

**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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**KNEBWORTH 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

**KNEBWORTH 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.

**KNEBWORTH 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.

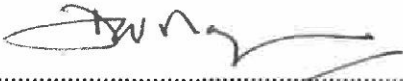
EVENTS SINCE THE END OF THE YEAR

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

**KNEBWORTH 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*

**KNEBWORTH 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

**KNEB WORTH 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					
		<u>2,410,739</u>	<u>-</u>	<u>2,410,739</u>	<u>2,535,615</u>
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					
		<u>2,313,887</u>	<u>-</u>	<u>2,313,887</u>	<u>2,378,115</u>

The notes form part of these financial statements

**KNEBWORTH 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.

**KNEBWORTH 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>

**KNEBWORTH HOUSE
EDUCATION & PRESERVATION TRUST**

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

6. SUPPORT COSTS

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

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
Total	<u>732,554</u>	<u>-</u>	<u>732,554</u>
EXPENDITURE ON			
Charitable activities			
General	580,119	-	580,119
Net gains on investments	39,756	-	39,756
NET INCOME	192,191	-	192,191
RECONCILIATION OF FUNDS			
Total funds brought forward	2,185,924	-	2,185,924
TOTAL FUNDS CARRIED FORWARD	<u>2,378,115</u>	<u>-</u>	<u>2,378,115</u>

**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	<u>900,000</u>	<u>775,000</u>	<u>16,506</u>	<u>1,691,506</u>
NET BOOK VALUE				
At 28th February 2023	<u>900,000</u>	<u>775,000</u>	<u>16,506</u>	<u>1,691,506</u>
At 28th February 2022	<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.

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

	At 1/3/22	Net movement in funds	At 28/2/23
	£	£	£
Unrestricted funds			
General fund	2,378,115	(64,228)	2,313,887
	<u>2,378,115</u>	<u>(64,228)</u>	<u>2,313,887</u>
TOTAL FUNDS	<u>2,378,115</u>	<u>(64,228)</u>	<u>2,313,887</u>

**KNEBWORTH 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> </u>	<u> </u>	<u> </u>	<u> </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> </u>	<u> </u>	<u> </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> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>732,554</u>	<u>(580,119)</u>	<u>39,756</u>	<u>192,191</u>

**KNEBWORTH 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.

**KNEBWORTH 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
Total incoming resources	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

**KNEBWORTH 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)	<u>(41,419)</u>	<u>14,215</u>
Net (expenditure)/income	<u>(64,228)</u>	<u>192,191</u>

This page does not form part of the statutory financial statements