

THE DENYS EYRE BOWER BEQUEST

England & Wales · Charity number 291203

Details

Status Registered

Legal form Other

Registered 1985-02-28

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

Contact

Address Chiddingstone Castle
Hill Hoath Road
Chiddingstone
Edenbridge
TN8 7AD

Phone 01892870347

Email trustees@chiddingstonecastle.org.uk

Website www.chiddingstonecastle.org.uk

Activities

Objects: THE MAINTENANCE AND PRESERVATION IN PERPETUITY FOR THE BENEFIT OF THE PUBLIC OF: (I). CHIDDINGSTONE CASTLE AND ITS GROUNDS AS A PLACE OF BEAUTY AND HISTORIC AND NATURAL INTEREST BEING THE LAND WITH THE BUILDINGS THEREON SPECIFIED IN PART I OF THE SCHEDULE TO THE SAID SCHEME. (II). THE PERMANENT COLLECTIONS AS ITEMS OF AESTHETIC, HISTORIC, OR OTHER EDUCATION VALUE.

Activities: The primary objective of the Denys Eyre Bower Bequest is the preservation and maintenance of Chiddingstone Castle and its contents, including the collections of the late Denys Eyre Bower, in perpetuity for the benefit of the public.

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage
- **Who:** Children/young People, The General Public/mankind

Geography

- **Area of benefit:** CHIDDINGSTONE.
- Kent

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£423,846	£519,129	-	-
2023-12-31	£393,915	£441,953	-	-
2022-12-31	£422,389	£384,770	-	-
2021-12-31	£811,076	£388,036	£18,161,331	10
2020-12-31	£373,924	£357,563	-	-

Trustees

Name	Role	Appointed
Bower Bequest Trustee Company Limited		2015-07-13

THE DENYS EYRE BOWER BEQUEST

England & Wales - Charity number 291203

Accounts

**The
Denys
Eyre
Bower
Bequest**

Annual Report and Accounts

31 December 2024

Charity Registration Number
291203

Contents

Reports

Reference and administrative information	1
Trustees' report	2
Independent auditor's report	7

Accounts

Statement of financial activities	14
Balance sheet	16
Statement of cash flows	17
Principal accounting policies	18
Notes to the accounts	23

Reference and administrative information

Corporate trustee	Bower Bequest Trustee Company Limited
Directors of the corporate trustee Bower Bequest Trustee Company Limited	Timur Coskun Graham Dixon Vivienne Lawes Nancy Olden Rebecca Nuotio Alan Smart Rachel Yates
Estate Manager and Company Secretary	Mike Glossop (resigned 26.02.2025) Nancy Olden (from 26.02.2025)
Principal office	Chiddingstone Castle Hill Hoath Road Chiddingstone Edenbridge Kent TN8 7AD
Charity registration number	291203
Auditor	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
Principal bankers	National Westminster Bank plc 89 Mount Pleasant Road Tunbridge Wells Kent TN1 1QJ

The trustees present their statutory report together with the accounts of The Denys Eyre Bower Bequest for the year ended 31 December 2024.

The accounts have been prepared in accordance with the accounting policies set out on pages 18 to 22 of the attached accounts and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

INTRODUCTION

Chiddingstone Castle is a well-loved local landmark and offers insight into local history and an unexpectedly wide range of benefits to the public.

The building itself is of modest historical and architectural importance located in an area of Kent studded with prestigious and well-known historic houses.

The collections housed within the castle contain artifacts of a quality and with historical and cultural significance that would normally be associated with a national museum located in a major city. As such they provide a valuable educational resource to local schools, the local community and special interest groups, both national and globally.

The grounds provide a free-of-charge open air recreational space consisting of lawns, woodlands, trails and a lake which are enjoyed by all age groups. The grounds are sympathetically managed to promote both recreation and wildlife, providing an opportunity to connect with the natural environment.

The castle viewed in conjunction with its collections and the story of how they were assembled gives an important insight into the history of the Southeast of England and its place within Britain and the wider world.

The trustees are keenly aware of the wide range of public benefits Chiddingstone Castle provides and are determined to promote and enhance those cultural, educational and recreational opportunities.

The castle and its collections were bequeathed to the nation without an annuity to maintain the building, its grounds or artifacts. As a small independent charity, Chiddingstone Castle relies upon visitor receipts, profits from its tearoom and tenancy rental for income. In addition the charity has invested in an events company which is licenced to use the castle and grounds to conduct weddings and other events.

Matching the repair and maintenance needs of the charity with these income streams is a delicate balancing act. The trustees and staff of Chiddingstone Castle are actively pursuing grant funding and the support of patrons to further its work to deliver benefit to as wide a range of the public as possible.

OBJECTIVE

The primary objective of The Denys Eyre Bower Bequest is the preservation and maintenance of Chiddingstone Castle and its contents, including the collections of the late Denys Eyre Bower, in perpetuity for the benefit of the public, in particular by ensuring reasonable public access.

The charity ensures that, at all times, it is acting in the public benefit and the trustees confirm that they have paid due regard to the Charity Commission's public benefit guidance.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Constitution

The charity is governed by a Scheme of the Charity Commission dated 13 August 1984, as subsequently amended by further Schemes. It is a charity registered in England and Wales, Charity Registration No. 291203.

Trustees

Following the sealing of a Charity Commission Scheme, on 19 September 2008, individual trustees were replaced with a corporate trustee, the Bower Bequest Trustee Company Limited. The directors of the corporate trustee (referred to in this document as the 'trustees') who were in office during the year and/or at the date on which these accounts were approved are as follows:

Trustee	Appointed / resigned
Timur Coskun	Appointed 10 June 2025
Margaret Cooke	Resigned 26 February 2024
Graham Dixon	
Richard Gilbert	Resigned 20 March 2025
Ruth Goldman	Resigned 21 October 2024
Mark Hinton	Resigned 26 February 2025
Julia Hutt	Resigned 26 February 2025
Vivienne Lawes	Appointed 10 June 2025
Nancy Olden	
Annabel Narayanan	Resigned 26 February 2025
Rebecca Nuotio	
Alan Smart	Appointed 10 June 2025
Rachel Yates	

No trustee received any remuneration from the charity in respect of their services during either the year ended 31 December 2024 or the year ended 31 December 2023.

One trustee receive reimbursement of £50 for out-of-pocket travel expenses during the year, which was subsequently donated back to the charity (2023 - £50). The trustees take responsibility for monitoring the charity's activities in all operational areas, working to achieve a skills mix of the trustees to ensure that the board of trustees has all the necessary skills required to contribute fully to the charity's development. The trustees have put robust governance and financial procedures in place to ensure the sound stewardship of the charity and its assets.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Statement of trustees' responsibilities

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

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources of the charity for that period. In preparing these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's governing Scheme. 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.

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

Risk management

As part of the work towards building robust governance procedures, the trustees assess the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, its heritage assets and its finances. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they will ensure effective systems to mitigate those risks.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management (continued)

The key risks identified by the trustees and the controls in place to mitigate them are summarised below:

- ◆ Damage to the charity's Collections resultant from poor conservation techniques and procedures. The charity employs a Curator to ensure the Collections are cared for in the best possible environmental conditions, and conservators are recruited as necessary.
- ◆ Insufficient fundraising, including poor visitor numbers. The charity employs a small but dedicated team of staff, supported by volunteers. The charity also employs a freelance Marketing specialist to assist in raising the profile of the Castle and its activities through copy editorial rather than advertising. Staff also use many social media platforms to raise the profile and keep prospective visitors informed of activities.
- ◆ Injury or illness caused to visitors whilst visiting the Castle and resultant possible negative publicity. The charity employs an Estate Manager to ensure all risks associated with visiting the Castle and grounds (the lake, waterfall, haha wall, caves, woodland, interior of the Castle etc.), have been adequately evaluated for safety. Public liability insurances are all in place. Two members of staff are registered First Aiders. Catering staff and the kitchen are compliant with food and hygiene regulations.

Senior executives

Name	Position
Mike Glossop (resigned from role 26.02.2025)	Estate Manager (and Company Secretary)
Clare Proctor (resigned from role 26.02.2025)	Finance and Operations Manager
Faye Kelly	Chief Executive Officer

Key management personnel

The key management personnel of The Denys Eyre Bower Bequest, responsible for directing and controlling, running and operating the charity, comprise the Trustees and the Senior Executives referred to above.

The Trustees do not receive remuneration in respect of their services to the charity. The remuneration of the Chief Executive Officer, Estate Manager, and Finance and Operations Manager is determined by the Trustees having regard to market conditions, individual performances, and the financial situation of the charity.

DEVELOPMENTS, ACHIEVEMENTS AND FUTURE PLANS

The trustees hope that 2024 will prove to be a pivotal year in the Charity's fortunes. Considerable effort has gone into reshaping and streamlining the management of the organisation. The board of trustees has been reduced in size to speed up decision making. A new Chief Executive with a background in the heritage sector has been appointed.

A new visitor opening times regime for The Castle has been instituted and the events programme for The Castle has been extensively overhauled. This has been done to raise visitor numbers and to boost revenues from admissions and secondary spend in the tearoom and shop. It is also in line with the Charity's mission to make the collections and the grounds more widely available to the public. The single-entry ticket price has also been replaced with an annual ticket to enhance the value to potential visitors.

At the same time the operation of the Charity's events company has been fundamentally reshaped. It is hoped that this will lead to a greater number of private events held in The Castle and grounds and a corresponding increase in funds to support the work of the charity.

As with most projects of this sort, costs are incurred in advance of the expected increase in revenues. This is evident in the 2024 results for the charity. The extra wages of the new appointment have increased cost in the year. The expected benefits should start to accrue in 2025. The trustees will closely monitor developments in 2025.

This has been a particularly challenging year for the charity. A combination of rising energy prices and the cost-of-living crises have had a considerable effect on results. Chiddingstone Castle was not designed or built with energy efficiency in mind. This combined with the need to provide a suitably controlled environment for the delicate objects in the collections make the charity vulnerable to changes in energy costs.

It has proved difficult to attract more visitors to the castle or to increase other forms of revenue in a depressed economic climate when recreation and heritage are not at the top of people's expenditure priorities. The trustees are concerned that the charity's financial performance should improve despite external conditions and have instituted changes to the way day to day operations are managed. In addition, new operating strategies are being developed in conjunction with the management team.

During 2024, a new Chief Executive Officer has been appointed to run the business of Chiddingstone Castle Events Ltd. They have been tasked with reinvigorating the events programme, overhauling the weddings operation and making changes to the visitor and tearoom experiences. Early indications are encouraging.

Behind the scenes cataloguing and conservation work in respect of the collections continues. A number of grants were obtained for the restoration and preservation of some of the most vulnerable items in the collection.

Within the grounds a great deal of work has been done, particularly by our dedicated volunteers, to improve both the presentation of the Castle grounds and their value as habitat to support biodiversity.

DEVELOPMENTS, ACHIEVEMENTS AND FUTURE PLANS (Continued)

The trustees are researching wider trends within museums, historic houses, heritage fundraising and environmental and social responsibility governance to create an updated conservation management plan action plan for Chiddingstone Castle so that it can continue to meet its mission in a responsible and sustainable manner.

FINANCIAL REPORT FOR THE YEAR

A summary of the year's results can be found on page 14 of the attached accounts.

Total income for the year ended 31 December 2024 amounted to £423,846 (2023 – £393,915). Expenditure totalled £519,129 (2023 – £441,953) reflecting expenditure on staff costs, building and grounds maintenance and other costs associated with the preservation of the Castle and collections). The resultant net expenditure is £95,283 (2023 – net expenditure £48,038).

Reserves policy and financial position

Reserves policy

The trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the fact that the major maintenance work will need to continue over the next few years, the level of free reserves should be equivalent to 3 months' annual expenditure at the very least. The trustees are of the opinion that this provides sufficient flexibility to cover temporary shortfalls in income due to timing differences in income flows, adequate working capital to cover core costs, and will allow the charity to cope and respond to unforeseen emergencies whilst action plans are implemented. Therefore, it is the trustees' intention, as the charity improve its surplus, to maintain a free cash reserve of at least £100,000.

Financial position

The total funds of the charity at 31 December 2024 amounted to £18,055,629 (2023 – £18,150,912).

These funds included endowment funds of £19,040,501 (2023 – £19,040,501) including expendable endowments of £161,272 (2023 – £161,272). Whilst income from the permanent endowment funds may be used for general purposes of the charity and is credited, therefore, to unrestricted funds, the permanent endowment fund balances themselves are deemed 'capital' and must be invested and held indefinitely by the charity.

Funds restricted to specific purposes amounted to £3,701 at 31 December 2024 (2023 – £3,701).

FINANCIAL REPORT FOR THE YEAR (continued)

General funds of the charity at 31 December 2024 were in deficit by £988,573 (2023 – £893,290). The trustees were aware that the charity's general funds would be in deficit and they expect this position to remain for many years. In the meantime, following the sale of the Lely painting in 2007, the charity's endowment funds has advanced funds to the general funds to enable the charity to continue to work towards meeting the purposes for which it was established. In 2021 the trustees took the decision to sell 'the Lodge' to support the charity's objects; the sale was completed following the year end for consideration of £575,000 leading to a gain on disposal of £375,445.

The interfund indebtedness has been created with the permission of the Charity Commission. In due course, if possible, the funds will be repaid to the endowment funds with interest. The accounts have been prepared on a going concern basis. This is based on a mixture of actual performance and projections to December 2025. The trustees have given consideration to December 2026. The key projections relate to a number of initiatives including the loaning of part of the collection to Houston Museum of Natural Science, continuing rental income and taking account of the matters discussed in the Risk Management section above.

Raising Funds

The charity aims to achieve best practice in the way in which it communicates with supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. The charity is registered with the Fundraising Regulator and adheres to the Code of Fundraising Practice. It applies best practice to protect supporters' data and never sells data, it never swaps data with other organisations and ensures that its communication preferences can be changed at any time. The charity manages its own fundraising activities and does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During 2024, the charity received no complaints about its fundraising activities.

Approved by the trustees and signed on their behalf by:



Nancy Olden
Trustee

Approved by the trustees on: 22 July 2025

Independent auditor's report to the trustees of The Denys Eyre Bower Bequest

Opinion

We have audited the accounts of The Denys Eyre Bower Bequest (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies, and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2024 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these. 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 accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts 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 accounts are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, including the trustees' report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- ◆ the information given in the trustees' report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records; 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 contained within the trustees' report, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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.

Auditor's responsibilities for the audit of the accounts

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

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement director ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the accounts are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011); and
- ◆ we understood how the charity is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of the minutes of trustees' meetings.

Auditor's responsibilities for the audit of the accounts (continued)

We assessed the susceptibility of the charity's accounts to material misstatement, including obtaining an understanding of how fraud might occur. Audit procedures performed by the engagement team included:

- ◆ identifying and assessing the design effectiveness of controls 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;
- ◆ performing substantive testing on expenditure;
- ◆ reviewing journal entries; and
- ◆ assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the relevant accounts item to which they relate.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships
- ◆ investigated the rationale behind significant or unusual transactions, if any; and
- ◆ reviewing journal entries to identify unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Buzzacott Audit LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Buzzacott Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Statement of financial activities incorporating the income and expenditure account Year to 31 December 2024

		General funds £	Restricted funds £	Endowment funds			Total 2024 £	Total 2023 £
				Freehold land and buildings £	Permanent collection £	Reserve collection £		
Income from:								
Grants and donations	1	34,215	5,570	—	—	—	39,785	57,474
Other trading activities								
. Rental income		97,920	—	—	—	—	97,920	92,100
. Licence fee		9,000	—	—	—	—	9,000	9,000
Charitable activities								
. Preservation of the Castle and collections	2	274,959	—	—	—	—	274,959	232,188
Other sources								
. Interest income		2,182	—	—	—	—	2,182	246
. Insurance income		—	—	—	—	—	—	2,907
		<u>418,276</u>	<u>5,570</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>423,846</u>	<u>393,915</u>
Expenditure on:								
Charitable activities								
. Preservation of the Castle and collections	3	513,559	5,570	—	—	—	519,129	441,953
		<u>513,559</u>	<u>5,570</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>519,129</u>	<u>441,953</u>
Net expenditure and net movement in funds	6	(95,283)	—	—	—	—	(95,283)	(48,038)
Reconciliation of funds:								
Balances brought forward at 1 January 2024		<u>(893,290)</u>	<u>3,701</u>	<u>11,396,512</u>	<u>7,482,717</u>	<u>161,272</u>	<u>18,150,912</u>	18,198,950
Balances carried forward at 31 December 2024		<u>(988,573)</u>	<u>3,701</u>	<u>11,396,512</u>	<u>7,482,717</u>	<u>161,272</u>	<u>18,055,629</u>	18,150,912

All of the charity's activities derived from continuing operations during the above financial year.

A full comparative statement of financial activities for the previous year can be found on the next page of these financial statements.

Statement of financial activities incorporating the income and expenditure accounts Year to 31 December 2023

		General funds £	Restricted funds £	Endowment funds			Total 2023 £
				Freehold land and buildings £	Permanent collection £	Reserve collection £	
Income from:							
Grants and donations	1	49,247	8,227	—	—	—	57,474
<i>Other trading activities</i>							
. Rental income		92,100	—	—	—	—	92,100
. Licence fee		9,000	—	—	—	—	9,000
<i>Charitable activities</i>							
. Preservation of the Castle and collections	2	232,188	—	—	—	—	232,188
<i>Other sources</i>							
. Interest income		246	—	—	—	—	246
. Insurance income		2,907	—	—	—	—	2,907
		<u>385,688</u>	<u>8,227</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>393,915</u>
Expenditure on:							
<i>Charitable activities</i>							
. Preservation of the Castle and collections	3	435,726	6,227	—	—	—	441,953
		<u>435,726</u>	<u>6,227</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>441,953</u>
Net (expenditure)/income and net movement in funds							
	6	(50,038)	2,000	—	—	—	(48,038)
Reconciliation of funds:							
<i>Balances brought forward at 1 January 2023</i>							
		<u>(843,252)</u>	<u>1,701</u>	<u>11,396,512</u>	<u>7,482,717</u>	<u>161,272</u>	<u>18,198,950</u>
Balances carried forward at 31 December 2023							
		<u>(893,290)</u>	<u>3,701</u>	<u>11,396,512</u>	<u>7,482,717</u>	<u>161,272</u>	<u>18,150,912</u>

Balance sheet 31 December 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	9		689		1,748
Heritage assets	10		17,849,012		17,849,012
			<u>17,849,701</u>		<u>17,850,760</u>
Current assets					
Debtors	11	79,353		116,746	
Cash at bank and in hand		162,514		214,065	
		<u>241,867</u>		<u>330,811</u>	
Creditors: amounts falling due within one year	12	<u>(35,939)</u>		<u>(30,659)</u>	
Net current assets			<u>205,928</u>		<u>300,152</u>
Total assets less current liabilities			<u>18,055,629</u>		<u>18,150,912</u>
Total net assets			<u>18,055,629</u>		<u>18,150,912</u>
The funds of the charity:					
Capital funds:					
Permanent endowment funds					
. Freehold land and buildings	13		11,396,512		11,396,512
. Permanent collection	14		7,482,717		7,482,717
Expendable endowment funds					
. Reserve collection	14		161,272		161,272
			<u>19,040,501</u>		<u>19,040,501</u>
Income funds:					
Unrestricted funds			(988,573)		(893,290)
Restricted funds	15		3,701		3,701
			<u>(984,872)</u>		<u>(889,589)</u>
			<u>18,055,629</u>		<u>18,150,912</u>

Approved by the trustees
and signed on their behalf by:

Nancy Olden
Trustee

Approved on:

Statement of cash flows Year to 31 December 2024

	Notes	2024 £	2023 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(53,733)	(41)
Cash flows from investing activities			
Interest received		2,182	246
Net cash generated from investing activities		2,182	246
Change in cash and cash equivalents in the year		51,551	205
Cash and cash equivalents at 1 January 2024	B	214,065	213,860
Cash and cash equivalents at 31 December 2024	B	162,514	214,065

Notes to the statement of cash flows for the year to 31 December 2024.

A Reconciliation of net expenditure to net cash flows from operating activities

	2024 £	2023 £
Net expenditure (as per the statement of financial activities)	(95,283)	(48,038)
Adjustments for:		
Depreciation charge	1,059	1,340
Interest receivable	(2,182)	(246)
Decrease in debtors	37,393	59,405
Increase/(decrease) in creditors	5,280	(12,502)
Net cash used in operating activities	(53,733)	(41)

B Analysis of cash and cash equivalents and net debt

	At 1 January 2024 £	Cash flows £	At 31 December 2024 £
Cash and cash equivalents			
Cash at bank and in hand	214,065	(51,551)	162,514
	214,065	(51,551)	162,514
Borrowings			
	—	—	—
	214,065	(51,551)	162,514

Principal accounting policies 31 December 2024

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of accounting

These accounts have been prepared for the year to 31 December 2024 with comparative information given in respect to the year to 31 December 2023.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

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

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Consolidation

Group accounts have not been prepared for the charity and its subsidiary company, Chiddingstone Castle Events Limited, as the group qualifies as a small group as defined by Financial Reporting Standards.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ assessing the possibility of the heritage assets being impaired below their carrying value (deemed historic cost); and
- ◆ estimating future income and expenditure flows to enable the trustees to assess the charity's going concern.

Assessment of going concern

The trustees assess whether the use of the going concern basis in preparing the financial statements is appropriate i.e. whether there are any material uncertainties related to the events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of approval of the accounts.

Assessment of going concern (continued)

In assessing going concern, the trustees have reviewed actual performance to August 2024 and projections to December 2025 and thereafter. The projections include a number of continuing initiatives such as the loaning of part of the collection to Houston Museum of Natural Science, as well as annual rental income and the resumption of donations from the operating subsidiary based on an overhauled weddings business and a revitalised public events program. The trustees are also confident that a revised visitor and tearoom experience will further enhance income.

Whilst the trustees are aware of the risks associated with the current cost of living crisis and higher energy costs they believe the charity is in a sufficiently strong financial position to weather these conditions and therefore that it is appropriate to prepare the financial statements on a going concern basis and there are no material uncertainties in relation to this.

Income recognition

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income comprises grants, donations, rental income, licence fees, visitors' fees, income from fairs and festivals, fees from the loaning of items of the collections to other museums and insurance claims.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Grants from government, other agencies and voluntary bodies have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Rental income, visitors' fees, licence fees, fees from the loaning of the collections to other museums, income from fairs and festivals, and insurance claims are recognised to the extent that it is probable that the economic benefits will flow to the charity and the income can be reliably measured. It is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Receipts from insurance claims are recognised gross of any expenditure required to rectify related damage and classified as miscellaneous income.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment 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.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings.

Expenditure on charitable activities comprises those costs (direct and support) relating to the charity's primary charitable purposes i.e. the maintenance and preservation of Chiddingstone Castle and the collections.

All expenditure is stated inclusive of irrecoverable VAT.

Support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel, financial procedures, provision of office services and equipment, and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are included as part of the costs of preserving the Castle and the collections.

Tangible fixed assets

Assets costing more than £1,000 with an expected useful life exceeding one year are capitalised.

Depreciation is provided at the following annual rate in order to write off each asset over its estimated useful life.

- Furniture and equipment – 10% to 20% per annum
- Landscaping and groundworks – 10% to 20% per annum

Heritage assets

Heritage assets have historic, artistic, scientific, technological, geophysical or environmental qualities and are held and maintained principally for their contribution to knowledge and culture.

Heritage assets (continued)

Freehold land and buildings

The freehold land and buildings comprising Chiddingstone Castle are included in the accounts at deemed cost, based on a valuation determined by the trustees with professional assistance in 2007. This valuation was based on replacement cost for existing use. Subsequent additions are included and carried at historic cost. No depreciation is provided on the freehold land and buildings. The charity's objects relate to the maintenance and preservation of the Castle for the benefit of the nation and future generations. As such the trustees ensure that the fabric and structure of the Castle is preserved at all times and that there is no diminution in the value of the asset.

The Collections

The permanent and reserve collections comprise Japanese armour and swords, pictures, prints, furniture, lacquer works and other antiquities. The items are included in the accounts at a deemed cost, based on a valuation determined by Messrs Christie Manson & Woods Limited in June 2007. This calculation was based on auction estimates as at that date. No depreciation is charged on the Collections given the nature of the assets and the fact that the charity's objects relate to their maintenance and preservation. The assets are preserved and maintained to a high standard at all times, but a review for possible impairment as a result of unintended damage is undertaken annually.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions 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. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

The endowment funds comprise monies which must be held indefinitely as capital, and are represented by the Castle and collections. Income therefrom is credited to general funds and applied for general purposes. Amounts arising as a result of revaluations of assets held as part of the funds are retained as part of the relevant fund. Amounts arising from disposals of assets held as part of the freehold land and buildings fund or the permanent collection fund are considered to be part of the fund (unless express consent has been obtained from the Charity Commission to allow otherwise) whereas amounts arising in respect to disposals of assets held as part of the reserve collection fund may be utilised for general purposes under certain circumstances.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

1 Income from grants and donations

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2024 £
Donations	34,215	2,000	—	36,215
Grants				
. Royal Pavilion and Museums Trust	—	2,000	—	2,000
. The Warren Meadows Trust	—	934	—	934
. The Leche Trust	—	636	—	636
2024 total funds	34,215	5,570	—	39,785
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Endowment funds £</i>	<i>Total 2023 £</i>
<i>Donations</i>	49,247	—	—	49,247
<i>Grants</i>				
. <i>AIM funding</i>	—	1,983	—	1,983
. <i>Leader funding</i>	—	3,000	—	3,000
. <i>Arts Council England</i>	—	934	—	934
. <i>SEMD Funding</i>	—	2,310	—	2,310
<i>2022 total funds</i>	<i>49,247</i>	<i>8,227</i>	<i>—</i>	<i>57,474</i>

2 Income from activities to preserve the Castle and collections

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2024 £
Visitors' fees and related income	258,206	—	—	258,206
Fees for loan of part of the collections (see below)	16,753	—	—	16,753
2024 total funds	274,959	—	—	274,959
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Endowment funds £</i>	<i>Total 2023 £</i>
<i>Visitors' fees and related income</i>	205,688	—	—	205,688
<i>Fees for loan of part of the collections (see below)</i>	26,500	—	—	26,500
<i>2023 total funds</i>	<i>232,188</i>	<i>—</i>	<i>—</i>	<i>232,188</i>

During the above two years, part of the Egyptian Collection continued to be loaned to the Houston Museum of Natural Science, Texas, United States of America. The current agreement was renewed for a six-year period, beginning in October 2019. We are currently in discussion with HMNS regarding the return of approximately 150 items and the continued loan of the remainder of the collection they currently display. No figures, or length of contract, have been discussed as yet.

3 Expenditure on charitable activities: Preservation of the Castle and collections

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2024 £
Staff costs (note 7)	252,733	—	—	252,733
Building maintenance and refurbishment	21,126	—	—	21,126
Other property expenses	82,012	5,570	—	87,582
Gift shop and café purchases	35,302	—	—	35,302
Support costs (note 4)	76,929	—	—	76,929
Miscellaneous expenses	45,457	—	—	45,457
2024 total funds	513,559	5,570	—	519,129
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Endowment funds £</i>	<i>Total 2023 £</i>
Staff costs (note 7)	210,978	—	—	210,978
Building maintenance and refurbishment	14,596	—	—	14,596
Other property expenses	91,068	6,227	—	97,295
Gift shop and café purchases	26,823	—	—	26,823
Support costs (note 4)	49,915	—	—	49,915
Miscellaneous expenses	42,346	—	—	42,346
2023 total funds	435,726	6,227	—	441,953

4 Support costs

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2024 £
Premises	8,225	—	—	8,225
Depreciation	1,059	—	—	1,059
Marketing	24,378	—	—	24,378
Advertising and publicity	7,830	—	—	7,830
Professional fees	18,464	—	—	18,464
Governance costs (note 5)	16,973	—	—	16,973
2024 total funds	76,929	—	—	76,929
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Endowment funds £</i>	<i>Total 2023 £</i>
Premises	6,706	—	—	6,706
Depreciation	1,342	—	—	1,342
Marketing	14,906	—	—	14,906
Advertising and publicity	1,747	—	—	1,747
Professional	9,146	—	—	9,146
Governance costs (note 5)	16,068	—	—	16,068
2023 total funds	49,915	—	—	49,915

5 Governance costs

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2024 £
Auditor's remuneration				
. Statutory audit services	11,130	—	—	11,130
. Other services	5,843	—	—	5,843
2024 total funds	16,973	—	—	16,973
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £
Auditor's remuneration				
. Statutory audit services	10,500	—	—	10,500
. Other services	5,568	—	—	5,568
2023 total funds	16,068	—	—	16,068

6 Net expenditure and net movement in funds

This is stated after charging:

	Total 2024 £	Total 2023 £
Staff costs (note 7)	252,733	210,978
Auditor's remuneration		
. Statutory audit services	11,130	10,500
. Other services	1,690	5,568
Depreciation	1,059	1,340

7 Staff costs

Costs payable to staff and contract workers during the year were as follows:

	2024 £	2023 £
Wages and salaries	232,660	196,057
Social security costs	14,530	11,172
Pension costs	4,716	3,694
	251,906	210,923
Other related staff costs:		
. Recruitment costs	—	55
. Agency costs	827	—
	252,733	210,978

The average number of employees during the year, analysed by function, was as follows:

	2024 FTE	2023 FTE	2024 Number	2023 Number
Preservation of the Castle and collection	5.0	5.0	20	12

7 Staff costs (continued)

No employee earned £60,000 per annum or more during the year (2023 – none).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis comprise the trustees, the Estate Manager, the Finance and Operations Manager and the Chief Executive Officer. The CEO is employed and paid through the charity, although 25% of their time is allocated to CCE. This proportion is recharged accordingly. The key management personnel remuneration figure disclosed below related solely to amounts directly incurred by the charity and therefore excludes the 25% of he CEO's salary that is recharged. The total remuneration of the key management personnel for the year was £109,436 (2023 – £94,254).

8 Taxation

The Denys Eyre Bower Bequest is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

9 Tangible fixed assets

	Landscaping and groundworks £	Furniture and equipment £	Total £
Cost			
At 1 January 2024 and at 31 December 2024	14,631	168,737	183,368
Depreciation			
At 1 January 2024	14,631	166,989	181,620
Charge for year	—	1,059	1,059
At 31 December 2024	14,631	168,048	182,679
Net book values			
At 31 December 2024	—	689	689
At 31 December 2023	—	1,748	1,748

10 Heritage assets

	Freehold land and buildings £	Collections £	Total £
At cost	17,512	—	17,512
At deemed cost	11,379,000	6,452,500	17,831,500
At 1 January 2024 and at 31 December 2024	11,396,512	6,452,500	17,849,012

10 Heritage assets (continued)

Freehold land and buildings above comprise Chiddingstone Castle which, as described in the trustees' report, has existed in three forms on its current site since the 1500s and now houses the four permanent collections of the late Denys Eyre Bower (see below). The preservation of the castle and the collections for the benefit of the public is the primary purpose of the charity. On his death, the late Denys Eyre Bower wished to bequeath his treasures to the nation and believed strongly that the collections should be enjoyed in the "living surroundings" of the Castle and should not be segregated in a museum.

In accordance with the charity's governing document, a Scheme of the Charity Commissioners for England and Wales dated 17 August 1984, the objects of the charity are the maintenance and preservation, in perpetuity for the benefit of the public, of Chiddingstone Castle and its grounds and those items in the collections described as "permanent collections". These assets are regarded, therefore, as assets belonging to permanent endowment funds.

Items in the collections not regarded as "permanent collections" form part of the "reserve collections". In accordance with clause 4 of the Scheme of the Charity Commissioners dated 1 November 2005, assets comprising the reserve collection can be sold or transferred given the existence of certain specified conditions. These assets, therefore, are regarded as belonging to expendable endowment funds.

The Castle has been included in the accounts at a trustees' valuation carried out in 2007 based on replacement cost for existing use obtained using professional help. Following the completion of extensive repair work to the Orangery during 2007, certain aspects of the freehold land and buildings were revalued in 2007 by the trustees – again on a replacement cost for existing use obtained using professional assistance. These valuations are treated as 'deemed cost' for the purposes of these accounts. Subsequent additions are included and carried at historic cost.

The collections comprise items collected by the late Denys Eyre Bower over his life time and have been available for public viewing at the castle since March 2009. The collections may be summarised as follows:

	2024 £	2023 £
Japanese armour and swords	275,050	275,050
Antiquities (including Buddhist and Egyptian)	3,930,828	3,930,828
Pictures, prints and furniture	269,472	269,472
Japanese ceramics and objects	1,559,835	1,559,835
Portrait miniatures, memorabilia, tobacco boxes, medals, books, lacquer, autograph letters and manuscripts (including Jacobite)	417,315	417,315
	6,452,500	6,452,500

The collections are included in the accounts at a valuation determined by Messrs Christie Manson & Woods Limited in June 2007. The valuation is based on auction estimates as at that date. The trustees are aware that the valuations of the collections will vary over time due to market conditions; however, given the permanent nature of the collections, they believe that no useful purpose would be served by updating them on a regular basis for the accounts. As such, the valuations are treated as deemed cost for the purposes of these accounts.

10 Heritage assets (continued)

During the above two years, part of the Egyptian Collection continued to be loaned to the Houston Museum of Natural Science, Texas, United States of America. The current agreement was renewed for a six-year period, beginning in October 2019. We are currently in discussion with HMNS regarding the return of approximately 150 items and the continued loan of the remainder of the collection they currently display. No figures, or length of contract, have been discussed as yet.

Preservation and management

As indicated in the trustees' report, the primary objective of the Denys Eyre Bower Bequest is the preservation and maintenance of Chiddingstone Castle and its contents, including the collections of the late Denys Eyre Bower, in perpetuity for the benefit of the public. To this end, the charity employs curatorial staff, supported by appropriately skilled trustees, and operates the castle in an appropriately secure manner commensurate with the objective of public benefit.

11 Debtors

	2024 £	2023 £
Trade debtors	12,182	17,493
Amount due from Chiddingstone Castle Events Limited	52,068	89,907
VAT recoverable	—	251
Accrued income	15,103	9,095
	79,353	116,746

12 Creditors: amounts falling due within one year

	2024 £	2023 £
Taxation and social security	4,970	4,668
Compensation payable to life tenants	771	771
Expense and other creditors	10,795	2,810
Accruals and deferred income	18,858	22,410
VAT payable	545	—
	35,939	30,659

Deferred income (included within accruals and deferred income above:)	2024 £	2023 £
Deferred Income at 1 January 2024	6,250	6,250
Released during the year	(6,250)	(6,250)
Resources deferred in the year	5,000	6,250
Deferred Income at 31 December 2024	5,000	6,250

Deferred income of £5,000 (2023 – £6,250) relates to income in relation to the loan of Egyptian Artefacts to the Houston Museum in Texas, USA, which was invoiced in advance of the period to which it pertains. There were no other amounts held as deferred income at 31 December 2024 (2023 – £nil).

13 Endowment funds: Freehold land and buildings

	At 1 January 2024 £	Income £	Expenditure £	Revaluation and transfers £	At 31 December 2024 £
Chiddingstone Castle (note 10)	11,396,512	—	—	—	11,396,512
	11,396,512	—	—	—	11,396,512

	At 1 January 2023 £	Income £	Expenditure £	Revaluation and transfers £	At 31 December 2023 £
Chiddingstone Castle (note 10)	11,396,512	—	—	—	11,396,512
	11,396,512	—	—	—	11,396,512

During the year ended 31 December 2021, further to prior consent obtained from the Charity Commission, the charity disposed a property previously forming a minor part of its permanent endowment, more commonly referred to as The Lodge. The charity has been granted consent to treat the funds released from the disposal as unrestricted funds, and therefore the amount originally recorded within the permanent endowment fund in relation to this property was transferred to the charity's unrestricted funds. The gain on disposal of the asset has also been credited to the charity's unrestricted funds.

14 Endowment funds: Collections

	Permanent collection £	Reserve collection £	Total 2024 £
At 1 January 2023 and 31 December 2024	7,482,717	161,272	7,643,989
At 1 January 2022 and 31 December 2023	7,482,717	161,272	7,643,989

15 Restricted funds

	At 1 January 2024 £	Income £	Expenditure £	Revaluation and transfers £	At 31 December 2024 £
Landscaping and Groundworks	3,701	5,570	(5,570)	—	3,701

	At 1 January 2023 £	Income £	Expenditure £	Revaluation and transfers £	At 31 December 2023 £
Landscaping and Groundworks	1,701	8,227	(6,227)	—	3,701

The **Landscaping and Groundworks fund** represents money spent on the car park and foot paths plus money held to be applied towards future car park maintenance costs.

16 Analysis of net assets between funds

	General funds £	Restricted funds £	Endowment funds			Total 2024 £
			Freehold land and buildings £	Permanent collection £	Reserve collection £	
Fund balances at 31 December 2024 are represented by:						
Tangible fixed assets	689	—	—	—	—	689
Heritage assets	—	—	11,396,512	6,291,228	161,272	17,849,012
Current assets	238,166	3,701	—	—	—	241,867
Interfund indebtedness	(1,191,489)	—	—	1,191,489	—	—
Creditors: amounts falling due within one year	(35,939)	—	—	—	—	(35,939)
	(988,573)	3,701	11,396,512	7,482,717	161,272	18,055,629

	General funds £	Restricted funds £	Endowment funds			Total 2023 £
			Freehold land and buildings £	Permanent collection £	Reserve collection £	
<i>Fund balances at 31 December 2023 are represented by:</i>						
Tangible fixed assets	1,748	—	—	—	—	1,748
Heritage assets	—	—	11,396,512	6,291,228	161,272	17,849,012
Current assets	327,110	3,701	—	—	—	330,811
Interfund indebtedness	(1,191,489)	—	—	1,191,489	—	—
Creditors: amounts falling due within one year	(30,659)	—	—	—	—	(30,659)
	(893,290)	3,701	11,396,512	7,482,717	161,272	18,150,912

During the years since the sale of the Lely painting in 2007, the charity's endowment funds have advanced funds to the general funds to enable crucial refurbishment work to the Castle and restoration work to the collections to take place. This interfund indebtedness has been created with the permission of the Charity Commission.

17 Related party transactions

The charity has taken advantage of the exemptions in FRS 102 and has not reported transactions between itself and its subsidiary company, Chiddingstone Castle Events Limited.

No trustee received any remuneration from the charity in respect of their services during either the year ended 31 December 2024 or the year ended 31 December 2023.

The brother of Nancy Olden, trustee of the charity, was reimbursed out-of-pocket expenses totalling £nil (2023: £50) in connection with voluntary work carried out for the charity. One trustee received reimbursement for out of pocket travelling expenses totalling £50 during the year (2023 - £50 to one trustee).

The non-fiction publication of 'Do not be troubled' is currently sold in the Chiddingstone Castle gift shop. This is authored by our trustee Graham Dixon. The book is sold at £8.50 with £3.50 being donated to the charity and remainder being paid to Graham Dixon. We sold 32 in 2023 and 31 in 2024.

During the year, no donations to the charity were made by the trustees (2023: £50 donated by one trustee).

Other than the above, there were no other related party transactions during the year ended 31 December 2024 (2023 – no other transactions).

THE DENYS EYRE BOWER BEQUEST

England & Wales - Charity number 291203

Accounts

**The
Denys
Eyre
Bower
Bequest**

Annual Report and Accounts

31 December 2023

Charity Registration Number
291203

Contents

Reports

Reference and administrative information	1
Trustees' report	2
Independent auditor's report	7

Accounts

Statement of financial activities	14
Balance sheet	16
Statement of cash flows	17
Principal accounting policies	18
Notes to the accounts	23

Reference and administrative information

Corporate trustee	Bower Bequest Trustee Company Limited
Directors of the corporate trustee Bower Bequest Trustee Company Limited	Graham Dixon Richard Gilbert Ruth Goldman Mark Hinton Julia Hutt Nancy Olden Annabel Narayanan Rebecca Nuotio Rachel Yates
Estate Manager and Company Secretary	Mike Glossop
Finance and Operations Manager	Clare Proctor
Principal office	Chiddingstone Castle Hill Hoath Road Chiddingstone Edenbridge Kent TN8 7AD
Charity registration number	291203
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	National Westminster Bank plc 89 Mount Pleasant Road Tunbridge Wells Kent TN1 1QJ

The trustees present their statutory report together with the accounts of The Denys Eyre Bower Bequest for the year ended 31 December 2023.

The accounts have been prepared in accordance with the accounting policies set out on pages 18 to 22 of the attached accounts and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

INTRODUCTION

Chiddingstone Castle is a well-loved local landmark and offers insight into local history and an unexpectedly wide range of benefits to the public.

The building itself is of modest historical and architectural importance located in an area of Kent studded with prestigious and well-known historic houses.

The collections housed within the castle contain artifacts of a quality and with historical and cultural significance that would normally be associated with a national museum located in a major city. As such they provide a valuable educational resource to local schools, the local community and special interest groups, both national and globally.

The grounds provide a free-of-charge open air recreational space consisting of lawns, woodlands, trails and a lake which are enjoyed by all age groups. The grounds are sympathetically managed to promote both recreation and wildlife, providing an opportunity to connect with the natural environment.

The castle viewed in conjunction with its collections and the story of how they were assembled gives an important insight into the history of the Southeast of England and its place within Britain and the wider world.

The trustees are keenly aware of the wide range of public benefits Chiddingstone Castle provides and are determined to promote and enhance those cultural, educational and recreational opportunities.

The castle and its collections were bequeathed to the nation without an annuity to maintain the building, its grounds or artifacts. As a small independent charity, Chiddingstone Castle relies upon visitor receipts, profits from its tearoom and tenancy rental for income. In addition the charity has invested in an events company which is licenced to use the castle and grounds to conduct weddings and other events.

Matching the repair and maintenance needs of the charity with these income streams is a delicate balancing act. The trustees and staff of Chiddingstone Castle are actively pursuing grant funding and the support of patrons to further its work to deliver benefit to as wide a range of the public as possible.

OBJECTIVE

The primary objective of The Denys Eyre Bower Bequest is the preservation and maintenance of Chiddingstone Castle and its contents, including the collections of the late Denys Eyre Bower, in perpetuity for the benefit of the public, in particular by ensuring reasonable public access.

The charity ensures that, at all times, it is acting in the public benefit and the trustees confirm that they have paid due regard to the Charity Commission's public benefit guidance.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Constitution

The charity is governed by a Scheme of the Charity Commission dated 13 August 1984, as subsequently amended by further Schemes. It is a charity registered in England and Wales, Charity Registration No. 291203.

Trustees

Following the sealing of a Charity Commission Scheme, on 19 September 2008, individual trustees were replaced with a corporate trustee, the Bower Bequest Trustee Company Limited. The directors of the corporate trustee (referred to in this document as the 'trustees') who were in office during the year and/or at the date on which these accounts were approved are as follows:

Trustee	Appointed / resigned
Paul Allen	Resigned 13 February 2023
Margaret Cooke	Resigned 26 February 2024
Graham Dixon	
Richard Gilbert	
Ruth Goldman	
Mark Hinton	
Julia Hutt	
Nancy Olden	
Annabel Narayanan	
Rebecca Nuotio	Appointed 18 December 2023
Rachel Yates	

No trustee received any remuneration from the charity in respect of their services during either the year ended 31 December 2023 or the year ended 31 December 2022.

One trustee receive reimbursement of £50 for out-of-pocket travel expenses during the year, which was subsequently donated back to the charity (2022 - £50). The trustees take responsibility for monitoring the charity's activities in all operational areas, working to achieve a skills mix of the trustees to ensure that the board of trustees has all the necessary skills required to contribute fully to the charity's development. The trustees have put robust governance and financial procedures in place to ensure the sound stewardship of the charity and its assets.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Statement of trustees' responsibilities

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

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources of the charity for that period. In preparing these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's governing Scheme. 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.

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

Risk management

As part of the work towards building robust governance procedures, the trustees assess the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, its heritage assets and its finances. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they will ensure effective systems to mitigate those risks.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management (continued)

The key risks identified by the trustees and the controls in place to mitigate them are summarised below:

- ◆ Damage to the charity's Collections resultant from poor conservation techniques and procedures. The charity employs a Curator to ensure the Collections are cared for in the best possible environmental conditions, and conservators are recruited as necessary.
- ◆ Insufficient fundraising, including poor visitor numbers. The charity employs a small but dedicated team of staff, supported by volunteers. The charity also employs a freelance Marketing specialist to assist in raising the profile of the Castle and its activities through copy editorial rather than advertising. Staff also use many social media platforms to raise the profile and keep prospective visitors informed of activities.
- ◆ Injury or illness caused to visitors whilst visiting the Castle and resultant possible negative publicity. The charity employs an Estate Manager to ensure all risks associated with visiting the Castle and grounds (the lake, waterfall, haha wall, caves, woodland, interior of the Castle etc.), have been adequately evaluated for safety. Public liability insurances are all in place. Two members of staff are registered First Aiders. Catering staff and the kitchen are compliant with food and hygiene regulations.

Senior executives

Name	Position
Mike Glossop	Estate Manager (and Company Secretary)
Clare Proctor	Finance and Operations Manager

Key management personnel

The key management personnel of The Denys Eyre Bower Bequest, responsible for directing and controlling, running and operating the charity, comprise the Trustees and the Senior Executives referred to above.

The Trustees do not receive remuneration in respect of their services to the charity. The remuneration of the Estate Manager, and Finance and Operations Manager is determined by the Trustees having regard to market conditions, individual performances, and the financial situation of the charity.

DEVELOPMENTS, ACHIEVEMENTS AND FUTURE PLANS

This has been a particularly challenging year for the charity. A combination of rising energy prices and the cost-of-living crises have had a considerable effect on results. Chiddingstone Castle was not designed or built with energy efficiency in mind. This combined with the need to provide a suitably controlled environment for the delicate objects in the collections make the charity vulnerable to changes in energy costs.

It has proved difficult to attract more visitors to the castle or to increase other forms of revenue in a depressed economic climate when recreation and heritage are not at the top of people's expenditure priorities. The trustees are concerned that the charities financial performance should improve despite external conditions and have instituted changes to the way day to day operations are managed. In addition, new operating strategies are being developed in conjunction with the management team.

Since the end of the year a new Chief Operating Officer has been appointed to run the business of Chiddingstone Castle Events Ltd. They have been tasked with reinvigorating the events programme, overhauling the weddings operation and making changes to the visitor and tea room experiences. Early indications are encouraging.

Behind the scenes cataloguing and conservation work in respect of the collections continues. A number of grants were obtained for the restoration and preservation of some of the most vulnerable items in the collection.

Within the grounds a great deal of work has been done, particularly by our dedicated volunteers, to improve both the presentation of the Castle grounds and their value as habitat to support biodiversity.

The trustees are researching wider trends within museums, historic houses, heritage fundraising and environmental and social responsibility governance to create an updated conservation management plan action plan for Chiddingstone Castle so that it can continue to meet its mission in a responsible and sustainable manner.

FINANCIAL REPORT FOR THE YEAR

A summary of the year's results can be found on page 14 of the attached accounts.

Total income for the year ended 31 December 2023 amounted to £393,915 (2022 – £422,389). Expenditure totalled £441,953 (2022 – £384,770) reflecting expenditure on staff costs, building and grounds maintenance and other costs associated with the preservation of the Castle and collections). The resultant net expenditure is £48,038 (2022 – net income £37,619).

FINANCIAL REPORT FOR THE YEAR (continued)

Reserves policy and financial position

Reserves policy

The trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the fact that the major maintenance work will need to continue over the next few years, the level of free reserves should be equivalent to 3 months' annual expenditure at the very least. The trustees are of the opinion that this provides sufficient flexibility to cover temporary shortfalls in income due to timing differences in income flows, adequate working capital to cover core costs, and will allow the charity to cope and respond to unforeseen emergencies whilst action plans are implemented. Therefore it is the trustees' intention, as the charity improve its surplus, to maintain a free cash reserve of at least £100,000.

Financial position

The total funds of the charity at 31 December 2023 amounted to £18,150,912 (2022 – £18,198,950).

These funds included endowment funds of £19,040,501 (2022 – £19,040,501) including expendable endowments of £161,272 (2022 – £161,272). Whilst income from the permanent endowment funds may be used for general purposes of the charity and is credited, therefore, to unrestricted funds, the permanent endowment fund balances themselves are deemed 'capital' and must be invested and held indefinitely by the charity.

Funds restricted to specific purposes amounted to £3,701 at 31 December 2023 (2022 – £1,701).

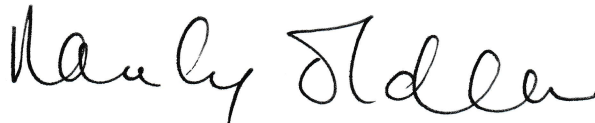
General funds of the charity at 31 December 2023 were in deficit by £893,290 (2022 – £843,252). The trustees were aware that the charity's general funds would be in deficit and they expect this position to remain for many years. In the meantime, following the sale of the Lely painting in 2007, the charity's endowment funds has advanced funds to the general funds to enable the charity to continue to work towards meeting the purposes for which it was established. In 2021 the trustees took the decision to sell 'the Lodge' to support the charity's objects; the sale was completed following the year end for consideration of £575,000 leading to a gain on disposal of £375,445.

The interfund indebtedness has been created with the permission of the Charity Commission. In due course, if possible, the funds will be repaid to the endowment funds with interest. The accounts have been prepared on a going concern basis. This is based on a mixture of actual performance and projections to December 2025. The key projections relate to a number of initiatives including the loaning of part of the collection to Houston Museum of Natural Science, continuing rental income and taking account of the matters discussed in the Risk Management section above.

FINANCIAL REPORT FOR THE YEAR (continued)**Raising Funds**

The charity aims to achieve best practice in the way in which it communicates with supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. The charity is registered with the Fundraising Regulator and adheres to the Code of Fundraising Practice. It applies best practice to protect supporters' data and never sells data, it never swaps data with other organisations, and ensures that its communication preferences can be changed at any time. The charity manages its own fundraising activities and does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During 2023, the charity received no complaints about its fundraising activities.

Approved by the trustees and signed on their behalf by:



Trustee Nancy Olden

Approved by the trustees on:

20 Sept 2024

Independent auditor's report to the trustees of The Denys Eyre Bower Bequest

Opinion

We have audited the financial statements of The Denys Eyre Bower Bequest (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies, and the related notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these. 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 and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- ◆ the information given in the trustees' annual report 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 contained within the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement director ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011); and
- ◆ we understood how the charity is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of the minutes of trustees' meetings.

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

- ◆ identifying and assessing the design effectiveness of controls 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;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ challenging assumptions and judgements made by management in its significant accounting estimates. In particular, we assessed whether the judgements and assumptions made in determining whether there were any material impairments to the deemed cost of the heritage asset collection were indicative of potential bias;
- ◆ performing substantive testing on expenditure;
- ◆ reviewing journal entries; and
- ◆ assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the relevant accounts item to which they relate.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships
- ◆ investigated the rationale behind significant or unusual transactions; and
- ◆ reviewing journal entries to identify unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's report.

Use of our report

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

A handwritten signature in black ink that reads "Buzzacott LLP". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

23 September 2024

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Statement of financial activities incorporating the income and expenditure account Year to 31 December 2023

		General funds £	Restricted funds £	Endowment funds			Total 2023 £	Total 2022 £
				Freehold land and buildings £	Permanent collection £	Reserve collection £		
Income from:								
Grants and donations	1	49,247	8,227	—	—	—	57,474	44,597
Other trading activities								
. Rental income		92,100	—	—	—	—	92,100	89,040
. Licence fee		9,000	—	—	—	—	9,000	9,000
Charitable activities								
. Preservation of the Castle and collections	2	232,188	—	—	—	—	232,188	278,282
Other sources								
. Interest income		246	—	—	—	—	246	—
. Insurance income		2,907	—	—	—	—	2,907	1,470
		385,688	8,227	—	—	—	393,915	422,389
Expenditure on:								
Charitable activities								
. Preservation of the Castle and collections	3	435,726	6,227	—	—	—	441,953	384,770
		435,726	6,227	—	—	—	441,953	384,770
Net (expenditure)/income and net movement in funds	6	(50,038)	2,000	—	—	—	(48,038)	37,619
Reconciliation of funds:								
Balances brought forward at 1 January 2023		(843,252)	1,701	11,396,512	7,482,717	161,272	18,198,950	18,161,331
Balances carried forward at 31 December 2023		(893,290)	3,701	11,396,512	7,482,717	161,272	18,150,912	18,198,950

All of the charity's activities derived from continuing operations during the above financial year.

A full comparative statement of financial activities for the previous year can be found on the next page of these financial statements.

Statement of financial activities incorporating the income and expenditure accounts Year to 31 December 2022

		<u>Endowment funds</u>					<u>Total 2022 £</u>
		<u>General funds £</u>	<u>Restricted funds £</u>	<u>Freehold land and buildings £</u>	<u>Permanent collection £</u>	<u>Reserve collection £</u>	
<i>Income from:</i>							
<i>Grants and donations</i>	1	33,808	10,789	—	—	—	44,597
<i>Other trading activities</i>							
<i>. Rental income</i>	2	89,040	—	—	—	—	89,040
<i>. Licence fee</i>		9,000	—	—	—	—	9,000
<i>Charitable activities</i>							
<i>. Preservation of the Castle and collections</i>	2	278,282	—	—	—	—	278,282
<i>Other sources</i>							
<i>. Coronavirus Job Retention Scheme funding</i>		—	—	—	—	—	—
<i>. Interest income</i>		—	—	—	—	—	—
<i>. Gain on disposal of land and buildings</i>		—	—	—	—	—	—
<i>. Insurance income</i>		1,470	—	—	—	—	1,470
		<u>411,600</u>	<u>10,789</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>422,389</u>
<i>Expenditure on:</i>							
<i>Charitable activities</i>							
<i>. Preservation of the Castle and collections</i>	3	373,981	10,789	—	—	—	384,770
		<u>373,981</u>	<u>10,789</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>384,770</u>
<i>Net income and net movement in funds</i>	6	37,619	—	—	—	—	37,619
<i>Reconciliation of funds:</i>							
<i>Balances brought forward at 1 January 2022</i>		<u>(880,871)</u>	<u>1,701</u>	<u>11,396,512</u>	<u>7,482,717</u>	<u>161,272</u>	<u>18,161,331</u>
<i>Balances carried forward at 31 December 2022</i>		<u>(843,252)</u>	<u>1,701</u>	<u>11,396,512</u>	<u>7,482,717</u>	<u>161,272</u>	<u>18,198,950</u>

All of the charity's activities derived from continuing operations during the above financial year.

D0079

Balance sheet 31 December 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	9		1,748		3,088
Heritage assets	10		<u>17,849,012</u>		<u>17,849,012</u>
			17,850,760		17,852,100
Current assets					
Debtors	11	116,746		176,151	
Cash at bank and in hand		<u>214,065</u>		<u>213,860</u>	
		330,811		390,011	
Creditors: amounts falling due within one year	12	<u>(30,659)</u>		<u>(43,161)</u>	
Net current assets			<u>300,152</u>		<u>346,850</u>
Total assets less current liabilities			<u>18,150,912</u>		<u>18,198,950</u>
Total net assets			<u>18,150,912</u>		<u>18,150,192</u>
The funds of the charity:					
Capital funds:					
Permanent endowment funds					
. Freehold land and buildings	13		11,396,512		11,396,512
. Permanent collection	14		7,482,717		7,482,717
Expendable endowment funds					
. Reserve collection	14		<u>161,272</u>		<u>161,272</u>
			<u>19,040,501</u>		<u>19,040,501</u>
Income funds:					
Unrestricted funds			(893,290)		(843,252)
Restricted funds	15		<u>3,701</u>		<u>1,701</u>
			<u>(889,589)</u>		<u>844,953</u>
			<u>18,150,912</u>		<u>18,198,950</u>

Approved by the trustees and signed on their behalf by:

Nancy Olden
Trustee

Nancy Olden

Approved on:

20 September 2024

Statement of cash flows Year to 31 December 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(41)	(36,107)
Cash flows from investing activities			
Interest received		246	—
Net cash generated from investing activities		246	—
Change in cash and cash equivalents in the year		205	(36,107)
Cash and cash equivalents at 1 January 2023	B	213,860	249,967
Cash and cash equivalents at 31 December 2023	B	214,065	213,860

Notes to the statement of cash flows for the year to 31 December 2023.

A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2023 £	2022 £
Net movement in funds (as per the statement of financial activities)	(48,038)	37,619
Adjustments for:		
Depreciation charge	1,340	3,152
Interest receivable	(246)	—
Decrease/(increase) in debtors	59,405	(81,266)
(Decrease)/increase in creditors	(12,502)	4,388
Net cash used in operating activities	(41)	(36,107)

B Analysis of net debt

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash and cash equivalents			
Cash at bank and in hand	213,860	205	214,065
	213,860	205	214,065
Borrowings	—	—	—
	213,860	205	214,065

Principal accounting policies 31 December 2023

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of accounting

These accounts have been prepared for the year to 31 December 2023 with comparative information given in respect to the year to 31 December 2022.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

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

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Consolidation

Group accounts have not been prepared for the charity and its subsidiary company, Chiddingstone Castle Events Limited, as the group qualifies as a small group as defined by Financial Reporting Standards.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ assessing the possibility of the heritage assets being impaired below their deemed cost; and
- ◆ estimating future income and expenditure flows to enable the trustees to assess the charity's going concern.

Assessment of going concern

The trustees assess whether the use of the going concern basis in preparing the financial statements is appropriate i.e. whether there are any material uncertainties related to the events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of approval of the accounts.

Assessment of going concern (continued)

In assessing going concern, the trustees have reviewed actual performance to August 2024 and projections to December 2025 and thereafter. The projections include a number of continuing initiatives such as the loaning of part of the collection to Houston Museum of Natural Science, as well as annual rental income and the resumption of donations from the operating subsidiary based on an overhauled weddings business and a revitalised public events program. The trustees are also confident that a revised visitor and tearoom experience will further enhance income.

Whilst the trustees are aware of the risks associated with the current cost of living crisis and higher energy costs they believe the charity is in a sufficiently strong financial position to weather these conditions and therefore that it is appropriate to prepare the financial statements on a going concern basis.

Income recognition

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income comprises grants, donations, rental income, licence fees, visitors' fees, income from fairs and festivals, fees from the loaning of items of the collections to other museums and insurance claims.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Grants from government, other agencies and voluntary bodies have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Rental income, visitors' fees, licence fees, fees from the loaning of the collections to other museums, income from fairs and festivals, and insurance claims are recognised to the extent that it is probable that the economic benefits will flow to the charity and the income can be reliably measured. It is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Receipts from insurance claims are recognised gross of any expenditure required to rectify related damage and classified as miscellaneous income.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment 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.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings.

Expenditure on charitable activities comprises those costs (direct and support) relating to the charity's primary charitable purposes i.e. the maintenance and preservation of Chiddingstone Castle and the collections.

All expenditure is stated inclusive of irrecoverable VAT.

Support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel, financial procedures, provision of office services and equipment, and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are included as part of the costs of preserving the Castle and the collections.

Tangible fixed assets

Assets costing more than £1,000 with an expected useful life exceeding one year are capitalised.

Depreciation is provided at the following annual rate in order to write off each asset over its estimated useful life.

Furniture and equipment	– 10% to 20% per annum
Landscaping and groundworks	– 10% to 20% per annum

Heritage assets

Heritage assets have historic, artistic, scientific, technological, geophysical or environmental qualities and are held and maintained principally for their contribution to knowledge and culture.

Heritage assets (continued)

Freehold land and buildings

The freehold land and buildings comprising Chiddingstone Castle are included in the accounts at deemed cost, based on a valuation determined by the trustees with professional assistance in 2007. This valuation was based on replacement cost for existing use. No depreciation is provided on the freehold land and buildings. The charity's objects relate to the maintenance and preservation of the Castle for the benefit of the nation and future generations. As such the trustees ensure that the fabric and structure of the Castle is preserved at all times and that there is no diminution in the value of the asset.

The Collections

The permanent and reserve collections comprise Japanese armour and swords, pictures, prints, furniture, lacquer works and other antiquities. The items are included in the accounts at a deemed cost, based on a valuation determined by Messrs Christie Manson & Woods Limited in June 2007. This calculation was based on auction estimates as at that date. No depreciation is charged on the Collections given the nature of the assets and the fact that the charity's objects relate to their maintenance and preservation.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions 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. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

The endowment funds comprise monies which must be held indefinitely as capital, and are represented by the Castle and collections. Income therefrom is credited to general funds and applied for general purposes. Amounts arising as a result of revaluations of assets held as part of the funds are retained as part of the relevant fund. Amounts arising from disposals of assets held as part of the freehold land and buildings fund or the permanent collection fund are considered to be part of the fund (unless express consent has been obtained from the Charity Commission to allow otherwise) whereas amounts arising in respect to disposals of assets held as part of the reserve collection fund may be utilised for general purposes under certain circumstances.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

1 Income from grants and donations

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £
Donations	49,247	—	—	49,247
Grants				
. AIM funding	—	1,983	—	1,983
. Royal Pavilion and Museums Trust	—	3,000	—	3,000
. The Warren Meadows Trust	—	934	—	934
. The Leche Trust	—	2,310	—	2,310
2023 total funds	49,247	8,227	—	57,474
	<i>Unrestricted funds</i> £	<i>Restricted funds</i> £	<i>Endowment funds</i> £	<i>Total 2022</i> £
<i>Donations</i>	33,808	—	—	33,808
<i>Grants</i>				
. <i>AIM funding</i>	—	1,774	—	1,774
. <i>Leader funding</i>	—	891	—	891
. <i>Arts Council England</i>	—	7,531	—	7,531
. <i>SEMD Funding</i>	—	593	—	593
<i>2022 total funds</i>	<i>33,808</i>	<i>10,789</i>	<i>—</i>	<i>44,597</i>

2 Income from activities to preserve the Castle and collections

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £
Visitors' fees and related income	205,688	—	—	205,688
Fees for loan of part of the collections (see below)	26,500	—	—	26,500
2023 total funds	232,188	—	—	232,188
	<i>Unrestricted funds</i> £	<i>Restricted funds</i> £	<i>Endowment funds</i> £	<i>Total 2022</i> £
<i>Visitors' fees and related income</i>	253,282	—	—	253,282
<i>Fees for loan of part of the collections (see below)</i>	25,000	—	—	25,000
<i>2022 total funds</i>	<i>278,282</i>	<i>—</i>	<i>—</i>	<i>278,282</i>

During the above two years, part of the Egyptian Collection continued to be loaned to the Houston Museum of Natural Science, Texas, United States of America. The current agreement was renewed for a six-year period, beginning in October 2019.

3 Expenditure on charitable activities: Preservation of the Castle and collections

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £
Staff costs (note 7)	210,978	—	—	210,978
Building maintenance and refurbishment	14,596	—	—	14,596
Other property expenses	91,068	6,227	—	97,295
Gift shop and café purchases	26,823	—	—	26,823
Support costs (note 4)	49,915	—	—	49,915
Miscellaneous expenses	42,346	—	—	42,346
2023 total funds	435,726	6,227	—	441,953
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Endowment funds £</i>	<i>Total 2022 £</i>
Staff costs (note 7)	178,600	—	—	178,600
Building maintenance and refurbishment	11,266	—	—	11,266
Other property expenses	52,207	10,789	—	62,996
Gift shop and café purchases	27,099	—	—	27,099
Support costs (note 4)	80,766	—	—	80,766
Miscellaneous expenses	24,043	—	—	24,043
2022 total funds	373,981	10,789	—	384,770

4 Support costs

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £
Premises	6,706	—	—	6,706
Depreciation	1,342	—	—	1,342
Marketing	14,906	—	—	14,906
Advertising and publicity	1,747	—	—	1,747
Professional	9,146	—	—	9,146
Governance costs (note 5)	16,068	—	—	16,068
2023 total funds	49,915	—	—	49,915
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Endowment funds £</i>	<i>Total 2022 £</i>
Premises	7,157	—	—	7,157
Depreciation	3,152	—	—	3,152
Marketing	11,951	—	—	11,951
Advertising and publicity	35,725	—	—	35,725
Professional	7,027	—	—	7,027
Governance costs (note 5)	15,754	—	—	15,754
2022 total funds	80,766	—	—	80,766

5 Governance costs

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £
Auditor's remuneration				
. Statutory audit services	10,500	—	—	10,500
. Other services	5,568	—	—	5,568
2023 total funds	16,068	—	—	16,068
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2022 £
Auditor's remuneration				
. Statutory audit services	9,450	—	—	9,450
. Other services	6,304	—	—	6,304
2022 total funds	15,754	—	—	15,754

6 Net (expenditure)/income and net movement in funds

This is stated after charging:

	Total 2023 £	Total 2022 £
Staff costs (note 7)	210,978	178,600
Auditor's remuneration		
. Statutory audit services	10,500	9,450
. Other services	5,568	6,304
Depreciation	1,340	3,152

7 Staff costs

Costs payable to staff and contract workers during the year were as follows:

	2023 £	2022 £
Wages and salaries	196,057	166,474
Social security costs	11,172	9,876
Pension costs	3,694	2,250
	210,923	178,600
Other related staff costs:		
. Recruitment costs	55	—
	210,978	178,600

The average number of employees during the year, analysed by function, was as follows:

	2023 FTE	2022 FTE	2023 Number	2022 Number
Preservation of the Castle and collection	5.0	4.0	12	10

7 Staff costs (continued)

No employee earned £60,000 per annum or more during the year (2022 – none).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis comprise the trustees, the Estate Manager and the Finance and Operations Manager. The total remuneration of the key management personnel for the year was £83,414 (2022 – £83,217).

8 Taxation

The Denys Eyre Bower Bequest is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

9 Tangible fixed assets

	Landscaping and groundworks £	Furniture and equipment £	Total £
Cost			
At 1 January 2023 and at 31 December 2023	14,631	168,737	183,368
Depreciation			
At 1 January 2023	14,631	165,649	180,280
Charge for year	—	1,340	1,340
At 31 December 2023	14,631	166,989	181,620
Net book values			
At 31 December 2023	—	1,748	1,748
At 31 December 2022	—	3,088	3,088

10 Heritage assets

	Freehold land and buildings £	Collections £	Total £
At cost	17,512	—	17,512
At deemed cost	11,379,000	6,452,500	17,831,500
At 1 January 2023 and at 31 December 2023	11,396,512	6,452,500	17,849,012

Freehold land and buildings above comprise Chiddingstone Castle which, as described in the trustees' report, has existed in three forms on its current site since the 1500s and now houses the four permanent collections of the late Denys Eyre Bower (see below). The preservation of the castle and the collections for the benefit of the public is the primary purpose of the charity. On his death, the late Denys Eyre Bower wished to bequeath his treasures to the nation and believed strongly that the collections should be enjoyed in the "living surroundings" of the Castle and should not be segregated in a museum.

10 Heritage assets (continued)

In accordance with the charity's governing document, a Scheme of the Charity Commissioners for England and Wales dated 17 August 1984, the objects of the charity are the maintenance and preservation, in perpetuity for the benefit of the public, of Chiddingstone Castle and its grounds and those items in the collections described as "permanent collections". These assets are regarded, therefore, as assets belonging to permanent endowment funds.

Items in the collections not regarded as "permanent collections" form part of the "reserve collections". In accordance with clause 4 of the Scheme of the Charity Commissioners dated 1 November 2005, assets comprising the reserve collection can be sold or transferred given the existence of certain specified conditions. These assets, therefore, are regarded as belonging to expendable endowment funds.

The Castle has been included in the accounts at a trustees' valuation carried out in 2007 based on replacement cost for existing use obtained using professional help. Following the completion of extensive repair work to the Orangery during 2007, certain aspects of the freehold land and buildings were revalued in 2007 by the trustees – again on a replacement cost for existing use obtained using professional assistance. These valuations are treated as 'deemed cost' for the purposes of these accounts.

The collections comprise items collected by the late Denys Eyre Bower over his life time and have been available for public viewing at the castle since March 2009. The collections may be summarised as follows:

	2023 £	2022 £
Japanese armour and swords	275,050	275,050
Antiquities (including Buddhist and Egyptian)	3,930,828	3,930,828
Pictures, prints and furniture	269,472	269,472
Japanese ceramics and objects	1,559,835	1,559,835
Portrait miniatures, memorabilia, tobacco boxes, medals, books, lacquer, autograph letters and manuscripts (including Jacobite)	417,315	417,315
	6,452,500	6,452,500

The collections are included in the accounts at a valuation determined by Messrs Christie Manson & Woods Limited in June 2007. The valuation is based on auction estimates as at that date. The trustees are aware that the valuations of the collections will vary over time due to market conditions; however, given the permanent nature of the collections, they believe that no useful purpose would be served by updating them on a regular basis for the accounts. As such, the valuations are treated as deemed cost for the purposes of these accounts.

The collections continue to be admired not least by the fourth largest Museum in the USA, the Houston Museum of Natural Science, which has been loaned some of the charity's Egyptian Artefacts for a major exhibition in Houston which opened in May 2013. The loan agreement with the Houston Museum was renewed during 2019.

There have been no changes in the book value of heritage assets during the last five years.

10 Heritage assets (continued)

Preservation and management

As indicated in the trustees' report, the primary objective of the Denys Eyre Bower Bequest is the preservation and maintenance of Chiddingstone Castle and its contents, including the collections of the late Denys Eyre Bower, in perpetuity for the benefit of the public. To this end, the charity employs curatorial staff, supported by appropriately skilled trustees, and operates the castle in an appropriately secure manner commensurate with the objective of public benefit.

11 Debtors

	2023 £	2022 £
Trade debtors	17,493	18,075
Amount due from Chiddingstone Castle Events Limited	89,907	158,076
VAT recoverable	251	—
Accrued income	9,095	—
	116,746	176,151

12 Creditors: amounts falling due within one year

	2023 £	2022 £
Taxation and social security	4,668	6,351
Compensation payable to life tenants	771	771
Expense and other creditors	2,810	4,720
Accruals and deferred income	22,410	28,318
VAT payable	—	3,001
	30,659	43,161

Deferred income (included within accruals and deferred income above:)	2023 £	2022 £
Deferred Income at 1 January 2023	6,250	6,250
Released during the year	(6,250)	(6,250)
Resources deferred in the year	6,250	6,250
Deferred Income at 31 December 2023	6,250	6,250

Deferred income of £6,250 (2022 – £6,250) relates to income in relation to the loan of Egyptian Artefacts to the Houston Museum in Texas, USA, which was invoiced in advance of the period to which it pertains. There were no other amounts held as deferred income at 31 December 2023 (2022 – £nil).

13 Endowment funds: Freehold land and buildings

	At 1 January 2023 £	Income £	Expenditure £	Revaluation and transfers £	At 31 December 2023 £
Chiddingstone Castle (note 10)	11,396,512	—	—	—	11,396,512
	11,396,512	—	—	—	11,396,512

	At 1 January 2022 £	Income £	Expenditure £	Revaluation and transfers £	At 31 December 2022 £
Chiddingstone Castle (note 10)	11,396,512	—	—	—	11,396,512
	11,396,512	—	—	—	11,396,512

During the year ended 31 December 2021, further to prior consent obtained from the Charity Commission, the charity disposed a property previously forming a minor part of its permanent endowment, more commonly referred to as The Lodge. The charity has been granted consent to treat the funds released from the disposal as unrestricted funds, and therefore the amount originally recorded within the permanent endowment fund in relation to this property was transferred to the charity's unrestricted funds. The gain on disposal of the asset has also been credited to the charity's unrestricted funds.

14 Endowment funds: Collections

	Permanent collection £	Reserve collection £	Total 2023 £
At 1 January 2022 and 31 December 2023	7,482,717	161,272	7,643,989
At 1 January 2021 and 31 December 2022	7,482,717	161,272	7,643,989

15 Restricted funds

	At 1 January 2023 £	Income £	Expenditure £	Revaluation and transfers £	At 31 December 2023 £
Landscaping and Groundworks	1,701	8,227	(6,227)	—	3,701

	At 1 January 2022 £	Income £	Expenditure £	Revaluation and transfers £	At 31 December 2022 £
Landscaping and Groundworks	1,701	10,789	(10,789)	—	1,701

The **Landscaping and Groundworks fund** represents money spent and capitalised on the car park and foot paths plus money held to be applied towards future car park maintenance costs.

16 Analysis of net assets between funds

	General funds £	Restricted funds £	Endowment funds			Total 2023 £
			Freehold land and buildings £	Permanent collection £	Reserve collection £	
Fund balances at 31 December 2023 are represented by:						
Tangible fixed assets	1,748	—	11,396,512	6,291,228	161,272	17,850,760
Heritage assets						
Current assets	327,110	3,701	—	—	—	330,811
Interfund indebtedness	(1,191,489)	—	—	1,191,489	—	—
Creditors: amounts falling due within one year	(30,659)	—	—	—	—	(30,659)
	(893,290)	3,701	11,396,512	7,482,717	161,272	18,150,912

	General funds £	Restricted funds £	Endowment funds			Total 2022 £
			Freehold land and buildings £	Permanent collection £	Reserve collection £	
Fund balances at 31 December 2022 are represented by:						
Tangible fixed assets	3,088	—	—	—	—	3,088
Heritage assets	—	—	11,396,512	6,291,228	161,272	17,849,012
Current assets	388,310	1,701	—	—	—	390,011
Interfund indebtedness	(1,191,489)	—	—	1,191,489	—	—
Creditors: amounts falling due within one year	(43,161)	—	—	—	—	(43,161)
	(843,252)	1,701	11,396,512	7,482,717	161,272	18,198,950

During the years since the sale of the Lely painting in 2007, the charity's endowment funds have advanced funds to the general funds to enable crucial refurbishment work to the Castle and restoration work to the collections to take place. This interfund indebtedness has been created with the permission of the Charity Commission.

17 Related party transactions

The charity has taken advantage of the exemptions in FRS 102 and has not reported transactions between itself and its subsidiary company, Chiddingstone Castle Events Limited.

No trustee received any remuneration from the charity in respect of their services during either the year ended 31 December 2023 or the year ended 31 December 2022.

The brother of Nancy Olden, trustee of the charity, was reimbursed out-of-pocket expenses totalling £50 (2022: £nil) in connection with voluntary work carried out for the charity. One trustee received reimbursement for out of pocket travelling expenses during the year (2022 - £50 to two trustees).

During the year, donations to the charity totalling £50 were made by one trustee (2022: £177 donated by two trustees).

Other than the above, there were no other related party transactions during the year ended 31 December 2023 (2022 – no other transactions).

THE DENYS EYRE BOWER BEQUEST

England & Wales - Charity number 291203

Accounts

**The
Denys
Eyre
Bower
Bequest**

Annual Report and Accounts

31 December 2022

Charity Registration Number
291203

Contents

Reports

Reference and administrative information	1
Trustees' report	2
Independent auditor's report	7

Accounts

Statement of financial activities	14
Balance sheet	16
Statement of cash flows	17
Principal accounting policies	18
Notes to the accounts	23

Reference and administrative information

Corporate trustee	Bower Bequest Trustee Company Limited
Directors of the corporate trustee (trustees)	Margaret Cooke Graham Dixon Richard Gilbert (appointed 12 December 2022) Ruth Goldman Mark Hinton Julia Hutt Nancy Lovegrove Annabel Narayanan Rachel Yates
Estate Manager and Company Secretary	Mike Glossop
Finance and Operations Manager	Clare Proctor
Principal office	Chiddingstone Castle Hill Hoath Road Chiddingstone Edenbridge Kent TN8 7AD
Charity registration number	291203
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	National Westminster Bank plc 89 Mount Pleasant Road Tunbridge Wells Kent TN1 1QJ

The trustees present their statutory report together with the accounts of The Denys Eyre Bower Bequest for the year ended 31 December 2022.

The accounts have been prepared in accordance with the accounting policies set out on pages 18 to 22 of the attached accounts and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

INTRODUCTION

Chiddingstone Castle is a well-loved local landmark and offers insight into local history and an unexpectedly wide range of benefits to the public.

The building itself is of modest historical and architectural importance located in an area of Kent studded with prestigious and well-known historic houses.

The collections housed within the castle contain artifacts of a quality and with historical and cultural significance that would normally be associated with a national museum located in a major city. As such they provide a valuable educational resource to local schools, the local community and special interest groups, both national and globally.

The grounds provide a free-of-charge open air recreational space consisting of lawns, woodlands, trails and a lake which are enjoyed by all age groups. The grounds are sympathetically managed to promote both recreation and wildlife, providing an opportunity to connect with the natural environment.

The castle viewed in conjunction with its collections and the story of how they were assembled gives an important insight into the history of the Southeast of England and its place within Britain and the wider world.

The trustees are keenly aware of the wide range of public benefits Chiddingstone Castle provides and are determined to promote and enhance those cultural, educational and recreational opportunities.

The castle and its collections were bequeathed to the nation without an annuity to maintain the building, its grounds or artifacts. As a small independent charity, Chiddingstone Castle relies upon visitor receipts, profits from its tearoom and tenancy rental for income. In addition the charity has invested in an events company which is licenced to use the castle and grounds to conduct weddings and other events.

INTRODUCTION (continued)

Matching the repair and maintenance needs of the charity with these income streams is a delicate balancing act. The trustees and staff of Chiddingstone Castle are actively pursuing grant funding and the support of patrons to further its work to deliver benefit to as wide a range of the public as possible.

OBJECTIVE

The primary objective of The Denys Eyre Bower Bequest is the preservation and maintenance of Chiddingstone Castle and its contents, including the collections of the late Denys Eyre Bower, in perpetuity for the benefit of the public, in particular by ensuring reasonable public access.

The charity ensures that, at all times, it is acting in the public benefit and the trustees confirm that they have paid due regard to the Charity Commission's public benefit guidance.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Constitution

The charity is governed by a Scheme of the Charity Commission dated 13 August 1984, as subsequently amended by further Schemes. It is a charity registered in England and Wales, Charity Registration No. 291203.

Trustees

Following the sealing of a Charity Commission Scheme, on 19 September 2008, individual trustees were replaced with a corporate trustee, the Bower Bequest Trustee Company Limited. The directors of the corporate trustee (referred to in this document as the 'trustees') who were in office during the year and/or at the date on which these accounts were approved are as follows:

Trustee	Appointed / resigned
Paul Allen	Resigned 13 February 2023
Margaret Cooke	
Graham Dixon	
Richard Gilbert	Appointed 12 December 2022
Ruth Goldman	
Mark Hinton	
Julia Hutt	
Nancy Lovegrove	Resigned 12 September 2022
Annabel Narayanan	
Roger Perkin	
Rachel Yates	

No trustee received any remuneration from the charity in respect of their services during either the year ended 31 December 2022 or the year ended 31 December 2021.

Two of the trustees received reimbursement for out of pocket travelling expenses during the year totalling £50 (2021 – none).

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Trustees (continued)

The trustees take responsibility for monitoring the charity's activities in all operational areas, working to achieve a skills mix of the trustees to ensure that the board of trustees has all the necessary skills required to contribute fully to the charity's development. The trustees have put robust governance and financial procedures in place to ensure the sound stewardship of the charity and its assets.

Statement of trustees' responsibilities

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

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources of the charity for that period. In preparing these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's governing Scheme. 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.

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

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management

As part of the work towards building robust governance procedures, the trustees assess the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, its heritage assets and its finances. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they will ensure effective systems to mitigate those risks.

The key risks identified by the trustees and the controls in place to mitigate them are summarised below:

- ◆ Damage to the charity's Collections resultant from poor conservation techniques and procedures. The charity employs a Curator to ensure the Collections are cared for in the best possible environmental conditions, and conservators are recruited as necessary.
- ◆ Insufficient fundraising, including poor visitor numbers. The charity employs a small but dedicated team of staff, supported by volunteers. The charity also employs a freelance Marketing specialist to assist in raising the profile of the Castle and its activities through copy editorial rather than advertising. Staff also use many social media platforms to raise the profile and keep prospective visitors informed of activities.
- ◆ Injury or illness caused to visitors whilst visiting the Castle and resultant possible negative publicity. The charity employs an Estate Manager to ensure all risks associated with visiting the Castle and grounds (the lake, waterfall, haha wall, caves, woodland, interior of the Castle etc.), have been adequately evaluated for safety. Public liability insurances are all in place. Two members of staff are registered First Aiders. Catering staff and the kitchen are compliant with food and hygiene regulations.

Senior executives

Name	Position
Mike Glossop	Estate Manager (and Company Secretary)
Clare Proctor	Finance and Operations Manager

Key management personnel

The key management personnel of The Denys Eyre Bower Bequest, responsible for directing and controlling, running and operating the charity, comprise the Trustees and the Senior Executives referred to above.

The Trustees do not receive remuneration in respect of their services to the charity. The remuneration of the Estate Manager, and Finance and Operations Manager is determined by the Trustees having regard to market conditions, individual performances, and the financial situation of the charity.

DEVELOPMENTS, ACHEIVEMENTS AND FUTURE PLANS

The year has been a period of recovery following the pandemic. The charity has been catching up on deferred tasks and re-establishing disrupted operating patterns and procedures.

In respect of the visitor experience a great deal of staff effort has gone into considering and reorganising the museum displays and refreshing interpretations for a wider audience, especially families. This has been supported by a successful marketing campaign.

The Trustees and staff have devoted time to refreshing the educational potential of the Castle and the collections. Staff have developed talks and experiences to help deliver the maximum public benefit not just to schools and the local community but also to the academic community and special interest groups.

Behind the scenes cataloguing and conservation work in respect of the collections continues. A number of grants were obtained for the restoration and preservation of some of the most vulnerable items in the collection.

Within the grounds a great deal of work has been done, particularly by our dedicated volunteers, to improve both the presentation of the Castle grounds and their value as habitat to support biodiversity.

The trustees are researching wider trends within museums, historic houses, heritage fundraising and environmental and social responsibility governance to create an action plan for Chiddingstone Castle so that it can continue to meet its mission in a responsible and sustainable manner.

FINANCIAL REPORT FOR THE YEAR

A summary of the year's results can be found on page 14 of the attached accounts.

Total income for the year ended 31 December 2022 amounted to £422,389 (2021 – £811,076). As described later in this note and in note 10 to the accounts, reported income for 2021 includes a gain on disposal of the Lodge of £375,445. Expenditure totalled £384,770 (2021 – £388,036) reflecting expenditure on staff costs, building and grounds maintenance and other costs associated with the preservation of the Castle and collections). The resultant net income is £37,619 (2021 – £423,040).

FINANCIAL REPORT FOR THE YEAR (continued)

Reserves policy and financial position

Reserves policy

The trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the fact that the major maintenance work will need to continue over the next few years, the level of free reserves should be equivalent to 3 months' annual expenditure at the very least. The trustees are of the opinion that this provides sufficient flexibility to cover temporary shortfalls in income due to timing differences in income flows, adequate working capital to cover core costs, and will allow the charity to cope and respond to unforeseen emergencies whilst action plans are implemented. Therefore it is the trustees' intention, as the charity improve its surplus, to maintain a free cash reserve of at least £100,000.

Financial position

The total funds of the charity at 31 December 2022 amounted to £18,198,950 (2021 – £18,161,331).

These funds included endowment funds of £19,040,501 (2021 – £19,040,501) including expendable endowments of £161,272 (2021 – £161,272). Whilst income from the permanent endowment funds may be used for general purposes of the charity and is credited, therefore, to unrestricted funds, the permanent endowment fund balances themselves are deemed 'capital' and must be invested and held indefinitely by the charity.

Funds restricted to specific purposes amounted to £1,701 at 31 December 2022 (2021 – £1,701).

General funds of the charity at 31 December 2022 were in deficit by £843,252 (2021 – £880,871). The trustees were aware that the charity's general funds would be in deficit and they expect this position to remain for many years. In the meantime, following the sale of the Lely painting in 2007, the charity's endowment funds has advanced funds to the general funds to enable the charity to continue to work towards meeting the purposes for which it was established. In the prior year, the trustees took the decision to sell 'the Lodge' to support the charity's objects; the sale was completed following the year end for consideration of £575,000 leading to a gain on disposal of £375,445.

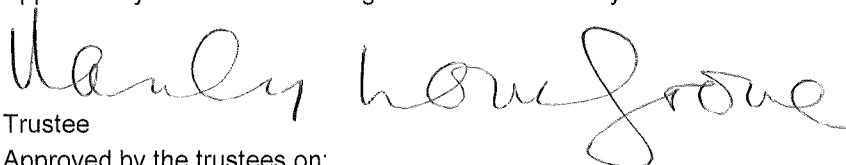
The interfund indebtedness has been created with the permission of the Charity Commission. In due course, if possible, the funds will be repaid to the endowment funds with interest. The accounts have been prepared on a going concern basis. This is based on a mixture of actual performance and projections to December 2024. The key projections relate to a number of initiatives including the loaning of part of the collection to Houston Museum of Natural Science, continuing rental income and taking account of the matters discussed in the Risk Management section above.

FINANCIAL REPORT FOR THE YEAR (continued)

Raising Funds

The charity aims to achieve best practice in the way in which it communicates with supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. The charity is registered with the Fundraising Regulator and adheres to the Code of Fundraising Practice. It applies best practice to protect supporters' data and never sells data, it never swaps data with other organisations, and ensures that its communication preferences can be changed at any time. The charity manages its own fundraising activities and does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During 2022, the charity received no complaints about its fundraising activities.

Approved by the trustees and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Hannah Howgrave', written in a cursive style.

Trustee

Approved by the trustees on:

21st August 2023

Independent auditor's report to the trustees of The Denys Eyre Bower Bequest

Opinion

We have audited the financial statements of The Denys Eyre Bower Bequest (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, and the related notes to the financial statements, including a summary of accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these. 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 and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- ◆ the information given in the trustees' annual report 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 trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement director ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011) and those regulations governing the charity's status as an Arts Council England accredited museum; and
- ◆ we understood how the charity is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of the minutes of trustees' meetings and reports from regulatory bodies.

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

- ◆ identifying and assessing the design effectiveness of controls 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;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ challenging assumptions and judgements made by management in its significant accounting estimates. In particular, we assessed whether the judgements and assumptions made in determining whether there were any material impairments to the deemed cost of the heritage asset collection were indicative of potential bias;
- ◆ performing substantive testing on expenditure including the authorisation thereof;
- ◆ identifying and testing journal entries; and
- ◆ assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the relevant accounts item to which they relate.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships
- ◆ investigated the rationale behind significant or unusual transactions; and
- ◆ tested journal entries to identify unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's report.

Use of our report

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

A handwritten signature in black ink that reads "Buzzacott LLP". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 12 September 2023

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Statement of financial activities incorporating the income and expenditure account Year to 31 December 2022

		General funds	Restricted funds	Endowment funds			Total 2022	Total 2021
				Freehold land and buildings	Permanent collection	Reserve collection		
		£	£	£	£	£	£	
Income from:								
Grants and donations	1	33,808	10,789	—	—	—	44,597	110,427
Other trading activities								
. Rental income	2	89,040	—	—	—	—	89,040	90,240
. Licence fee		9,000	—	—	—	—	9,000	9,000
Charitable activities								
. Preservation of the Castle and collections	2	278,282	—	—	—	—	278,282	195,389
Other sources								
. Coronavirus Job Retention Scheme funding		—	—	—	—	—	—	29,714
. Interest income		—	—	—	—	—	—	861
. Gain on disposal of land and buildings		—	—	—	—	—	—	375,445
. Insurance income		1,470	—	—	—	—	1,470	—
		<u>411,600</u>	<u>10,789</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>422,389</u>	<u>811,076</u>
Expenditure on:								
Charitable activities								
. Preservation of the Castle and collections	3	373,981	10,789	—	—	—	384,770	388,036
		<u>373,981</u>	<u>10,789</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>384,770</u>	<u>388,036</u>
Net income and net movement in funds								
	6	37,619	—	—	—	—	37,619	423,040
Reconciliation of funds:								
Balances brought forward at 1 January 2022								
		<u>(880,871)</u>	<u>1,701</u>	<u>11,396,512</u>	<u>7,482,717</u>	<u>161,272</u>	<u>18,161,331</u>	<u>17,738,291</u>
Balances carried forward at 31 December 2022								
		<u>(843,252)</u>	<u>1,701</u>	<u>11,396,512</u>	<u>7,482,717</u>	<u>161,272</u>	<u>18,198,950</u>	<u>18,161,331</u>

All of the charity's activities derived from continuing operations during the above financial year.

A full comparative statement of financial activities for the previous year can be found on the next page of these financial statements.

Statement of financial activities incorporating the income and expenditure accounts Year to 31 December 2021

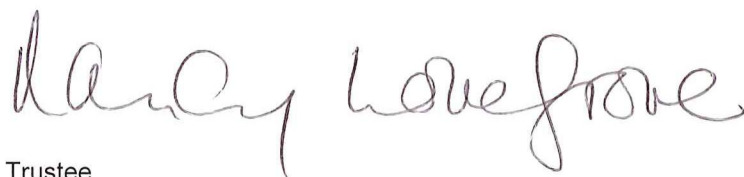
		Endowment funds					Total 2021 £
		General funds £	Restricted funds £	Freehold land and buildings £	Permanent collection £	Reserve collection £	
<i>Income from:</i>							
Grants and donations	1	110,427	—	—	—	—	110,427
<i>Other trading activities</i>							
. Rental income		90,240	—	—	—	—	90,240
. Licence fee		9,000	—	—	—	—	9,000
<i>Charitable activities</i>							
. Preservation of the Castle and collections	2	195,389	—	—	—	—	195,389
<i>Other sources</i>							
. Coronavirus Job Retention Scheme funding		29,714	—	—	—	—	29,714
. Interest income		861	—	—	—	—	861
. Gain on disposal of land and buildings		375,445	—	—	—	—	375,445
		<u>811,076</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>811,076</u>
<i>Expenditure on:</i>							
<i>Charitable activities</i>							
. Preservation of the Castle and collections	3	386,985	1,051	—	—	—	388,036
		<u>386,985</u>	<u>1,051</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>388,036</u>
<i>Net income (expenditure)</i>	6	424,091	(1,051)	—	—	—	423,040
<i>Transfer between funds</i>	14	165,000	—	(165,000)	—	—	—
<i>Net movement in funds</i>		<u>589,091</u>	<u>(1,051)</u>	<u>(165,000)</u>	<u>—</u>	<u>—</u>	<u>423,040</u>
<i>Reconciliation of funds:</i>							
Balances brought forward at 1 January 2021		(1,469,962)	2,752	11,561,512	7,482,717	161,272	17,738,291
Balances carried forward at 31 December 2021		<u>(880,871)</u>	<u>1,701</u>	<u>11,396,512</u>	<u>7,482,717</u>	<u>161,272</u>	<u>18,161,331</u>

All of the charity's activities derived from continuing operations during the above financial year.

Balance sheet 31 December 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	9		3,088		6,240
Heritage assets	10		17,849,012		17,849,012
			<u>17,852,100</u>		<u>17,855,252</u>
Current assets					
Debtors	11	176,151		94,885	
Cash at bank and in hand		<u>213,860</u>		<u>249,967</u>	
		<u>390,011</u>		<u>344,852</u>	
Creditors: amounts falling due within one year	12	<u>(43,161)</u>		<u>(38,002)</u>	
Net current liabilities			<u>346,850</u>		<u>306,850</u>
Total assets less current liabilities			<u>18,198,950</u>		<u>18,162,102</u>
Creditors: amounts falling due after one year	13		—		(771)
Total net assets			<u>18,198,950</u>		<u>18,161,331</u>
The funds of the charity:					
Capital funds:					
Permanent endowment funds					
. Freehold land and buildings	14		11,396,512		11,396,512
. Permanent collection	15		7,482,717		7,482,717
Expendable endowment funds					
. Reserve collection	15		161,272		161,272
Income funds:					
Unrestricted funds			(843,252)		(880,871)
Restricted funds	16		<u>1,701</u>		<u>1,701</u>
			<u>18,198,950</u>		<u>18,161,331</u>

Approved by the trustees
and signed on their behalf by:



Trustee

Approved on: 21st August '23

Statement of cash flows Year to 31 December 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(36,107)	(117,996)
Cash flows from financing activities:			
Repayment of loan		—	(220,000)
Net cash used in financing activities		(36,107)	(220,000)
Cash flows from investing activities			
Interest received		—	861
Purchases of tangible fixed assets		—	(530)
Proceeds from the disposal of tangible fixed assets		—	540,445
Net cash provided by (used in) investing activities		—	540,776
Change in cash and cash equivalents in the year		(36,107)	202,780
Cash and cash equivalents at 1 January 2022	B	249,967	47,187
Cash and cash equivalents at 31 December 2022	B	213,860	249,967

Notes to the statement of cash flows for the year to 31 December 2022.

A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	37,619	423,040
Adjustments for:		
Depreciation charge	3,152	4,223
Interest receivable	—	(861)
Surplus on disposal of tangible fixed assets	—	(375,445)
Increase in debtors	(81,266)	(76,896)
Increase (decrease) in creditors	4,388	(92,057)
Net cash used in operating activities	(36,107)	(117,996)

B Analysis of net debt

	At 1 January 2022 £	Cash flows £	Non-cash movements £	At 31 December 2022 £
Cash and cash equivalents				
Cash at bank and in hand	249,967	(36,109)	—	213,858
	249,967	(36,109)	—	213,858
Borrowings	—	—	—	—
	249,967	(36,109)	—	213,858

Principal accounting policies 31 December 2022

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of accounting

These accounts have been prepared for the year to 31 December 2022 with comparative information given in respect to the year to 31 December 2021.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

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

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Consolidation

Group accounts have not been prepared for the charity and its subsidiary company, Chiddingstone Castle Events Limited, as the group qualifies as a small group as defined by Financial Reporting Standards.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ assessing the possibility of the heritage assets being impaired below their deemed cost; and
- ◆ estimating future income and expenditure flows to enable the trustees to assess the charity's going concern.

Assessment of going concern

The trustees assess whether the use of the going concern basis in preparing the financial statements is appropriate i.e. whether there are any material uncertainties related to the events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of approval of the accounts.

Assessment of going concern (continued)

Post Covid-19, in assessing going concern, the trustees have reviewed actual performance to August 2023 and projections to December 2024 and thereafter. The projections include a number of initiatives such as the loaning of part of the collection to Houston Museum of Natural Science, continuing rental income and the resumption of donations from the subsidiary due to wedding event income.

Whilst the trustees are aware of the risks associated with the current cost of living crisis and higher energy costs they believe the charity is in a sufficiently strong financial position to weather these conditions and therefore that it is appropriate to prepare the financial statements on a going concern basis.

Income recognition

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income comprises grants, donations, rental income, licence fees, visitors' fees, income from fairs and festivals, fees from the loaning of items of the collections to other museums and insurance claims.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Grants from government, other agencies and voluntary bodies have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Rental income, visitors' fees, licence fees, fees from the loaning of the collections to other museums, income from fairs and festivals, and insurance claims are recognised to the extent that it is probable that the economic benefits will flow to the charity and the income can be reliably measured. It is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Receipts from insurance claims are recognised gross of any expenditure required to rectify related damage and classified as miscellaneous income.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment 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.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings.

Expenditure on charitable activities comprises those costs (direct and support) relating to the charity's primary charitable purposes i.e. the maintenance and preservation of Chiddingstone Castle and the collections.

All expenditure is stated inclusive of irrecoverable VAT.

Support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel, financial procedures, provision of office services and equipment, and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are included as part of the costs of preserving the Castle and the collections.

Tangible fixed assets

Assets costing more than £1,000 with an expected useful life exceeding one year are capitalised.

Depreciation is provided at the following annual rate in order to write off each asset over its estimated useful life.

Furniture and equipment	– 10% to 20% per annum
Landscaping and groundworks	– 10% to 20% per annum

Heritage assets

Heritage assets have historic, artistic, scientific, technological, geophysical or environmental qualities and are held and maintained principally for their contribution to knowledge and culture.

Freehold land and buildings

The freehold land and buildings comprising Chiddingstone Castle are included in the accounts at deemed cost, based on a valuation determined by the trustees with professional assistance in 2007. This valuation was based on replacement cost for existing use. No depreciation is provided on the freehold land and buildings. The charity's objects relate to the maintenance and preservation of the Castle for the benefit of the nation and future generations. As such the trustees ensure that the fabric and structure of the Castle is preserved at all times and that there is no diminution in the value of the asset.

The Collections

The permanent and reserve collections comprise Japanese armour and swords, pictures, prints, furniture, lacquer works and other antiquities. The items are included in the accounts at a deemed cost, based on a valuation determined by Messrs Christie Manson & Woods Limited in June 2007. This calculation was based on auction estimates as at that date. No depreciation is charged on the Collections given the nature of the assets and the fact that the charity's objects relate to their maintenance and preservation.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions 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. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

The endowment funds comprise monies which must be held indefinitely as capital, and are represented by the Castle and collections. Income therefrom is credited to general funds and applied for general purposes. Amounts arising as a result of revaluations of assets held as part of the funds are retained as part of the relevant fund. Amounts arising from disposals of assets held as part of the freehold land and buildings fund or the permanent collection fund are considered to be part of the fund (unless express consent has been obtained from the Charity Commission to allow otherwise) whereas amounts arising in respect to disposals of assets held as part of the reserve collection fund may be utilised for general purposes under certain circumstances.

Fund structure (continued)

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

1 Income from grants and donations

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2022 £
Donations	33,808	—	—	33,808
Grants				
. AIM funding	—	1,774	—	1,774
. Leader funding	—	891	—	891
. Arts Council England	—	7,531	—	7,531
. SEMD Funding	—	593	—	593
2022 total funds	33,808	10,789	—	44,597
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Endowment funds £</i>	<i>Total 2021 £</i>
<i>Donations</i>	<i>44,890</i>	<i>—</i>	<i>—</i>	<i>44,890</i>
<i>Grants</i>				
. <i>Leader funding</i>	<i>13,099</i>	<i>—</i>	<i>—</i>	<i>13,099</i>
. <i>The Leche Trust</i>	<i>2,220</i>	<i>—</i>	<i>—</i>	<i>2,220</i>
. <i>Sasakawa Foundation</i>	<i>1,040</i>	<i>—</i>	<i>—</i>	<i>1,040</i>
<i>Covid-19 support grants</i>				
. <i>Arts Council England</i>	<i>22,606</i>	<i>—</i>	<i>—</i>	<i>22,606</i>
. <i>Sevenoaks District Council</i>	<i>26,572</i>	<i>—</i>	<i>—</i>	<i>26,572</i>
<i>2021 total funds</i>	<i>110,427</i>	<i>—</i>	<i>—</i>	<i>110,427</i>

2 Income from activities to preserve the Castle and collections

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2022 £
Visitors' fees and related income	253,282	—	—	253,282
Fees for loan of part of the collections (see below)	25,000	—	—	25,000
2022 total funds	278,282	—	—	278,282
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Endowment funds £</i>	<i>Total 2021 £</i>
<i>Visitors' fees and related income</i>	<i>170,389</i>	<i>—</i>	<i>—</i>	<i>170,389</i>
<i>Fees for loan of part of the collections (see below)</i>	<i>25,000</i>	<i>—</i>	<i>—</i>	<i>25,000</i>
<i>2021 total funds</i>	<i>195,389</i>	<i>—</i>	<i>—</i>	<i>195,389</i>

During the above two years, part of the Egyptian Collection continued to be loaned to the Houston Museum of Natural Science, Texas, United States of America. The current agreement was renewed for a six year period, beginning in October 2019.

3 Expenditure on charitable activities: Preservation of the Castle and collections

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2022 £
Staff costs (note 7)	178,600	—	—	178,600
Building maintenance and refurbishment	11,266	—	—	11,266
Other property expenses	52,207	10,789	—	62,996
Gift shop and café purchases	27,099	—	—	27,099
Support costs (note 4)	80,766	—	—	81,191
Miscellaneous expenses	24,043	—	—	24,043
2022 total funds	373,981	10,789	—	384,770
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Endowment funds £</i>	<i>Total 2021 £</i>
Staff costs (note 7)	183,264	—	—	183,264
Building maintenance and refurbishment	48,943	—	—	48,943
Other property expenses	56,015	—	—	56,015
Gift shop and café purchases	16,452	—	—	16,452
Support costs (note 4)	57,052	1,051	—	58,103
Miscellaneous expenses	25,259	—	—	25,259
2021 total funds	386,985	1,051	—	388,036

4 Support costs

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2022 £
Premises	7,157	—	—	7,157
Depreciation	3,152	—	—	3,152
Marketing	11,951	—	—	11,951
Advertising and publicity	35,725	—	—	35,725
Professional	7,027	—	—	7,027
Governance costs (note 5)	15,754	—	—	15,754
2022 total funds	80,766	—	—	80,766
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Endowment funds £</i>	<i>Total 2021 £</i>
Premises	7,258	—	—	7,258
Depreciation	3,172	1,051	—	4,223
Marketing	5,586	—	—	5,586
Advertising and publicity	22,711	—	—	22,711
Professional	2,404	—	—	2,404
Governance costs (note 5)	15,921	—	—	15,921
2021 total funds	57,052	1,051	—	58,103

5 Governance costs

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2022 £
Auditor's remuneration				
. Statutory audit services	9,450	—	—	9,450
Accountancy fees	6,304	—	—	6,304
2022 total funds	15,754	—	—	15,754
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £
Auditor's remuneration				
. Statutory audit services	9,390	—	—	9,390
Accountancy fees	6,531	—	—	6,531
2021 total funds	15,921	—	—	15,921

6 Net income (expenditure)

This is stated after charging:

	Total 2022 £	Total 2021 £
Staff costs (note 7)	178,600	183,264
Auditor's remuneration		
. Statutory audit services	9,450	9,390
. Other services	6,304	6,304
Depreciation	3,152	4,223

7 Staff costs

Costs payable to staff and contract workers during the year were as follows:

	2022 £	2021 £
Wages and salaries	166,474	167,741
Social security costs	9,876	13,597
Pension costs	2,250	1,926
	178,600	183,264

The average number of employees during the year, analysed by function, was as follows:

	2022 FTE	2021 FTE	2022 Number	2021 Number
Preservation of the Castle and collection	4	5.1	10	10

No employee earned £60,000 per annum or more during the year (2021 – none).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees, the Estate Manager and the Finance and Operations Manager. The total remuneration of the key management personnel for the year was £83,217 (2021 – £74,858).

8 Taxation

The Denys Eyre Bower Bequest is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

9 Tangible fixed assets

	Landscaping and groundworks £	Furniture and equipment £	Total £
Cost			
At 1 January 2022 and at 31 December 2022	14,631	168,737	183,368
Depreciation			
At 1 January 2022	14,631	162,497	177,128
Charge for year	—	3,152	3,152
At 31 December 2022	14,631	165,649	180,280
Net book values			
At 31 December 2022	—	3,088	3,088
At 31 December 2021	—	6,240	6,240

10 Heritage assets

	Freehold land and buildings £	Collections £	Total £
At cost	17,512	—	17,512
At deemed cost	11,379,000	6,452,500	17,831,500
At 1 January 2022 and at 31 December 2022	11,396,512	6,452,500	17,849,012

Freehold land and buildings above comprise Chiddingstone Castle which, as described in the trustees' report, has existed in three forms on its current site since the 1500s and now houses the four permanent collections of the late Denys Eyre Bower (see below). The preservation of the castle and the collections for the benefit of the public is the primary purpose of the charity. On his death, the late Denys Eyre Bower wished to bequeath his treasures to the nation and believed strongly that the collections should be enjoyed in the "living surroundings" of the Castle and should not be segregated in a museum.

In accordance with the charity's governing document, a Scheme of the Charity Commissioners for England and Wales dated 17 August 1984, the objects of the charity are the maintenance and preservation, in perpetuity for the benefit of the public, of Chiddingstone Castle and its grounds and those items in the collections described as "permanent collections". These assets are regarded, therefore, as assets belonging to permanent endowment funds.

10 Heritage assets (continued)

Items in the collections not regarded as “permanent collections” form part of the “reserve collections”. In accordance with clause 4 of the Scheme of the Charity Commissioners dated 1 November 2005, assets comprising the reserve collection can be sold or transferred given the existence of certain specified conditions. These assets, therefore, are regarded as belonging to expendable endowment funds.

The Castle has been included in the accounts at a trustees’ valuation carried out in 2007 based on replacement cost for existing use obtained using professional help. Following the completion of extensive repair work to the Orangery during 2007, certain aspects of the freehold land and buildings were revalued in 2007 by the trustees – again on a replacement cost for existing use obtained using professional assistance. These valuations are treated as ‘deemed cost’ for the purposes of these accounts.

The collections comprise items collected by the late Denys Eyre Bower over his life time and have been available for public viewing at the castle since March 2009. The collections may be summarised as follows:

	2022 £	2021 £
Japanese armour and swords	275,050	275,050
Antiquities (including Buddhist and Egyptian)	3,930,828	3,930,828
Pictures, prints and furniture	69,472	269,472
Japanese ceramics and objects	1,559,835	1,559,835
Portrait miniatures, memorabilia, tobacco boxes, medals, books, lacquer, autograph letters and manuscripts (including Jacobite)	417,315	417,315
	6,452,500	6,452,500

The collections are included in the accounts at a valuation determined by Messrs Christie Manson & Woods Limited in June 2007. The valuation is based on auction estimates as at that date. The trustees are aware that the valuations of the collections will vary over time due to market conditions; however, given the permanent nature of the collections, they believe that no useful purpose would be served by updating them on a regular basis for the accounts. As such, the valuations are treated as deemed cost for the purposes of these accounts.

The collections continue to be admired not least by the fourth largest Museum in the USA, the Houston Museum of Natural Science, which has been loaned some of the charity’s Egyptian Artefacts for a major exhibition in Houston which opened in May 2013. The loan agreement with the Houston Museum was renewed during 2019.

There have been no changes in the book value of heritage assets during the last five years.

Preservation and management

As indicated in the trustees’ report, the primary objective of the Denys Eyre Bower Bequest is the preservation and maintenance of Chiddingstone Castle and its contents, including the collections of the late Denys Eyre Bower, in perpetuity for the benefit of the public. To this end, the charity employs curatorial staff, supported by appropriately skilled trustees, and operates the castle in an appropriately secure manner commensurate with the objective of public benefit.

Notes to the accounts 31 December 2022

11 Debtors

	2022 £	2021 £
Trade debtors	18,075	12,837
Amount due from Chiddingstone Castle Events Limited	158,076	82,048
	176,151	94,885

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Taxation and social security	6,351	3,170
Compensation payable to life tenants (note 13)	771	1,845
Expense and other creditors	4,720	8,553
Accruals and deferred income	28,318	24,404
VAT payable	3,001	30
	43,161	38,002

Deferred income (included within accruals and deferred income above:)	2022 £	2021 £
Deferred Income at 1 January 2022	6,250	55,889
Released during the year	(6,250)	(55,889)
Resources deferred in the year	6,250	6,250
Deferred Income at 31 December 2022	6,250	6,250

Deferred income of £6,250 (2021 – £6,250) relates to income in relation to the loan of Egyptian Artefacts to the Houston Museum in Texas, USA, which was invoiced in advance of the period to which it pertains. There were no other amounts held as deferred income at 31 December 2022 (2021 – £nil).

13 Creditors: amounts falling due after one year

	2022 £	2021 £
Compensation payable to life tenants (see below)	—	771
	—	771

In 2013, the trustees agreed to make a compensation payment of £30,000 to two individuals in return for them relinquishing their lifetime right to occupy 'the Lodge', a property situated in the grounds of the Castle. The compensation was payable over a ten year period and was paid at rate of £350 a month for the first 60 months commencing June 2013 and thereafter at a rate of £150 per month for the remaining 60 months, increasing in line with inflation. Payments due in the year to 31 December 2022 totalling £771 (2021 – £1,845) have been classified as creditors: amounts due within one year (note 12).

14 Endowment funds: Freehold land and buildings

	At 1 January 2022 £	Income £	Expenditure £	Revaluation and transfers £	At 31 December 2022 £
Chiddingstone Castle (note 10)	11,396,512	—	—	—	11,396,512
	11,396,512	—	—	—	11,396,512

	At 1 January 2021 £	Income £	Expenditure £	Revaluation and transfers £	At 31 December 2021 £
Chiddingstone Castle (note 10)	11,561,512	—	—	(165,000)	11,396,512
	11,561,512	—	—	(165,000)	11,396,512

During the year ended 31 December 2021, further to prior consent obtained from the Charity Commission, the charity disposed a property previously forming a minor part of its permanent endowment, more commonly referred to as The Lodge. The charity has been granted consent to treat the funds released from the disposal as unrestricted funds, and therefore the amount originally recorded within the permanent endowment fund in relation to this property was transferred to the charity's unrestricted funds. The gain on disposal of the asset has also been credited to the charity's unrestricted funds.

15 Endowment funds: Collections

	Permanent collection £	Reserve collection £	Total 2022 £
At 1 January 2021 and 31 December 2022	7,482,717	161,272	7,643,989
At 1 January 2020 and 31 December 2021	7,482,717	161,272	7,643,989

16 Restricted funds

	At 1 January 2022 £	Income £	Expenditure £	Revaluation and transfers £	At 31 December 2022 £
Landscaping and Groundworks	1,701	10,789	(10,789)	—	1,701

	At 1 January 2021 £	Income £	Expenditure £	Revaluation and transfers £	At 31 December 2021 £
Landscaping and Groundworks	2,752	—	(1,051)	—	1,701

The **Landscaping and Groundworks fund** represents money spent and capitalised on the car park and foot paths plus money held to be applied towards future car park maintenance costs.

17 Analysis of net assets between funds

	Endowment funds					Total 2022 £
	General funds £	Restricted funds £	Freehold land and buildings £	Permanen t collection £	Reserve collection £	
Fund balances at 31 December 2022 are represented by:						
Tangible fixed assets	3,088	—	—	—	—	3,088
Heritage assets	—	—	11,396,512	6,291,228	161,272	17,849,012
Current assets	388,310	1,701	—	—	—	390,011
Interfund indebtedness	(1,191,489)	—	—	1,191,489	—	—
Creditors: amounts falling due within one year	(43,161)	—	—	—	—	(43,161)
	(843,252)	1,701	11,396,512	7,482,717	161,272	18,198,950

	Endowment funds					Total 2021 £
	General funds £	Restricted funds £	Freehold land and buildings £	Permanent collection £	Reserve collection £	
Fund balances at 31 December 2021 are represented by:						
Tangible fixed assets	6,240	—	—	—	—	6,240
Heritage assets	—	—	11,396,512	6,291,228	161,272	17,849,012
Current assets	343,151	1,701	—	—	—	344,852
Interfund indebtedness	(1,191,489)	—	—	1,191,489	—	—
Creditors: amounts falling due within one year	(38,002)	—	—	—	—	(38,002)
Creditors: amounts falling due after one year	(771)	—	—	—	—	(771)
	(880,871)	1,701	11,396,512	7,482,717	161,272	18,161,331

During the years since the sale of the Lely painting in 2007, the charity's endowment funds have advanced funds to the general funds to enable crucial refurbishment work to the Castle and restoration work to the collections to take place. This interfund indebtedness has been created with the permission of the Charity Commission.

17 Related party transactions

The charity has taken advantage of the exemptions in FRS 102 and has not reported transactions between itself and its subsidiary company, Chiddingstone Castle Events Limited.

No trustee received any remuneration from the charity in respect of their services during either the year ended 31 December 2022 or the year ended 31 December 2021.

Two trustees received reimbursement for out of pocket travelling expenses during the year totalling £50 (2021 – none).

During the year, donations to the charity totalling £177 were made by 2 trustees (2021: £100 donated by 1 trustee).

Other than the above, there were no other related party transactions during the year ended 31 December 2022 (2021 – no other transactions).

THE DENYS EYRE BOWER BEQUEST

England & Wales - Charity number 291203

Accounts

**The
Denys
Eyre
Bower
Bequest**

Annual Report and Accounts

31 December 2021

Charity Registration Number
291203

Contents

Reports

Reference and administrative information	1
Trustees' report	2
Independent auditor's report	8

Accounts

Statement of financial activities	13
Balance sheet	15
Statement of cash flows	16
Principal accounting policies	17
Notes to the accounts	22

Reference and administrative information

Corporate trustee	Bower Bequest Trustee Company Limited
Directors of the corporate trustee (trustees)	Paul Allen Margaret Cooke Graham Dixon (appointed 13 December 2021) Richard Don (resigned 24 May 2021) Ruth Goldman (appointed 2 August 2021) Mark Hinton Julia Hutt Nancy Lovegrove Annabel Narayanan (appointed 2 August 2021) Roger Perkin Mark Streatfeild (resigned 11 October 2021) Rachel Yates (appointed 13 December 2021)
Estate Manager and Company Secretary	Mike Glossop
Finance Officer and Marketing Co-ordinator	Clare Proctor
Principal office	Chiddingstone Castle Hill Hoath Road Chiddingstone Edenbridge Kent TN8 7AD
Charity registration number	291203
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	National Westminster Bank plc 89 Mount Pleasant Road Tunbridge Wells Kent TN1 1QJ

The trustees present their statutory report together with the accounts of The Denys Eyre Bower Bequest for the year ended 31 December 2021.

The accounts have been prepared in accordance with the accounting policies set out on pages 17 to 21 of the attached accounts and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

INTRODUCTION

Situated in the heart of the village of Chiddingstone, the Castle has existed in three forms on its current site since the 1500s. The original timber framed house, owned by the Streatfeild family was remodelled in the 'Carolean style' in about 1670. A further remodelling took place at the opening of the nineteenth century when Henry Streatfeild embarked on a project that came to typify the Castle's fortunes. A grand remodelling in the 'castle style' was initiated in 1803, apparently led by the acclaimed architect William Atkinson, only to fizzle out in 1808 through lack of funds. Finally finished, but not completed, by Henry Kendal in 1838 the Castle retains some of the original features including several of the Tudor window arches. The Streatfeild family continued to make the Castle their home until the early 20th century, eventually letting it out early in the 1900s and then selling it in 1938.

After a period of military and scholastic occupation around and during the Second World War, the Castle was bought in 1955 by the well-known antiquary Denys Bower. With an uncanny ability to spot masterpieces and treasures others had missed, he gradually built his four collections over the years, until his death in 1977 when, amongst other things, his collection of Japanese swords, armour and lacquer was acclaimed as one of the best private collections in the UK. He bequeathed his treasures to the Nation, believing that collections are best enjoyed in living surroundings and not segregated in a museum.

After various discussions over how this desire could best be achieved, it was agreed that a charity should be set up and The Denys Eyre Bower Bequest was formed.

OBJECTIVE

The primary objective of The Denys Eyre Bower Bequest is the preservation and maintenance of Chiddingstone Castle and its contents, including the collections of the late Denys Eyre Bower, in perpetuity for the benefit of the public, in particular by ensuring reasonable public access.

The charity ensures that, at all times, it is acting in the public benefit and the trustees confirm that they have paid due regard to the Charity Commission's public benefit guidance.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Constitution

The charity is governed by a Scheme of the Charity Commission dated 13 August 1984, as subsequently amended by further Schemes. It is a charity registered in England and Wales, Charity Registration No. 291203.

Trustees

Following the sealing of a Charity Commission Scheme, on 19 September 2008, individual trustees were replaced with a corporate trustee, the Bower Bequest Trustee Company Limited. The directors of the corporate trustee (referred to in this document as the 'trustees') who were in office during the year and/or at the date on which these accounts were approved are as follows:

Trustee	Appointed/ resigned
Paul Allen	
Margaret Cooke	
Graham Dixon	Appointed 13 December 2021
Richard Don	Resigned 24 May 2021
Ruth Goldman	Appointed 2 August 2021
Mark Hinton	
Julia Hutt	
Nancy Lovegrove	
Annabel Narayanan	Appointed 2 August 2021
Roger Perkin	
Mark Streatfield	Resigned 11 October 2021
Rachel Yates	Appointed 13 December 2021

No trustee received any remuneration from the charity in respect of their services during either the year ended 31 December 2021 or the year ended 31 December 20120.

None of the trustees received reimbursement for out of pocket travelling expenses during the year (2020 – none).

One of the trustees provided financial support to the charity by advancing an interest free loan of up to £220,000 with no specific repayment terms. This loan was repaid in 2021.

The trustees take responsibility for monitoring the charity's activities in all operational areas, working to achieve a skills mix of the trustees to ensure that the board of trustees has all the necessary skills required to contribute fully to the charity's development. The trustees have put robust governance and financial procedures in place to ensure the sound stewardship of the charity and its assets.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Statement of trustees' responsibilities

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

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources of the charity for that period. In preparing these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's governing Scheme. 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.

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

Risk management

As part of the work towards building robust governance procedures, the trustees assess the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, its heritage assets and its finances. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they will ensure effective systems to mitigate those risks.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management (continued)

The key risks identified by the trustees and the controls in place to mitigate them are summarised below:

- ◆ Damage to the charity's Collections resultant from poor conservation techniques and procedures. The charity employs a Curator to ensure the Collections are cared for in the best possible environmental conditions, and conservators are recruited as necessary.
- ◆ Insufficient fundraising, including poor visitor numbers. The charity employs a small but dedicated team of staff, supported by volunteers. The charity also employs a freelance PR specialist firm to assist in raising the profile of the Castle and its activities through copy editorial rather than advertising. Staff also use many social media platforms to raise the profile and keep prospective visitors informed of activities.
- ◆ Injury or illness caused to visitors whilst visiting the Castle and resultant possible negative publicity. The charity employs an Estate Manager to ensure all risks associated with visiting the Castle and grounds (the lake, waterfall, haha wall, caves, woodland, interior of the Castle etc.), have been adequately evaluated for safety. Public liability insurances are all in place. Two members of staff are registered First Aiders. Catering staff and the kitchen are compliant with food and hygiene regulations.

Senior executives

Name	Position
Mike Glossop	Estate Manager (and Company Secretary)
Clare Proctor	Finance Officer and Marketing Co-Ordinator

Key management personnel

The key management personnel of The Denys Eyre Bower Bequest, responsible for directing and controlling, running and operating the charity on a day to day basis, comprise the Estate Manager, and Finance Officer and Marketing Co-Ordinator.

The Trustees do not receive remuneration in respect of their services to the charity. The remuneration of the Estate Manager, and Finance Officer and Marketing Co-Ordinator is determined by the trustees.

Raising Funds

The charity aims to achieve best practice in the way in which it communicates with supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. The charity is registered with the Fundraising Regulator and adheres to the Code of Fundraising Practice. It applies best practice to protect supporters' data and never sells data, it never swaps data with other organisations, and ensures that its communication preferences can be changed at any time. The charity manages its own fundraising activities and does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During 2020, the charity received no complaints about its fundraising activities.

DEVELOPMENTS AND FUTURE PLANS

Having navigated 2020 – 'the Covid Year' – successfully, 2021 marked a financial turning point for the charity with the completion of the sale of 'The Lodge', a dilapidated and redundant outbuilding. The overall proceeds of £575,000 have been used to repay the long-standing trustee loan and to build cash balances.

Notwithstanding our inability to hold the Literary Festival in traditional form due to Covid uncertainties, we were generally able to return to a more normal pattern of opening during the year. This is reflected in our overall result from 'business as usual'. Of particular note were the widening of the range of events in the Castle and its grounds as well as the hosting of 26 weddings, many of which had been postponed from 2020.

There has been a number of changes among the trustees. Our long-standing Chairman, Mark Streatfield, retired during the year, as did Richard Don, our 'solicitor' trustee. We owe them both a huge debt of gratitude for their unstinting support for the Castle.

We were pleased to appoint Nancy Lovegrove as our new Chair. Nancy's professional background was business transformation. Additionally, Ruth Goldman joined the Board during the year and Rachel Yates at the end of the year – both are lawyers. Annabel Narayanan, with a background in fundraising joined during the year, and Graham Dixon, with a media background, joined in December 2021.

We have continued to expand our range of events during 2022; weddings have returned to a total not seen since 2017, we held a successful Literary Festival in May and are pleased with the level of visitor numbers. Overall, therefore, the current financial year is shaping up well, and we look forward to the future with confidence.

FINANCIAL REPORT FOR THE YEAR

A summary of the year's results can be found on page 14 of the attached accounts.

Total income for the year ended 31 December 2021 amounted to £811,076 (2020 – £373,924) (including the gain on the disposal of The Lodge of £375,445 – see below). Expenditure totalled £388,036 (2020 – £357,563) reflecting expenditure on staff costs, building and grounds maintenance and other costs associated with the preservation of the Castle and collections). The resultant net income is £423,040 (2020 – £16,361).

Reserves policy and financial position

Reserves policy

The trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the fact that the major maintenance work will need to continue over the next few years, the level of free reserves should be equivalent to 3 months' annual expenditure at the very least. The trustees are of the opinion that this provides sufficient flexibility to cover temporary shortfalls in incoming resources due to timing differences in income flows, adequate working capital to cover core costs, and will allow the charity to cope and respond to unforeseen emergencies whilst action plans are implemented.

FINANCIAL REPORT FOR THE YEAR (continued)

Reserves policy and financial position (continued)

Reserves policy (continued)

Therefore it is the trustees' intention, as the charity improve its surplus, to maintain a free cash reserve of at least £100,000. The Covid pandemic has reaffirmed the trustees' commitment to this objective.

Financial position

The total funds of the charity at 31 December 2021 amounted to £18,161,331 (2020 – £17,738,291).

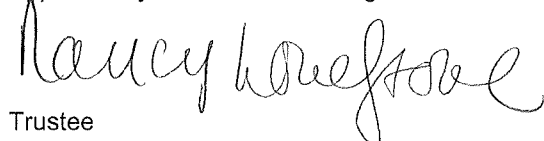
These funds included endowment funds of £19,040,501 (2020 – £19,205,501) including expendable endowments of £161,272 (2020 – £161,272). Whilst income from the permanent endowment funds may be used for general purposes of the charity and is credited, therefore, to unrestricted funds, the permanent endowment fund balances themselves are deemed 'capital' and must be invested and held indefinitely by the charity.

Funds restricted to specific purposes amounted to £1,701 at 31 December 2021 (2020 – £2,752).

General funds of the charity at 31 December 2021 were in deficit by £880,871 (2020 – £1,469,962). The trustees were aware that the charity's general funds would be in deficit and they expect this position to remain for many years. In the meantime, following the sale of the Lely painting in 2007, the charity's endowment funds will continue to advance funds to the general funds to enable the charity to continue to work towards meeting the purposes for which it was established. As noted elsewhere, the trustees took the decision to sell 'the Lodge' to support the charity's objects; the sale was completed following the year end for consideration of £575,000 leading to a gain on disposal of £375,445 as discussed in note 19 to the accounts.

The interfund indebtedness has been created with the permission of the Charity Commission. In due course, if possible, the funds will be repaid to the endowment funds with interest. The accounts have been prepared on a going concern basis. This is based on a mixture of actual performance and projections to December 2023. The key projections relate to a number of initiatives including the loaning of part of the collection to Houston Museum of Natural Science, continuing rental income and taking account of the matters discussed in the Risk Management section above.

Approved by the trustees and signed on their behalf by:



Trustee

Approved by the trustees on: 8 AUGUST 2022

Independent auditor's report to the trustees of The Denys Eyre Bower Bequest

Opinion

We have audited the financial statements of The Denys Eyre Bower Bequest (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, and the related notes to the financial statements, including a summary of accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these. 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 and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- ◆ the information given in the trustees' annual report 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 trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement director ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011) and those regulations governing the charity's status as an Arts Council England accredited museum; and
- ◆ we understood how the charity is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of the minutes of trustees' meetings and reports from regulatory bodies.

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

- ◆ identifying and assessing the design effectiveness of controls 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;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ challenging assumptions and judgements made by management in its significant accounting estimates. In particular, we assessed whether the judgements and assumptions made in determining whether there were any material impairments to the deemed cost of the heritage asset collection were indicative of potential bias;
- ◆ performing substantive testing on expenditure including the authorisation thereof;
- ◆ identifying and testing journal entries; and
- ◆ assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the relevant accounts item to which they relate.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships
- ◆ investigated the rationale behind significant or unusual transactions; and
- ◆ tested journal entries to identify unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

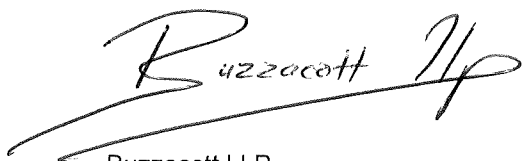
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's report.

Independent auditor's report 31 December 2021

Use of our report

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

A handwritten signature in black ink that reads "Buzzacott LLP". The signature is written in a cursive style with a long horizontal stroke underneath.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

30 AUGUST 2022

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities incorporating the income and expenditure account Year to 31 December 2021

		General funds £	Restricted funds £	Endowment funds			Total 2021 £	Total 2020 £
				Freehold land and buildings £	Permanent collection £	Reserve collection £		
Income from:								
Grants and donations	1	110,427	—	—	—	—	110,427	129,963
Other trading activities								
. Rental income		90,240	—	—	—	—	90,240	83,215
. Licence fee		9,000	—	—	—	—	9,000	9,000
Charitable activities								
. Preservation of the Castle and collections	2	195,389	—	—	—	—	195,389	90,285
Other sources								
. Coronavirus Job Retention Scheme funding		29,714	—	—	—	—	29,714	61,461
. Interest income		861	—	—	—	—	861	—
. Gain on disposal of land and buildings		375,445	—	—	—	—	375,445	—
		<u>811,076</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>811,076</u>	<u>373,924</u>
Expenditure on:								
Charitable activities								
. Preservation of the Castle and collections	3	386,985	1,051	—	—	—	388,036	357,563
		<u>386,985</u>	<u>1,051</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>388,036</u>	<u>357,563</u>
Net income (expenditure)	6	424,091	(1,051)	—	—	—	423,040	16,361
Transfer between funds	14	165,000	—	(165,000)	—	—	—	—
Net movement in funds		<u>589,091</u>	<u>(1,051)</u>	<u>(165,000)</u>	<u>—</u>	<u>—</u>	<u>423,040</u>	<u>16,361</u>
Reconciliation of funds:								
Balances brought forward at 1 January 2021		(1,469,962)	2,752	11,561,512	7,482,717	161,272	17,738,291	17,721,930
Balances carried forward at 31 December 2021		<u>(880,871)</u>	<u>1,701</u>	<u>11,396,512</u>	<u>7,482,717</u>	<u>161,272</u>	<u>18,161,331</u>	<u>17,738,291</u>

All of the charity's activities derived from continuing operations during the above financial year.

A full comparative statement of financial activities for the previous year can be found on the next page of these financial statements.

Statement of financial activities incorporating the income and expenditure accounts Year to 31 December 2020

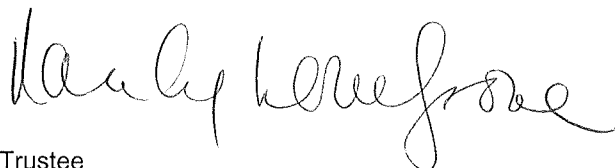
		General funds £	Restricted funds £	Endowment funds			Total 2020 £
				Freehold land and buildings £	Permanent collection £	Reserve collection £	
Income from:							
Grants and donations	1	129,963	—	—	—	—	129,963
Other trading activities							
· Rental income		83,215	—	—	—	—	83,215
· Licence fee		9,000	—	—	—	—	9,000
Charitable activities							
· Preservation of the Castle and collections	2	90,285	—	—	—	—	90,285
Other sources							
· Coronavirus Job Retention Scheme funding		61,461	—	—	—	—	61,461
		<u>373,924</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>373,924</u>
Expenditure on:							
Charitable activities							
· Preservation of the Castle and collections	3	356,518	1,045	—	—	—	357,563
		<u>356,518</u>	<u>1,045</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>357,563</u>
Net income (expenditure) and net movement in funds							
	6	17,406	(1,045)	—	—	—	16,361
Reconciliation of funds:							
Balances brought forward at 1 January 2020		(1,487,368)	3,797	11,561,512	7,482,717	161,272	17,721,930
Balances carried forward at 31 December 2020		<u>(1,469,962)</u>	<u>2,752</u>	<u>11,561,512</u>	<u>7,482,717</u>	<u>161,272</u>	<u>17,738,291</u>

All of the charity's activities derived from continuing operations during the above financial year.

Balance sheet 31 December 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	9		6,240		9,933
Heritage assets	10		17,849,012		18,014,012
			<u>17,855,252</u>		<u>18,023,945</u>
Current assets					
Debtors	11	94,885		17,989	
Cash at bank and in hand		<u>249,967</u>		<u>47,187</u>	
		<u>344,852</u>		<u>65,176</u>	
Creditors: amounts falling due within one year	12	<u>(38,002)</u>		<u>(348,214)</u>	
Net current liabilities			<u>306,850</u>		<u>(283,038)</u>
Total assets less current liabilities			<u>18,162,102</u>		<u>17,740,907</u>
Creditors: amounts falling due after one year	13		(771)		(2,616)
Total net assets			<u>18,161,331</u>		<u>17,738,291</u>
The funds of the charity:					
Capital funds:					
Permanent endowment funds					
. Freehold land and buildings	14		11,396,512		11,561,512
. Permanent collection	15		7,482,717		7,482,717
Expendable endowment funds					
. Reserve collection	15		161,272		161,272
Income funds:					
Unrestricted funds			(880,871)		(1,469,962)
Restricted funds	16		<u>1,701</u>		<u>2,752</u>
			<u>18,161,331</u>		<u>17,738,291</u>

Approved by the trustees
and signed on their behalf by:



Trustee

Approved on: 8 AUGUST 2022

Statement of cash flows Year to 31 December 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	A	(117,996)	42,898
Cash flows from financing activities:			
Repayment of loan		(220,000)	—
Net cash used in financing activities		(220,000)	—
Cash flows from investing activities			
Interest received		861	—
Purchases of tangible fixed assets		(530)	(4,767)
Proceeds from the disposal of tangible fixed assets		540,445	—
Net cash provided by (used in) investing activities		540,776	(4,767)
Change in cash and cash equivalents in the year		202,780	38,131
Cash and cash equivalents at 1 January 2021	B	47,187	9,056
Cash and cash equivalents at 31 December 2021	B	249,967	47,187

Notes to the statement of cash flows for the year to 31 December 2021.

A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	423,040	16,361
Adjustments for:		
Depreciation charge	4,223	3,713
Interest receivable	(861)	—
Surplus on disposal of tangible fixed assets	(375,445)	—
Increase in debtors	(76,896)	1,680
Decrease (Increase) in creditors	(92,057)	21,144
Net cash (used in) provided by operating activities	(117,996)	42,898

B Analysis of net debt

	At 1 January 2021 £	Cash flows £	Non-cash movements £	At 31 December 2021 £
Cash and cash equivalents				
Cash at bank and in hand	47,187	202,780	—	249,967
	47,187	202,780	—	249,967
Borrowings				
Loans due within one year	(220,000)	220,000	—	—
	(220,000)	220,000	—	—
				249,967
Total	(172,813)	422,780	—	249,968

Principal accounting policies 31 December 2021

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of accounting

These accounts have been prepared for the year to 31 December 2021 with comparative information given in respect to the year to 31 December 2020.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

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

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Consolidation

Group accounts have not been prepared for the charity and its subsidiary company, Chiddingstone Castle Events Limited, as the group qualifies as a small group as defined by Financial Reporting Standards.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets for the purposes of calculating the annual depreciation charge;
- ◆ assessing the possibility of the heritage assets being impaired below their deemed cost; and
- ◆ estimating future income and expenditure flows to enable the trustees to assess the charity's going concern.

Assessment of going concern

The trustees assess whether the use of the going concern basis in preparing the financial statements is appropriate i.e. whether there are any material uncertainties related to the events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of approval of the accounts.

Assessment of going concern (continued)

The charity was materially affected by the Covid-19 pandemic with a resultant impact on income from visitors and events. A combination of accessing government support schemes (e.g. Coronavirus Job Retention Scheme), successful grant applications and rigorous control of staff salaries and other costs mitigated the impact.

In assessing going concern, the trustees have reviewed actual performance to July 2022 and projections to December 2023 and thereafter. The projections include a number of initiatives such as the loaning of part of the collection to Houston Museum of Natural Science, continuing rental income and the resumption of donations from the subsidiary due to wedding rental income. Additionally, proceeds of £575,000 were received from the sale of a freehold property, (please see note 19 to these accounts for further details). This enabled the repayment of outstanding loans. At 31 July 2022, bank balances of circa £250,000 were held.

Whilst the trustees acknowledge the uncertainties arising from continuing macro-economic challenges, they do not believe these are of material consequence to the going concern assumption and therefore believe it is appropriate to prepare the financial statements on a going concern basis.

Income recognition

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income comprises grants, donations, rental income, licence fees, visitors' fees, income from fairs and festivals, fees from the loaning of items of the collections to other museums and insurance claims and income from the Government's Coronavirus Job Retention Scheme.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Income recognition (continued)

Grants from government, other agencies and voluntary bodies have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Rental income, visitors' fees, licence fees, fees from the loaning of the collections to other museums, income from fairs and festivals, and insurance claims are recognised to the extent that it is probable that the economic benefits will flow to the charity and the income can be reliably measured. It is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Receipts from insurance claims are recognised gross of any expenditure required to rectify related damage and classified as miscellaneous income.

Income from the Coronavirus Job Retention Scheme is credited to the statement of financial activities when the Charity is entitled to receive the funds and when the amount receivable can be quantified.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment 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.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings.

Expenditure on charitable activities comprises those costs (direct and support) relating to the charity's primary charitable purposes i.e. the maintenance and preservation of Chiddingstone Castle and the collections.

All expenditure is stated inclusive of irrecoverable VAT.

Support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel, financial procedures, provision of office services and equipment, and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are included as part of the costs of preserving the Castle and the collections.

Principal accounting policies 31 December 2021

Tangible fixed assets

Assets costing more than £1,000 with an expected useful life exceeding one year are capitalised.

Depreciation is provided at the following annual rate in order to write off each asset over its estimated useful life.

- ◆ Furniture and equipment – 10% to 20% per annum
- ◆ Landscaping and groundworks – 10% to 20% per annum

Heritage assets

Heritage assets have historic, artistic, scientific, technological, geophysical or environmental qualities and are held and maintained principally for their contribution to knowledge and culture.

Freehold land and buildings

The freehold land and buildings comprising Chiddingstone Castle are included in the accounts at deemed cost, based on a valuation determined by the trustees with professional assistance in 2007. This valuation was based on replacement cost for existing use. No depreciation is provided on the freehold land and buildings. The charity's objects relate to the maintenance and preservation of the Castle for the benefit of the nation and future generations. As such the trustees ensure that the fabric and structure of the Castle is preserved at all times and that there is no diminution in the value of the asset.

The Collections

The permanent and reserve collections comprise Japanese armour and swords, pictures, prints, furniture, lacquer works and other antiquities. The items are included in the accounts at a deemed cost, based on a valuation determined by Messrs Christie Manson & Woods Limited in June 2007. This calculation was based on auction estimates as at that date. No depreciation is charged on the Collections given the nature of the assets and the fact that the charity's objects relate to their maintenance and preservation.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions 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. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

The endowment funds comprise monies which must be held indefinitely as capital, and are represented by the Castle and collections. Income therefrom is credited to general funds and applied for general purposes. Amounts arising as a result of revaluations of assets held as part of the funds are retained as part of the relevant fund. Amounts arising from disposals of assets held as part of the freehold land and buildings fund or the permanent collection fund are considered to be part of the fund (unless express consent has been obtained from the Charity Commission to allow otherwise) whereas amounts arising in respect to disposals of assets held as part of the reserve collection fund may be utilised for general purposes under certain circumstances.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Creditors and provisions

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Fund structure

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Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

1 Income from grants and donations

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £
Donations	44,890	—	—	44,890
Grants				
. Leader funding	13,099	—	—	13,099
. The Leche Trust	2,220	—	—	2,220
. Sasakawa Foundation	1,040	—	—	1,040
Covid-19 support grants				
. Arts Council England	22,606	—	—	22,606
. Sevenoaks District Council	26,572	—	—	26,572
2021 total funds	110,427	—	—	110,427
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £
Donations	1,347	—	—	1,347
Grants				
. Japan Foundation	1,561	—	—	1,561
Covid-19 support grants				
. Historic England	20,881	—	—	20,881
. Arts Council England	79,174	—	—	79,174
. Sevenoaks District Council	27,000	—	—	27,000
2020 total funds	129,963	—	—	129,963

2 Income from activities to preserve the Castle and collections

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £
Visitors' fees and related income	170,389	—	—	170,389
Fees for loan of part of the collections (see below)	25,000	—	—	25,000
2021 total funds	195,389	—	—	195,389
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £
Visitors' fees and related income	63,573	—	—	63,573
Fees for loan of part of the collections (see below)	26,712	—	—	26,712
2020 total funds	90,285	—	—	90,285

During the above two years, part of the Egyptian Collection continued to be loaned to the Houston Museum of Natural Science, Texas, United States of America. The current agreement was renewed for a six year period, beginning in October 2019.

3 Expenditure on charitable activities: Preservation of the Castle and collections

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £
Staff costs (note 7)	183,264	—	—	183,264
Building maintenance and refurbishment	48,943	—	—	48,943
Other property expenses	56,015	—	—	56,015
Gift shop and café purchases	16,452	—	—	16,452
Support costs (note 4)	57,052	1,051	—	58,103
Miscellaneous expenses	25,259	—	—	25,259
2021 total funds	386,985	1,051	—	388,036

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £
Staff costs (note 7)	202,526	—	—	202,526
Building maintenance and refurbishment	48,154	—	—	48,154
Other property expenses	38,765	—	—	38,765
Gift shop and café purchases	5,560	—	—	5,560
Support costs (note 4)	48,875	1,045	—	49,920
Miscellaneous expenses	12,638	—	—	12,638
2020 total funds	356,518	1,045	—	357,563

4 Support costs

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £
Premises	7,258	—	—	7,258
Depreciation	3,172	1,051	—	4,223
Marketing	5,586	—	—	5,586
Advertising and publicity	22,711	—	—	22,711
Professional	2,404	—	—	2,404
Governance costs (note 5)	15,921	—	—	15,921
2021 total funds	57,052	1,051	—	58,103

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £
Premises	6,327	—	—	6,327
Depreciation	2,668	1,045	—	3,713
Marketing	702	—	—	702
Advertising and publicity	19,207	—	—	19,207
Professional	7,448	—	—	7,448
Governance costs (note 5)	12,523	—	—	12,523
2020 total funds	48,875	1,045	—	49,920

Notes to the accounts 31 December 2021

5 Governance costs

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £
Auditor's remuneration				
. Statutory audit services	9,390	—	—	9,390
Accountancy fees	6,531	—	—	6,531
2021 total funds	15,921	—	—	15,921
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £
Auditor's remuneration				
. Statutory audit services	9,120	—	—	9,120
Accountancy fees	3,403	—	—	3,403
2020 total funds	12,523	—	—	12,523

6 Net income (expenditure)

This is stated after charging:

	Total 2021 £	Total 2020 £
Staff costs (note 7)	183,264	202,526
Auditor's remuneration		
. Statutory audit services	9,390	9,120
. Other services	6,531	3,403
Depreciation	4,223	3,713

7 Staff costs

Costs payable to staff and contract workers during the year were as follows:

	2021 £	2020 £
Wages and salaries	167,741	189,313
Social security costs	13,597	11,086
Pension costs	1,926	2,127
	183,264	202,526

The average number of employees during the year, analysed by function, was as follows:

	2021 FTE	2020 FTE	2021 Number	2020 Number
Preservation of the Castle and collection	5.1	5.0	10	10

No employee earned £60,000 per annum or more during the year (2020 – none).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees, the Estate Manager and the Finance Officer and Marketing Co-ordinator. The total remuneration of the key management personnel for the year was £74,858 (2020 – £73,947).

Notes to the accounts 31 December 2021

8 Taxation

The Denys Eyre Bower Bequest is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

9 Tangible fixed assets

	Landscaping and groundworks £	Furniture and equipment £	Total £
Cost			
At 1 January 2021	14,631	168,207	182,838
Additions	—	530	530
At 31 December 2021	14,631	168,737	183,368
Depreciation			
At 1 January 2021	13,580	159,325	172,905
Charge for year	1,051	3,172	4,223
At 31 December 2021	14,631	162,497	177,128
Net book values			
At 31 December 2021	—	6,240	6,240
At 31 December 2020	1,051	8,882	9,933

10 Heritage assets

	Freehold land and buildings £	Collections £	Total £
Cost or deemed cost			
At 1 January 2021	11,561,512	6,452,500	18,014,012
Disposals	(165,000)	—	(165,000)
At 31 December 2021	11,396,512	6,452,500	17,849,012
At cost	17,512	—	17,512
At deemed cost	11,379,000	6,452,500	17,831,500
At 31 December 2021	11,396,512	6,452,500	17,849,012
Depreciation			
At 1 January 2021	—	—	—
Charge for year	—	—	—
At 31 December 2021	—	—	—
Net book values			
At 31 December 2021	11,396,512	6,452,500	17,849,012
At 31 December 2020	11,561,512	6,452,500	18,014,012

10 Heritage assets (continued)

Freehold land and buildings comprise Chiddingstone Castle which, as described in the trustees' report, has existed in three forms on its current site since the 1500s and now houses the four permanent collections of the late Denys Eyre Bower (see below). The preservation of the castle and the collections for the benefit of the public is the primary purpose of the charity. On his death, the late Denys Eyre Bower wished to bequeath his treasures to the nation and believed strongly that the collections should be enjoyed in the "living surroundings" of the Castle and should not be segregated in a museum.

In accordance with the charity's governing document, a Scheme of the Charity Commissioners for England and Wales dated 17 August 1984, the objects of the charity are the maintenance and preservation, in perpetuity for the benefit of the public, of Chiddingstone Castle and its grounds and those items in the collections described as "permanent collections". These assets are regarded, therefore, as assets belonging to permanent endowment funds.

Items in the collections not regarded as "permanent collections" form part of the "reserve collections". In accordance with clause 4 of the Scheme of the Charity Commissioners dated 1 November 2005, assets comprising the reserve collection can be sold or transferred given the existence of certain specified conditions. These assets, therefore, are regarded as belonging to expendable endowment funds.

The Castle has been included in the accounts at a trustees' valuation carried out in 2007 based on replacement cost for existing use obtained using professional help. Following the completion of extensive repair work to the Orangery during 2007, certain aspects of the freehold land and buildings were revalued in 2007 by the trustees – again on a replacement cost for existing use obtained using professional assistance. These valuations are treated as 'deemed cost' for the purposes of these accounts.

The collections comprise items collected by the late Denys Eyre Bower over his life time and have been available for public viewing at the castle since March 2009. The collections may be summarised as follows:

	2021 £	2020 £
Japanese armour and swords	275,050	275,050
Antiquities (including Buddhist and Egyptian)	3,930,828	3,930,828
Pictures, prints and furniture	269,472	269,472
Japanese ceramics and objects	1,559,835	1,559,835
Portrait miniatures, memorabilia, tobacco boxes, medals, books, lacquer, autograph letters and manuscripts (including Jacobite)	417,315	417,315
	6,452,500	6,452,500

The collections are included in the accounts at a valuation determined by Messrs Christie Manson & Woods Limited in June 2007. The valuation is based on auction estimates as at that date. The trustees are aware that the valuations of the collections will vary over time due to market conditions; however, given the prominent nature of the collections, they believe that no useful purpose would be served by updating them on a regular basis for the accounts. As such, the valuations are treated as deemed cost for the purposes of these accounts.

10 Heritage assets (continued)

The collections continue to be admired not least by the fourth largest Museum in the USA, the Houston Museum of Natural Science, which has been loaned some of the charity's Egyptian Artefacts for a major exhibition in Houston which opened in May 2013. The loan agreement with the Houston Museum was renewed during 2019.

There have been no changes in the book value of heritage assets during the last five years, except in regard of the disposal of 'The Lodge' (see note 19) – a dilapidated out-building not being 'core' to the Castle.

Preservation and management

As indicated in the trustees' report, the primary objective of the Denys Eyre Bower Bequest is the preservation and maintenance of Chiddingstone Castle and its contents, including the collections of the late Denys Eyre Bower, in perpetuity for the benefit of the public. To this end, the charity employs curatorial staff, supported by appropriately skilled trustees, and operates the castle in an appropriately secure manner commensurate with the objective of public benefit.

11 Debtors

	2021 £	2020 £
Trade debtors	12,837	14,491
Coronavirus Job Retention Scheme grant receivable	—	3,498
Amount due from Chiddingstone Castle Events Limited	82,048	
	94,885	17,989

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Amount due to Chiddingstone Castle Events Limited	—	22,110
Taxation and social security	3,170	3,556
Compensation payable to life tenants (note 13)	1,845	1,845
Expense and other creditors	8,553	26,018
Accruals and deferred income	24,404	70,003
VAT payable	30	4,682
Loan from a trustee (note 18)	—	220,000
	38,002	348,214

Deferred income (included within accruals and deferred income above:)	2021 £	2020 £
Deferred Income at 1 January 2021	55,889	6,250
Released during the year	(55,889)	(6,250)
Resources deferred in the year	6,250	55,889
Deferred Income at 31 December 2021	6,250	55,889

12 Creditors: amounts falling due within one year (continued)

Deferred income of £6,250 (2020 – £6,250) relates to income in relation to the loan of Egyptian Artefacts to the Houston Museum in Texas, USA, which was invoiced in advance of the period to which it pertains. There were no other amounts held as deferred income at 31 December 2021 (2020 – £49,639 relating to the drawdown of a deposit from the sale of a freehold property for works to be carried out before completion of that sale which was finalised in 2021 and therefore released to income in 2021).

13 Creditors: amounts falling due after one year

	2021 £	2020 £
Compensation payable to life tenants (see below)	771	2,616
	<u>771</u>	<u>2,616</u>

In 2013, the trustees agreed to make a compensation payment of £30,000 to two individuals in return for them relinquishing their lifetime right to occupy 'the Lodge', a property situated in the grounds of the Castle. The compensation is payable over a ten year period and was paid at rate of £350 a month for the first 60 months commencing June 2013 and thereafter at a rate of £150 per month for the remaining 60 months, increasing in line with inflation. Payments due in the year to 31 December 2022 totalling £1,845 (2021 – £1,845) have been classified as creditors: amounts due within one year (note 12).

14 Endowment funds: Freehold land and buildings

	At 1 January 2021 £	Income £	Expenditure £	Revaluation and transfers £	At 31 December 2021 £
Chiddingstone Castle (note 10)	11,561,512	—	—	(165,000)	11,396,512
	<u>11,561,512</u>	<u>—</u>	<u>—</u>	<u>(165,000)</u>	<u>11,396,512</u>

	At 1 January 2020 £	Income £	Expenditure £	Revaluation and transfers £	At 31 December 2020 £
Chiddingstone Castle (note 10)	11,561,512	—	—	—	11,561,512
	<u>11,561,512</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>11,561,512</u>

During the year ended 31 December 2021, further to prior consent obtained from the Charity Commission, the charity disposed a property previously forming a minor part of its permanent endowment, more commonly referred to as The Lodge. The charity has been granted consent to treat the funds released from the disposal as unrestricted funds, and therefore the amount originally recorded within the permanent endowment fund in relation to this property has been transferred to the charity's unrestricted funds. The gain on disposal of the asset has also been credited to the charity's unrestricted funds. See also note 19 to these accounts.

Notes to the accounts 31 December 2021

15 Endowment funds: Collections

	Permanent collection £	Reserve collection £	Total 2021 £
At 1 January 2021 and 31 December 2021	7,482,717	161,272	7,643,989
At 1 January 2020 and 31 December 2020	7,482,717	161,272	7,643,989

16 Restricted funds

	At 1 January 2021 £	Income £	Expenditure £	Revaluation and transfers £	At 31 December 2021 £
Landscaping and Groundworks	2,752		(1,051)		1,701

	At 1 January 2020 £	Income £	Expenditure £	Revaluation and transfers £	At 31 December 2020 £
Landscaping and Groundworks	3,797	—	(1,045)	—	2,752

The **Landscaping and Groundworks fund** represents money spent and capitalised on the car park and foot paths plus money held to be applied towards future car park maintenance costs.

17 Analysis of net assets between funds

	General funds £	Restricted funds £	Endowment funds			Total 2021 £
			Freehold land and buildings £	Permanent collection £	Reserve collection £	
Fund balances at 31 December 2021 are represented by:						
Tangible fixed assets	6,240	—				6,240
Heritage assets	—	—	11,396,512	6,291,228	161,272	17,849,012
Current assets	343,151	1,701	—	—	—	344,852
Interfund indebtedness	(1,191,489)	—	—	1,191,489	—	—
Creditors: amounts falling due within one year	(38,002)	—	—	—	—	(38,002)
Creditors: amounts falling due after one year	(771)	—	—	—	—	(771)
	(880,871)	1,701	11,396,512	7,482,717	161,272	18,161,331

17 Analysis of net assets between funds (continued)

	General funds £	Restricted funds £	Endowment funds			Total 2020 £
			Freehold land and buildings as restated £	Permanent collection £	Reserve collection £	
Fund balances at 31 December 2020 are represented by:						
Fixed assets	8,888	1,045	—	—	—	9,933
Heritage assets	—	—	11,561,512	6,291,228	161,272	18,014,012
Current assets	63,469	1,707	—	—	—	65,176
Interfund indebtedness	(1,191,489)	—	—	1,191,489	—	—
Creditors: amounts falling due within one year	(348,214)	—	—	—	—	(348,214)
Creditors: amounts falling due after one year	(2,616)	—	—	—	—	(2,616)
	<u>(1,469,962)</u>	<u>2,752</u>	<u>11,561,512</u>	<u>7,482,717</u>	<u>161,272</u>	<u>17,738,291</u>

During the years since the sale of the Lely painting in 2007, the charity's endowment funds have advanced funds to the general funds to enable crucial refurbishment work to the Castle and restoration work to the collections to take place. This interfund indebtedness has been created with the permission of the Charity Commission.

18 Related party transactions

The charity has taken advantage of the exemptions in FRS 102 and has not reported transactions between itself and its subsidiary company, Chiddingstone Castle Events Limited.

No trustee received any remuneration from the charity in respect of their services during either the year ended 31 December 2021 or the year ended 31 December 2020.

None of the trustees received reimbursement for out of pocket travelling expenses during the year (2020 – none).

One of the trustees has undertaken to provide financial support to the charity by advancing an interest free loan of £220,000. At 31 December 2021, £nil was payable to the trustee (2020 – £220,000). This loan was repaid in full following the year end, after the receipt of the proceeds from the sale of Chiddingstone Lodge (note 19).

During the year, no donations were made to the charity by trustees (2020 – £500 by one trustee).

Other than the above, there were no other related party transactions during the year ended 31 December 2021 (2020 – no other transactions).

19 Disposal of The Lodge

The disposal of the Lodge was completed in the year. Overall proceeds were £575,000, and cost of sale was £165,000. In accordance with planning requirements, £36,000 of the proceeds were used for certain repairs to the Castle and its surrounds.

THE DENYS EYRE BOWER BEQUEST

England & Wales - Charity number 291203

Accounts

**The
Denys
Eyre
Bower
Bequest**

Annual Report and Accounts

31 December 2020

Charity Registration Number
291203

Contents

Reports

Reference and administrative information	1
Trustees' report	2
Independent auditor's report	10

Accounts

Statement of financial activities	15
Balance sheet	17
Statement of cash flows	18
Principal accounting policies	19
Notes to the accounts	24

Reference and administrative information

Corporate trustee	Bower Bequest Trustee Company Limited
Directors of the corporate trustee (trustees)	Paul Allen Lennox Cato (resigned 10 August 2020) Margaret Cooke Richard Don (resigned 24 May 2021) Ruth Goldman (appointed 2 August 2021) Mark Hinton Julia Hutt Nancy Lovegrove (appointed 10 August 2020) Annabel Narayanan (appointed 2 August 2021) Roger Perkin Mark Streatfeild
Estate Manager and Company Secretary	Mike Glossop
Finance Officer and Marketing Co-ordinator	Clare Proctor
Principal office	Chiddingstone Castle Hill Hoath Road Chiddingstone Edenbridge Kent TN8 7AD
Charity registration number	291203
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	National Westminster Bank plc 89 Mount Pleasant Road Tunbridge Wells Kent TN1 1QJ
Solicitors	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR

The trustees present their statutory report together with the accounts of The Denys Eyre Bower Bequest for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out on pages 19 to 23 of the attached accounts and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

INTRODUCTION

Situated in the heart of the village of Chiddingstone, the Castle has existed in three forms on its current site since the 1500s. The original timber framed house, owned by the Streatfeild family was remodelled in the 'Carolean style' in about 1670. A further remodelling took place at the opening of the nineteenth century when Henry Streatfeild embarked on a project that came to typify the Castle's fortunes. A grand remodelling in the 'castle style' was initiated in 1803, apparently led by the acclaimed architect William Atkinson, only to fizzle out in 1808 through lack of funds. Finally finished, but not completed, by Henry Kendal in 1838 the Castle retains some of the original features including several of the Tudor window arches. The Streatfeild family continued to make the Castle their home until the early 20th century, eventually letting it out early in the 1900s and then selling it in 1938.

After a period of military and scholastic occupation around and during the Second World War, the Castle was bought in 1955 by the well-known antiquary Denys Bower. With an uncanny ability to spot masterpieces and treasures others had missed, he gradually built his four collections over the years, until his death in 1977 when, amongst other things, his collection of Japanese swords, armour and lacquer was acclaimed as one of the best private collections in the UK. He bequeathed his treasures to the Nation, believing that collections are best enjoyed in living surroundings and not segregated in a museum.

After various discussions over how this desire could best be achieved, it was agreed that a charity should be set up and The Denys Eyre Bower Bequest was formed.

OBJECTIVE

The primary objective of The Denys Eyre Bower Bequest is the preservation and maintenance of Chiddingstone Castle and its contents, including the collections of the late Denys Eyre Bower, in perpetuity for the benefit of the public, in particular by ensuring reasonable public access.

The charity ensures that, at all times, it is acting in the public benefit and the trustees confirm that they have paid due regard to the Charity Commission's public benefit guidance.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Constitution

The charity is governed by a Scheme of the Charity Commission dated 13 August 1984, as subsequently amended by further Schemes. It is a charity registered in England and Wales, Charity Registration No. 291203.

Trustees

Following the sealing of a Charity Commission Scheme, on 19 September 2008, individual trustees were replaced with a corporate trustee, the Bower Bequest Trustee Company Limited. The directors of the corporate trustee (referred to in this document as the 'trustees') who were in office during the year and/or at the date on which these accounts were approved are as follows:

Trustee	Appointed/ resigned
Paul Allen	
Lennox Cato	Resigned 10 August 2020
Margaret Cooke	
Richard Don	Resigned 24 May 2021
Ruth Goldman	Appointed 2 August 2021
Mark Hinton	
Julia Hutt	
Nancy Lovegrove	Appointed 10 August 2020
Annabel Narayanan	Appointed 2 August 2021
Roger Perkin	
Mark Streatfield	

No trustee received any remuneration from the charity in respect of their services during either the year ended 31 December 2020 or the year ended 31 December 2019.

None of the trustees received reimbursement for out of pocket travelling expenses during the year (2019 – one trustee was reimbursed £54).

One of the trustees provided financial support to the charity by advancing an interest free loan of up to £220,000 with no specific repayment terms. This loan was repaid after the year end.

The trustees take responsibility for monitoring the charity's activities in all operational areas, working to achieve a skills mix of the trustees to ensure that the board of trustees has all the necessary skills required to contribute fully to the charity's development.

Over the past decade, the trustees have taken significant professional advice regarding their responsibilities and duties and have also liaised closely with senior members of the Charity Commission. The trustees have had to deal with a number of important and complex issues over the period since the charity was established and whilst the Castle was closed to visitors. Since the re-opening of the Castle to the public in March 2008, the trustees have put robust governance and financial procedures in place to ensure the sound stewardship of the charity and its assets.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Statement of trustees' responsibilities

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

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources of the charity for that period. In preparing these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's governing Scheme. 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.

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

Risk management

As part of the work towards building robust governance procedures, the trustees assess the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, its heritage assets and its finances. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they will ensure effective systems to mitigate those risks and prevent a recurrence of the problems that have beset the charity in the past.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management (continued)

The key risks identified by the trustees and the controls in place to mitigate them are summarised below:

- ◆ Damage to the charity's Collections resultant from poor conservation techniques and procedures. The charity employs a Curator to ensure the Collections are cared for in the best possible environmental conditions, and conservators are recruited as necessary.
- ◆ Insufficient fundraising, including poor visitor numbers. The charity employs a small but dedicated team of staff, supported by volunteers. The charity also employs a freelance PR specialist firm to assist in raising the profile of the Castle and its activities through copy editorial rather than advertising. Staff also use many social media platforms to raise the profile and keep prospective visitors informed of activities.
- ◆ Injury or illness caused to visitors whilst visiting the Castle and resultant possible negative publicity. The charity employs an Estate Manager to ensure all risks associated with visiting the Castle and grounds (the lake, waterfall, haha wall, caves, woodland, interior of the Castle etc.), have been adequately evaluated for safety. Public liability insurances are all in place. Three members of staff are registered First Aiders. Catering staff and the kitchen are compliant with food and hygiene regulations.
- ◆ During the year, the Charity was materially affected by the Covid-19 pandemic, with a resultant impact on income from visitors and events. A combination of accessing government support schemes (e.g. Furlough), successful grant applications and rigorous control of staff salaries and other costs has mitigated the impact: we received grant funding of over £120,000 and we anticipate ending 2021 with cash balances of around £345,000. Whilst the trustees acknowledge the uncertainty at the present time, with recent positive news regarding the success of the vaccination programme along with the easing of social distancing restrictions and the completion of the sale of the Lodge in February 2021, our cash flow forecasts for both 2021 and 2022 anticipate a healthy cash balance throughout the next two financial years. As such the going concern basis has been adopted in the preparation of these accounts.

Senior executives

Name	Position
Mike Glossop	Estate Manager (and Company Secretary)
Clare Proctor	Finance Officer and Marketing Co-Ordinator

Key management personnel

The key management personnel of The Denys Eyre Bower Bequest, responsible for directing and controlling, running and operating the charity on a day to day basis, comprise the Estate Manager, and Finance Officer and Marketing Co-Ordinator.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Key management personnel (continued)

The Trustees do not receive remuneration in respect of their services to the charity. The remuneration of the Estate Manager, and Finance Officer and Marketing Co-Ordinator is determined by the trustees.

Raising Funds

The charity aims to achieve best practice in the way in which it communicates with supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. The charity is registered with the Fundraising Regulator and adheres to the Code of Fundraising Practice. It applies best practice to protect supporters' data and never sells data, it never swaps data with other organisations, and ensures that its communication preferences can be changed at any time. The charity manages its own fundraising activities and does not employ the services of Professional Fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During 2020, the Charity received no complaints about its fundraising activities.

DEVELOPMENTS AND FUTURE PLANS

2020 was, of course, dominated by reacting to and managing the impact of the Covid-19 pandemic. Thanks, in large measure, to the flexibility of our small but dedicated team, we were able to 'keep the show on the road' by managing staff costs and accessing the Government's furlough scheme. Additionally, through the skill and perseverance of the team, we received over £120,000 worth of grants from a number of sources for which we are truly grateful.

Obviously, our income generating activities were severely curtailed. Once we were able to open, demand was actually very strong; on the other hand, we were unable to host any of our events, whether weddings on the one hand or the literary festival on the other. With particular regard to weddings it was very reassuring that almost all 2020 bookings were rolled forward into 2021 or 2022.

Overall, the charity did somewhat better than break even during the year while, unsurprisingly, the Events subsidiary made an accounting loss. Even then, cash flow remained positive thanks to receipts in respect of future weddings.

While we have continued, until recently, to face the challenges of Covid-19, we are looking forward to the rest of this year and then future years with considerable confidence.

DEVELOPMENTS AND FUTURE PLANS (continued)

First, and perhaps most importantly, we received the majority of the proceeds from the disposal of 'the Lodge', with the balance of 10% to be received before February 2022. This has transformed our financial position, enabling us to repay outstanding loans and creditors, as well as undertake essential, and long overdue, repairs to the Castle and its surrounds. The remaining surplus enables us to consider investing in improvements to our general 'offer' and essential marketing, while leaving a much needed reserve to protect us from future adverse circumstances. We have already widened the roster of events in 2021 – more music, more theatre, more art, for example – and have been pleased to reinstate the literary festival for the summer of 2021, albeit in a new form, spread over four separate dates. With the return of weddings as well, we are looking forward to a positive financial outturn for the 2021 financial year, on which we intend to build in future years.

There are a number of Trustee changes to report. During August 2020 Lennox Cato stood down so that he could focus on his own business in the Covid-19 environment and this year our 'lawyer' Trustee, Richard Don, retired during May 2021, so that he could devote much-needed time to his campervan. We are grateful to them both for all their efforts on our behalf, particularly to Richard, whose unstinting efforts finally enabled the completion of the Lodge disposal.

During 2021, we have been fortunate to recruit two new Trustees – Annabel Narayanan, who has a successful background in fundraising, and Ruth Goldman, who has recently retired as a partner in a major City law firm. Then, we come to Nancy Lovegrove, who joined us during 2020. Since joining, Nancy has thrown herself into the life of the Castle and it is to a significant degree due to her efforts that we have expanded our 'offer' (as referred to above) and will continue to do so. Finally, after fifteen years as Chair of the Trustees, Mark Streatfeild has decided that the time is right to retire himself later this year. At the same time, we are delighted to report that, with unanimous support of the whole Board, Nancy Lovegrove will succeed him.

Mark has found it a complete privilege to Chair the Board and his thanks go to all of our team (both employees and volunteers), for helping us do what we are here for – "ensuring the preservation and maintenance of Chiddingstone Castle and its contents... in perpetuity for the benefit of the public, in particular by ensuring reasonable public access".

FINANCIAL REPORT FOR THE YEAR

A summary of the year's results can be found on page 15 of the attached accounts.

Total income for the year ended 31 December 2020 amounted to £373,924 (2019 – £399,824) with expenditure totalling £357,563 (2019 – £426,806) reflecting expenditure on staff costs, building and grounds maintenance and other costs associated with the preservation of the Castle and collections). The resultant net income is £16,361 (2019 – net expenditure of £26,982).

FINANCIAL REPORT FOR THE YEAR (continued)

Reserves policy and financial position

Reserves policy

The trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the fact that the major maintenance work will need to continue over the next few years, the level of free reserves should be equivalent to 3 months' annual expenditure at the very least. The trustees are of the opinion that this provides sufficient flexibility to cover temporary shortfalls in incoming resources due to timing differences in income flows, adequate working capital to cover core costs, and will allow the charity to cope and respond to unforeseen emergencies whilst action plans are implemented.

Therefore it is the trustees' intention, as the charity moves into surplus, to build a free cash reserve of at least £100,000 once outstanding long term liabilities are settled. The Covid pandemic has reaffirmed the trustees' commitment to this objective.

Financial position

The total funds of the charity at 31 December 2020 amounted to £17,738,291 (2019 – £17,721,930).

These funds included endowment funds of £19,205,501 (2019 – £19,205,501) including expendable endowments of £161,272 (2019 – £161,272). Whilst income from the permanent endowment funds may be used for general purposes of the charity and is credited, therefore, to unrestricted funds, the permanent endowment fund balances themselves are deemed 'capital' and must be invested and held indefinitely by the charity.

Funds restricted to specific purposes amounted to £2,752 at 31 December 2020 (2019 – £3,797).

General funds of the charity at 31 December 2020 were in deficit by £1,469,962 (2019 – £1,487,368). The trustees were aware that the charity's general funds would be in deficit and they expect this position to remain for a number of years. The charity's detailed business plan addresses the need to recoup these "losses" over the medium term. In the meantime, following the sale of the Lely painting in 2007, the charity's endowment funds will continue to advance funds to the general funds to enable the charity to continue to work towards meeting the purposes for which it was established. As noted elsewhere, the trustees took the decision to sell 'the Lodge' to support the charity's objects; the sale was completed following the year end for consideration of £575,000, as discussed in note 19 to the accounts.

FINANCIAL REPORT FOR THE YEAR (continued)

Reserves policy and financial position (continued)

Financial position (continued)

The interfund indebtedness has been created with the permission of the Charity Commission. In due course, the funds will be repaid to the endowment funds with interest. The accounts have been prepared on a going concern basis. This is based on a mixture of actual performance and projections to December 2022. The key projections relate to a number of initiatives including the loaning of part of the collection to Houston Museum of Natural Science, continuing rental income and taking account of the matters discussed in the Risk section.

Approved by the trustees and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'M. Street Ltd', written over a horizontal line.

Trustee

Approved by the trustees on: 19 August 2021

Independent auditor's report to the trustees of The Denys Eyre Bower Bequest

Opinion

We have audited the financial statements of The Denys Eyre Bower Bequest (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, and the related notes to the financial statements, including a summary of accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these. 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 and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- ◆ the information given in the trustees' annual report 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 trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011) and those regulations governing the charity's status as an Arts Council England accredited museum; and
- ◆ we understood how the charity is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of the minutes of trustees' meetings and reports from regulatory bodies.

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

- ◆ identifying and assessing the design effectiveness of controls 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;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ challenging assumptions and judgements made by management in its significant accounting estimates. In particular, we assessed whether the judgements and assumptions made in determining whether there were any material impairments to the deemed cost of the heritage asset collection were indicative of potential bias;
- ◆ Performing substantive testing on expenditure including the authorisation thereof;
- ◆ identifying and testing journal entries; and
- ◆ assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the relevant accounts item to which they relate.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships
- ◆ investigated the rationale behind significant or unusual transactions; and
- ◆ tested journal entries to identify unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

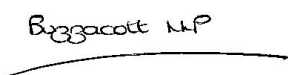
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's report.

Use of our report

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

Buzzacott LLP


Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

15 September 2021

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities incorporating the income and expenditure account Year to 31 December 2020

		Endowment funds					Total 2020 £	Total 2019 £
		General funds £	Restricted funds £	Freehold land and buildings £	Permanent collection £	Reserve collection £		
Income from:								
Grants and donations	1	129,963	—	—	—	—	129,963	40,045
Rental income		83,215	—	—	—	—	83,215	84,263
Licence fee		9,000	—	—	—	—	9,000	18,000
Charitable activities								
. Preservation of the Castle and collections	2	90,285	—	—	—	—	90,285	242,444
Other sources								
. Coronavirus Job Retention Scheme funding		61,461	—	—	—	—	61,461	—
. Insurance claim		—	—	—	—	—	—	15,072
		<u>373,924</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>373,924</u>	<u>399,824</u>
Expenditure on:								
Charitable activities								
. Preservation of the Castle and collections	3	356,518	1,045	—	—	—	357,563	426,806
		<u>356,518</u>	<u>1,045</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>357,563</u>	<u>426,806</u>
Net income (expenditure) and net movement in funds	6	17,406	(1,045)	—	—	—	16,361	(26,982)
Reconciliation of funds:								
Balances brought forward at 1 January 2020		(1,487,368)	3,797	11,561,512	7,482,717	161,272	17,721,930	17,748,912
Balances carried forward at 31 December 2020		<u>(1,469,962)</u>	<u>2,752</u>	<u>11,561,512</u>	<u>7,482,717</u>	<u>161,272</u>	<u>17,738,291</u>	<u>17,721,930</u>

All of the charity's activities derived from continuing operations during the above financial year.

A full comparative statement of financial activities for the previous year can be found on the next page of these financial statements.

Statement of financial activities incorporating the income and expenditure accounts Year to 31 December 2019

		Endowment funds					Total 2019 £
		General funds £	Restricted funds £	Freehold land and buildings £	Permanent collection £	Reserve collection £	
Income from:							
Grants and donations	1	40,045	—	—	—	—	40,045
Rental income		84,263	—	—	—	—	84,263
Licence fee		18,000	—	—	—	—	18,000
Charitable activities							
. Preservation of the Castle and collections	2	242,444	—	—	—	—	242,444
Insurance claim		15,072	—	—	—	—	15,072
		<u>399,824</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>399,824</u>
Expenditure on:							
Charitable activities							
. Preservation of the Castle and collections	3	421,836	4,970	—	—	—	426,806
		<u>421,836</u>	<u>4,970</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>426,806</u>
Net expenditure and net movement in funds							
	4	(22,012)	(4,970)	—	—	—	(26,982)
Reconciliation of funds:							
Balances brought forward at 1 January 2019		(1,465,356)	8,767	11,561,512	7,482,717	161,272	17,748,912
Balances carried forward at 31 December 2019		<u>(1,487,368)</u>	<u>3,797</u>	<u>11,561,512</u>	<u>7,482,717</u>	<u>161,272</u>	<u>17,721,930</u>

All of the charity's activities derived from continuing operations during the above financial year.

Balance sheet 31 December 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	9		9,933		8,879
Heritage assets	10		<u>18,014,012</u>		<u>18,014,012</u>
			18,023,945		18,022,891
Current assets					
Debtors	11	17,989		19,669	
Cash at bank and in hand		<u>47,187</u>		<u>9,056</u>	
		65,176		28,725	
Creditors: amounts falling due within one year	12	<u>(348,214)</u>		<u>(105,225)</u>	
Net current liabilities			<u>(283,038)</u>		<u>(76,500)</u>
Total assets less current liabilities			17,740,907		17,946,391
Creditors: amounts falling due after one year	13		(2,616)		(224,461)
Total net assets			<u>17,738,291</u>		<u>17,721,930</u>
The funds of the charity:					
Capital funds:					
Permanent endowment funds					
. Freehold land and buildings	14		11,561,512		11,561,512
. Permanent collection	15		7,482,717		7,482,717
Expendable endowment funds					
. Reserve collection	15		161,272		161,272
Income funds:					
Unrestricted funds			(1,469,962)		(1,487,368)
Restricted funds	16		<u>2,752</u>		<u>3,797</u>
			17,738,291		17,721,930

Approved by the trustees
and signed on their behalf by:



Trustee

Approved on: 19 August 2021

Statement of cash flows Year to 31 December 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	42,898	(27,829)
Cash flows from financing activities:			
Cash inflows from new borrowing		—	20,000
Net cash provided by financing activities		—	20,000
Cash flows from investing activities			
Purchases of tangible fixed assets		(4,767)	—
Net cash used in investing activities		(4,767)	—
Change in cash and cash equivalents in the year		38,131	(7,829)
Cash and cash equivalents at 1 January 2020	B	9,056	16,885
Cash and cash equivalents at 31 December 2020	B	47,187	9,056

Notes to the statement of cash flows for the year to 31 December 2020.

A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)	16,361	(26,982)
Adjustments for:		
Depreciation charge	3,713	3,301
Decrease in debtors	1,680	3,021
Increase (decrease) in creditors	21,144	(7,169)
Net cash provided by (used in) operating activities	42,898	(27,829)

B Analysis of net debt

	At 1 January 2020 £	Cash flows £	Non-cash movements £	At 31 December 2020 £
Cash and cash equivalents				
Cash at bank and in hand	9,056	38,131	—	47,187
	9,056	38,131	—	47,187
Borrowings				
Loans due within one year	—	—	(220,000)	(220,000)
Loans due after more than one year	(220,000)	—	220,000	—
	(220,000)	—	—	(220,000)
Total	(210,944)	38,131	—	(172,813)

Principal accounting policies 31 December 2020

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of accounting

These accounts have been prepared for the year to 31 December 2020 with comparative information given in respect to the year to 31 December 2019.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

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

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Consolidation

Group accounts have not been prepared for the charity and its subsidiary company, Chiddingstone Castle Events Limited, as the group qualifies as a small group as defined by Financial Reporting Standards.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets for the purposes of calculating the annual depreciation charge;
- ◆ assessing the possibility of the heritage assets being impaired below their deemed cost; and
- ◆ estimating future income and expenditure flows to enable the trustees to assess the charity's going concern.

Assessment of going concern

The trustees assess whether the use of the going concern basis in preparing the financial statements is appropriate i.e. whether there are any material uncertainties related to the events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the accounts.

Assessment of going concern (continued)

The trustees acknowledge the continuing existence of Covid-19, and the fact that it is outside of the control of the charity and that it has had a wide ranging impact on society generally. The Covid-19 pandemic has changed the shape and nature of the world. It has had an impact, not only on the basic nature of social interactions but has also had a significant economic impact at every level, in ways which have been outside of the charity's control.

The charity has been materially affected by the Covid-19 pandemic with a resultant impact on income from visitors and events. A combination of accessing government support schemes (e.g. Coronavirus Job Retention Scheme), successful grant applications and rigorous control of staff salaries and other costs has mitigated the impact. Whilst the trustees acknowledge the uncertainty, with recent positive news regarding both the wide availability of vaccines along with increased testing and the lifting of restrictions with effect from 19 July 2021, the charity's cash flow forecast for 2021 anticipates a positive cash balance at 31 December 2021. As such the going concern basis has been adopted in the preparation of these accounts.

In assessing going concern, the trustees have reviewed actual performance to July 2021 and projections to December 2022 and thereafter. The projections include a number of initiatives such as the loaning of part of the collection to Houston Museum of Natural Science, continuing rental income and the resumption of donations from the subsidiary due to wedding rental income. Additionally, proceeds of £517,500 have been received from the sale of a freehold property, with the balance of £57,500 to follow in due course (please see note 19 to these accounts for further details). At 31 July 2021, bank balances of over £350,000 were held.

Whilst the trustees acknowledge the significant uncertainties arising as a result of the continuing coronavirus pandemic, they therefore believe it is appropriate for the financial statements to be prepared on a going concern basis.

Income recognition

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income comprises grants, donations, rental income, licence fees, visitors' fees, income from fairs and festivals, fees from the loaning of items of the collections to other museums and insurance claims and income from the Government's Coronavirus Job Retention Scheme.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Income recognition (continued)

Grants from government, other agencies and voluntary bodies have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Rental income, visitors' fees, licence fees, fees from the loaning of the collections to other museums, income from fairs and festivals, and insurance claims are recognised to the extent that it is probable that the economic benefits will flow to the charity and the income can be reliably measured. It is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Receipts from insurance claims are recognised gross of any expenditure required to rectify related damage and classified as miscellaneous income.

Income from the Coronavirus Job Retention Scheme is credited to the statement of financial activities when the Charity is entitled to receive the funds and when the amount receivable can be quantified.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment 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.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings.

Expenditure on charitable activities comprises those costs (direct and support) relating to the charity's primary charitable purposes i.e. the maintenance and preservation of Chiddingstone Castle and the collections.

All expenditure is stated inclusive of irrecoverable VAT.

Support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel, financial procedures, provision of office services and equipment, and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are included as part of the costs of preserving the Castle and the collections.

Tangible fixed assets

Assets costing more than £1,000 with an expected useful life exceeding one year are capitalised.

Tangible fixed assets (continued)

Depreciation is provided at the following annual rate in order to write off each asset over its estimated useful life.

- ◆ Furniture and equipment – 10% to 20% per annum
- ◆ Landscaping and groundworks – 10% to 20% per annum

Heritage assets

Heritage assets have historic, artistic, scientific, technological, geophysical or environmental qualities and are held and maintained principally for their contribution to knowledge and culture.

Freehold land and buildings

The freehold land and buildings comprising Chiddingstone Castle are included in the accounts at deemed cost, based on a valuation determined by the trustees with professional assistance in 2007. This valuation was based on replacement cost for existing use. No depreciation is provided on the freehold land and buildings. The charity's objects relate to the maintenance and preservation of the Castle for the benefit of the nation and future generations. As such the trustees ensure that the fabric and structure of the Castle is preserved at all times and that there is no diminution in the value of the asset.

The Collections

The permanent and reserve collections comprise Japanese armour and swords, pictures, prints, furniture, lacquer works and other antiquities. The items are included in the accounts at a deemed cost, based on a valuation determined by Messrs Christie Manson & Woods Limited in June 2007. This calculation was based on auction estimates as at that date. No depreciation is charged on the Collections given the nature of the assets and the fact that the charity's objects relate to their maintenance and preservation.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions 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. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

The endowment funds comprise monies which must be held indefinitely as capital, and are represented by the Castle and collections. Income therefrom is credited to general funds and applied for general purposes. Amounts arising as a result of revaluations of assets held as part of the funds are retained as part of the relevant fund. Amounts arising from disposals of assets held as part of the freehold land and buildings fund or the permanent collection fund must be retained as part of the fund whereas amounts arising in respect to disposals of assets held as part of the reserve collection fund may be utilised for general purposes under certain circumstances.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

1 Income from grants and donations

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £
Donations	1,347	—	—	1,347
Grants				
· Japan Foundation	1,561	—	—	1,561
Covid-19 support grants				
· Historic England	20,881	—	—	20,881
· Arts Council England	79,174	—	—	79,174
· Sevenoaks District Council	27,000	—	—	27,000
2020 total funds	129,963	—	—	129,963

Donations and grants receivable during the year ended 31 December 2019 amounted to £40,045 and related solely to the unrestricted general fund. They comprised donations (including gift aid) of £38,245 and grants of £1,800.

2 Income from activities to preserve the Castle and collections

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £
Visitors' fees and related income	63,573	—	—	63,573
Fees for loan of part of the collections (see below)	26,712	—	—	26,712
2020 total funds	90,285	—	—	90,285

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2019 £
Visitors' fees and related income	223,694	—	—	223,694
Fees for loan of part of the collections (see below)	18,750	—	—	18,750
2019 total funds	242,444	—	—	242,444

During the above two years, part of the Egyptian Collection continued to be loaned to the Houston Museum of Natural Science, Texas, United States of America. The current agreement was renewed for a six year period, beginning in October 2019.

3 Preservation of the Castle and collections

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £
Staff costs (note 7)	202,526	—	—	202,526
Building maintenance and refurbishment	48,154	—	—	48,154
Other property expenses	38,765	—	—	38,765
Gift shop and café purchases	5,560	—	—	5,560
Support costs (note 4)	48,875	1,045	—	49,920
Miscellaneous expenses	12,638	—	—	12,638
2020 total funds	356,518	1,045	—	357,563

Notes to the accounts 31 December 2020

3 Preservation of the Castle and collections (continued)

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2019 £
Staff costs (note 7)	213,647	—	—	213,647
Building maintenance and refurbishment	11,995	3,925	—	15,920
Other property expenses	46,787	—	—	46,787
Gift shop and café purchases	26,128	—	—	26,128
Support costs (note 4)	101,561	1,045	—	102,606
Miscellaneous expenses	21,718	—	—	21,718
2019 total funds	421,836	4,970	—	426,806

4 Support costs

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £
Premises	6,327	—	—	6,327
Depreciation	2,668	1,045	—	3,713
Marketing	702	—	—	702
Advertising and publicity	19,207	—	—	19,207
Professional	7,448	—	—	7,448
Audit and governance (note 5)	12,523	—	—	12,523
2020 total funds	48,875	1,045	—	49,920

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2019 £
Premises	10,031	—	—	10,031
Depreciation	2,256	1,045	—	3,301
Marketing	8,392	—	—	8,392
Advertising and publicity	50,423	—	—	50,423
Bad debts	7,580	—	—	7,580
Professional	3,063	—	—	3,063
Audit and governance (note 5)	19,816	—	—	19,816
2019 total funds	101,561	1,045	—	102,606

5 Governance costs:

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £
Auditor's remuneration				
. Statutory audit services	9,120	—	—	9,120
Accountancy fees	3,403	—	—	3,403
2020 total funds	12,523	—	—	12,523

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2019 £
Auditor's remuneration				
. Statutory audit services	11,010	—	—	11,010
Accountancy fees	8,806	—	—	8,806
2019 total funds	19,816	—	—	19,816

Notes to the accounts 31 December 2020

6 Net expenditure and net movement in funds

This is stated after charging:

	Total 2020 £	Total 2019 £
Staff costs (note 7)	202,526	213,647
Auditor's remuneration		
. Statutory audit services		
.. Current year	9,120	11,010
.. Other services	3,403	8,806
Depreciation	3,713	3,301

7 Staff costs

Costs payable to staff and contract workers during the year were as follows:

	2020 £	2019 £
Wages and salaries	189,313	194,778
Social security costs	11,086	16,611
Pension costs	2,127	2,258
	202,526	213,647

The average number of employees during the year, analysed by function, was as follows:

	2020 FTE	2019 FTE	2020 Number	2019 Number
Preservation of the Castle and collection	5.00	5.50	10	12

No employee earned £60,000 per annum or more during the year (2019 – none).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees, the Estate Manager and the Finance Officer and Marketing Co-ordinator. The total remuneration of the key management personnel for the year was £74,700 (2019 – £73,705).

8 Taxation

The Denys Eyre Bower Bequest is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Notes to the accounts 31 December 2020

9 Tangible fixed assets

	Landscaping and groundworks £	Furniture and equipment £	Total £
Cost			
At 1 January 2020	14,631	163,440	178,071
Additions	—	4,767	4,767
At 31 December 2020	14,631	168,207	182,838
Depreciation			
At 1 January 2020	12,535	156,657	169,192
Charge for year	1,045	2,668	3,713
At 31 December 2020	13,580	159,325	172,905
Net book values			
At 31 December 2020	1,051	8,882	9,933
At 31 December 2019	2,096	6,783	8,879

10 Heritage assets

	Freehold land and buildings £	Collections £	Total £
Cost or deemed cost			
At 1 January 2020 and at 31 December 2020	11,561,512	6,452,500	18,014,012
At cost	17,512	—	17,512
At deemed cost	11,544,000	6,452,500	17,996,500
At 31 December 2020	11,561,512	6,452,500	18,014,012
Depreciation			
At 1 January 2020	—	—	—
Charge for year	—	—	—
At 31 December 2020	—	—	—
Net book values			
At 31 December 2019	11,561,512	6,452,500	18,014,012

Freehold land and buildings comprise Chiddingstone Castle which, as described in the trustees' report, has existed in three forms on its current site since the 1500s and now houses the four permanent collections of the late Denys Eyre Bower (see below). The preservation of the castle and the collections for the benefit of the public is the primary purpose of the charity. On his death, the late Denys Eyre Bower wished to bequeath his treasures to the nation and believed strongly that the collections should be enjoyed in the "living surroundings" of the Castle and should not be segregated in a museum.

In accordance with the charity's governing document, a Scheme of the Charity Commissioners for England and Wales dated 17 August 1984, the objects of the charity are the maintenance and preservation, in perpetuity for the benefit of the public, of Chiddingstone Castle and its grounds and those items in the collections described as "permanent collections". These assets are regarded, therefore, as assets belonging to permanent endowment funds.

9 Heritage assets (continued)

Items in the collections not regarded as “permanent collections” form part of the “reserve collections”. In accordance with clause 4 of the Scheme of the Charity Commissioners dated 1 November 2005, assets comprising the reserve collection can be sold or transferred given the existence of certain specified conditions. These assets, therefore, are regarded as belonging to expendable endowment funds. The charity disposed of assets totalling £50,335 in 2011 and £110,548 in 2012 out of this reserve collection.

The Castle has been included in the accounts at a trustees' valuation carried out in 2007 based on replacement cost for existing use obtained using professional help. Following the completion of extensive repair work to the Orangery during 2007, certain aspects of the freehold land and buildings were revalued in 2007 by the trustees – again on a replacement cost for existing use obtained using professional assistance. These valuations are treated as ‘deemed cost’ for the purposes of these accounts.

The collections comprise items collected by the late Denys Eyre Bower over his life time and have been available for public viewing at the castle since March 2009. The collections may be summarised as follows:

	2020 £	2019 £
Japanese armour and swords	275,050	275,050
Antiquities (including Buddhist and Egyptian)	3,930,828	3,930,828
Pictures, prints and furniture	269,472	269,472
Japanese ceramics and objects	1,559,835	1,559,835
Portrait miniatures, memorabilia, tobacco boxes, medals, books, lacquer, autograph letters and manuscripts (including Jacobite)	417,315	417,315
	6,452,500	6,452,500

The collections are included in the accounts at a valuation determined by Messrs Christie Manson & Woods Limited in June 2007. The valuation is based on auction estimates as at that date. The trustees are aware that the valuations of the collections will vary over time due to market conditions; however, given the prominent nature of the collections, they believe that no useful purpose would be served by updating them on a regular basis for the accounts. As such, the valuations are treated as deemed cost for the purposes of these accounts.

The collections continue to be admired not least by the fourth largest Museum in the USA, the Houston Museum of Natural Science, which has been loaned some of the charity's Egyptian Artefacts for a major exhibition in Houston which opened in May 2013. The loan agreement with the Houston Museum was renewed during 2019.

There have been no changes in the book value of heritage assets during the last five years.

Preservation and management

As indicated in the trustees' report, the primary objective of the Denys Eyre Bower Bequest is the preservation and maintenance of Chiddingstone Castle and its contents, including the collections of the late Denys Eyre Bower, in perpetuity for the benefit of the public. To this end, the charity employs curatorial staff, supported by appropriately skilled trustees, and operates the castle in an appropriately secure manner commensurate with the objective of public benefit.

Notes to the accounts 31 December 2020

11 Debtors

	2020 £	2019 £
Trade debtors	14,491	19,669
Coronavirus Job Retention Scheme grant receivable	3,498	—
	<u>17,989</u>	<u>19,669</u>

12 Creditors: amounts falling due within one year

	2020 £	2019 £
Amount due to Chiddingstone Castle Events Limited	22,110	44,029
Taxation and social security	3,556	3,792
Compensation payable to life tenants (note 13)	1,845	1,845
Expense and other creditors	26,018	33,133
Accruals and deferred income	70,003	19,938
VAT payable	4,682	2,488
Loan from a trustee (note 18)	220,000	—
	<u>348,214</u>	<u>105,225</u>

Deferred income	2020 £	2019 £
Deferred Income at 1 January 2020	6,250	12,500
Released during the year	(6,250)	(12,500)
Resources deferred in the year	55,889	6,250
Deferred Income at 31 December 2020	<u>55,889</u>	<u>6,250</u>

Deferred income of £6,250 (2019 – £6,750) relates to income in relation to the loan of Egyptian Artefacts to the Houston Museum in Texas, USA, which was invoiced in advance of the period to which it pertains. The remaining balance of £49,639 (2019 – £nil) relates to the drawdown of deposit from the sale of a freehold property for works to be carried out before completion of sale (note 19).

13 Creditors: amounts falling due after one year

	2020 £	2019 £
Loan from a trustee (note 18)	—	220,000
Compensation payable to life tenants (see below)	2,616	4,461
	<u>2,616</u>	<u>224,461</u>

The loans of £220,000 from a trustee are interest free. At 31 December 2020, £220,000 has been reclassified as falling due within one year, as a result of the repayment of the amounts in full in February 2021. At 31 December 2019, £220,000 remained outstanding.

In 2013, the trustees agreed to make a compensation payment of £30,000 to two individuals in return for them relinquishing their lifetime right to occupy 'the Lodge', a property situated in the grounds of the Castle. The compensation is payable over a ten year period and was paid at rate of £350 a month for the first 60 months commencing June 2013 and thereafter at a rate of £150 per month for the remaining 60 months, increasing in line with inflation. Payments due in the year to 31 December 2021 totalling £1,845 (2019 – £1,845) have been classified as creditors: amounts due within one year (note 12).

14 Endowment funds: Freehold land and buildings

	At 1 January 2020 £	Income £	Expenditure £	Revaluation and transfers £	At 31 December 2020 £
Chiddingstone Castle (note 9)	11,561,512	—	—	—	11,561,512
	<u>11,561,512</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>11,561,512</u>

	At 1 January 2019 £	Income £	Expenditure £	Revaluation and transfers £	At 31 December 2019 £
Chiddingstone Castle (note 9)	11,561,512	—	—	—	11,561,512
	<u>11,561,512</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>11,561,512</u>

15 Endowment funds: Collections

	Permanent collection £	Reserve collection £	Total 2020 £
At 1 January 2020 and 31 December 2020	<u>7,482,717</u>	<u>161,272</u>	<u>7,643,989</u>
At 1 January 2019 and 31 December 2019	<u>7,482,717</u>	<u>161,272</u>	<u>7,643,989</u>

16 Restricted funds

	At 1 January 2020 £	Income £	Expenditure £	Revaluation and transfers £	At 31 December 2020 £
Landscaping and Groundworks	3,797	—	(1,045)	—	2,752

	At 1 January 2019 £	Income £	Expenditure £	Revaluation and transfers £	At 31 December 2019 £
Landscaping and Groundworks	4,842	—	(1,045)	—	3,797
South East Museum Development Programme	3,925	—	(3,925)	—	—
	<u>8,767</u>	<u>—</u>	<u>(4,970)</u>	<u>—</u>	<u>3,797</u>

The **Landscaping and Groundworks fund** represents money spent and capitalised on the car park and foot paths plus money held to be applied towards future car park maintenance costs.

The **South East Museum Development Programme fund** represented money received for the purchase of photographic equipment to assist with the process of cataloguing the collection.

17 Analysis of net assets between funds

	Endowment funds					Total 2020 £
	General funds £	Restricted funds £	Freehold land and buildings £	Permanent collection £	Reserve collection £	
Fund balances at 31 December 2020 are represented by:						
Tangible fixed assets	8,888	1,045	—	—	—	9,933
Heritage assets	—	—	11,561,512	6,291,228	161,272	18,014,012
Current assets	63,469	1,707	—	—	—	65,176
Interfund indebtedness	(1,191,489)	—	—	1,191,489	—	—
Creditors: amounts falling due within one year	(348,214)	—	—	—	—	(348,214)
Creditors: amounts falling due after one year	(2,616)	—	—	—	—	(2,616)
	<u>(1,469,962)</u>	<u>2,752</u>	<u>11,561,512</u>	<u>7,482,717</u>	<u>161,272</u>	<u>17,738,291</u>

	Endowment funds					Total 2019 £
	General funds £	Restricted funds £	Freehold land and buildings as restated £	Permanent collection £	Reserve collection £	
Fund balances at 31 December 2019 are represented by:						
Fixed assets	6,783	2,096	—	—	—	8,879
Heritage assets	—	—	11,561,512	6,291,228	161,272	18,014,012
Current assets	27,024	1,701	—	—	—	28,725
Interfund indebtedness	(1,191,489)	—	—	1,191,489	—	—
Creditors: amounts falling due within one year	(105,225)	—	—	—	—	(105,225)
Creditors: amounts falling due after one year	(224,461)	—	—	—	—	(224,461)
	<u>(1,487,368)</u>	<u>3,797</u>	<u>11,561,512</u>	<u>7,482,717</u>	<u>161,272</u>	<u>17,721,930</u>

During the years since the sale of the Lely painting in 2007, the charity's endowment funds have advanced funds to the general funds to enable crucial refurbishment work to the Castle and restoration work to the collections to take place. This interfund indebtedness has been created with the permission of the Charity Commission. In due course, these funds will be repaid to the endowment funds with interest at bank base rate.

18 Related party transactions

The charity has taken advantage of the exemptions in FRS 102 and has not reported transactions between itself and its subsidiary company, Chiddingstone Castle Events Limited.

No trustee received any remuneration from the charity in respect of their services during either the year ended 31 December 2020 or the year ended 31 December 2019.

None of the trustees received reimbursement for out of pocket travelling expenses during the year (2019 – one trustee was reimbursed £54).

18 Related party transactions (continued)

One of the trustees has undertaken to provide financial support to the charity by advancing an interest free loan of £220,000. At 31 December 2020, £220,000 was payable to the trustee (2019 – £220,000). This loan was repaid in full following the year end, after the receipt of the proceeds from the sale of Chiddingstone Lodge (note 19).

During the year, donations of £500 were made to the charity by one of the trustees (2019 – £300 by one trustee).

19 Post balance sheet events

Following the year end, the sale of Chiddingstone Lodge, a freehold property owned by the charity, was completed. Consideration in respect of the sale was £575,000, of which £517,500 was received on completion of the transaction. The residual £57,500 receivable from the buyer has been treated, for legal purposes, as a secured loan with interest payable at 2% above the base rate of Barclays Bank Plc. Chiddingstone Lodge was held as a heritage asset with a deemed cost of £165,000 at 31 December 2020.

The loan from a trustee of £220,000 was repaid subsequent to the year end, after the receipt of the proceeds from the sale of Chiddingstone Lodge (see note 18).