£	£	
Bank loans and overdrafts (see note 14)	2,500	-	
Trade creditors	31,602	2,635	
Other creditors	134,852	37,221	
	<u>168,954</u>	<u>39,856</u>	
13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
	2021	2020	
	£	£	
Bank loans (see note 14)	47,500	-	
	<u>47,500</u>	<u>-</u>	
14. LOANS			
An analysis of the maturity of loans is given below:			
	2021	2020	
	£	£	
Amounts falling due within one year on demand:			
Bank loans	2,500	-	
	<u>2,500</u>	<u>-</u>	
Amounts falling between one and two years:			
Bank loans - 1-2 years	47,500	-	
	<u>47,500</u>	<u>-</u>	
15. MOVEMENT IN FUNDS			
	At 1.3.20	Net movement in funds	At 28.2.21
	£	£	£
Unrestricted funds			
General fund	2,113,232	72,692	2,185,924
	<u>2,113,232</u>	<u>72,692</u>	<u>2,185,924</u>
TOTAL FUNDS	<u>2,113,232</u>	<u>72,692</u>	<u>2,185,924</u>

**KNEB WORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2021**

15. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	335,827	(401,346)	138,211	72,692
	<u>335,827</u>	<u>(401,346)</u>	<u>138,211</u>	<u>72,692</u>
TOTAL FUNDS	<u>335,827</u>	<u>(401,346)</u>	<u>138,211</u>	<u>72,692</u>

Comparatives for movement in funds

	At 1.3.19 £	Net movement in funds £	At 29.2.20 £
Unrestricted funds			
General fund	2,162,770	(49,538)	2,113,232
	<u>2,162,770</u>	<u>(49,538)</u>	<u>2,113,232</u>
TOTAL FUNDS	<u>2,162,770</u>	<u>(49,538)</u>	<u>2,113,232</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	351,920	(406,103)	4,645	(49,538)
	<u>351,920</u>	<u>(406,103)</u>	<u>4,645</u>	<u>(49,538)</u>
TOTAL FUNDS	<u>351,920</u>	<u>(406,103)</u>	<u>4,645</u>	<u>(49,538)</u>

**KNEBworth HOUSE
EDUCATION & PRESERVATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2021**

16. RELATED PARTY DISCLOSURES

The Trustees have appointed Lytton Enterprises Limited to act as the Trust managers. The managers submit an annual expenditure budget to the Trustees and account on a monthly basis for the actual expenditure. Lytton Enterprises Limited also manages all the visitors to Knebworth House and Gardens and is remunerated on a revenue share agreement by the Trust. This amounted to £102,225 (2020: £100,750) for the year.

Included within charitable expenditure are expenses recharged by Lytton Enterprises Limited at cost of £228,291 (2020: £235,063) made up as follows:

Garden upkeep - £91,943 (2020: £101,408)
House maintenance - £86,065 (2020: £64,538)
Direct Trust costs - £26,424 (2020: £32,073)
Management overheads - £23,859 (2020: £37,044)

Lytton Enterprises Limited paid rent to the Trust of £14,200 (2020: £14,200) in respect of the family occupancy of the private areas of Knebworth House and Hon. Henry Lytton Cobbold paid rent of £1,200 (2020: £1,200) to the Trust for the occasional private use of public rooms within Knebworth House.

All rents are considered to be at market value and subject to regular review and negotiation.

**KNEB WORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 28TH FEBRUARY 2021**

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Donations and grants		
Donations	549	32,935
Grants	<u>104,499</u>	<u>91,100</u>
	105,048	124,035
Investment income		
Rents received	113,208	103,454
Listed investments	<u>15,346</u>	<u>23,861</u>
	128,554	127,315
Other income		
Income from house opening	<u>102,225</u>	<u>100,570</u>
Total incoming resources	335,827	351,920
EXPENDITURE		
Charitable activities		
Garden upkeep	91,943	101,408
House maintenance	88,011	64,538
Buildings and contents insurance	32,013	31,502
Education programme and direct trust costs	26,424	32,073
Management overheads	23,829	37,044
General	-	1,532
Strategic repairs	<u>105,874</u>	<u>113,952</u>
	368,094	382,049
Support costs		
Governance costs		
Trustees' indemnity insurance	2,368	2,021
Investment managers fee	2,649	3,300
Professional fees	12,938	10,594
Carried forward	<u>17,955</u>	<u>15,915</u>

This page does not form part of the statutory financial statements

**KNEBORTH HOUSE
EDUCATION & PRESERVATION TRUST**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 28TH FEBRUARY 2021**

	2021 £	2020 £
Governance costs		
Brought forward	17,955	15,915
Sundry expenses	615	2,334
Auditors' remuneration	5,250	5,538
Interest payable on loan	117	117
Bad debt	-	150
COVID grant	9,315	-
	<u>33,252</u>	<u>24,054</u>
Total resources expended	<u>401,346</u>	<u>406,103</u>
Net expenditure before gains and losses	(65,519)	(54,183)
Realised recognised gains and losses		
Realised gains	13,267	21,318
Unrealised gains / (losses)	34,944	(16,673)
	<u>17,308</u>	<u>(49,538)</u>
Net expenditure	(17,308)	(49,538)

This page does not form part of the statutory financial statements

Knebworth House Education & Preservation Trust
The Estate Office
Knebworth House
Knebworth
Hertfordshire
SG3 6PY

Wagstaffs
Richmond House
Walkern Road
Stevenage
Herts
SG1 3QP

05 October 2021

Dear Sirs

During the course of the audit of our financial statements for the period ended 28 February 2021, the following representations were made by us as the management and trustees of the charity.

Representation

- 1 We acknowledge as trustees our responsibilities for preparing financial statements, in accordance with the applicable financial reporting framework (UK GAAP) that give a true and fair view and for making accurate representation to you as auditors.
- 2 We confirm all accounting records had been made available to you for the purposes of your audit, in accordance with your terms of engagement, and that all transactions undertaken by the charity have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management and trustees meetings, had been made available to you. We have given you unrestricted access to persons within the charity in order to obtain audit evidence and have provided any additional information that you have requested for the purposes of your audit.
- 3 We confirm that significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- 4 We confirm all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework (UK GAAP).
- 5 We confirm there have been no events since the balance sheet date which require disclosing or which would materially affect the amounts in the financial statements, other than those already disclosed or included in the financial statements.

Cont'd/

- 6 We confirmed that the charity has had, at no time during the year, any arrangement, transaction or agreement to provide credit facilities (including loans, quasi loans or credit transactions) for trustees, nor to guarantee or provide security for such matters, except as already disclosed in the financial statements.
- 7 We confirm that the charity has not contracted for any capital expenditure other than as disclosed in the financial statements.
- 8 We confirm there are no laws or regulations central to the charity's ability to conduct its business.
- 9 We acknowledge our responsibility for the design and implementation of internal controls to prevent and detect fraud. We confirm we have disclosed to you the results of our own assessment of the risk of fraud in the business.
- 10 We confirm that there have been no actual or suspected instances of fraud involving management or employees who have a significant role in internal control or that could have a material effect on the financial statements. We also confirm that we are not aware of any allegations of fraud by former employees, regulators or others.
- 11 We confirm that, in our opinion, the charity is a going concern.
- 12 We confirm that we have assessed the impact of Covid-19 on the charity and do not believe this to have a material impact on the going concern status of the charity.
- 13 The effects of unadjusted mis-statements are immaterial, both individually and in aggregate, to the financial statements as a whole.
- 14 We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that;

So far as each trustee is aware, there is no relevant audit information of which you as auditors are unaware; and

Each trustee has taken all the steps that they ought to have as a trustee to make themselves aware of any relevant audit information and to establish that you are aware of that information.

We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and expertise (and, where appropriate of supporting documentation) sufficient to satisfy ourselves that we can properly make these representations to you and that to the best of our knowledge and belief they accurately reflect the representations made to you by the trustees during the course of your audit.

Yours faithfully



Knebworth House Education & Preservation Trust