

**The
Denys
Eyre
Bower
Bequest**

Annual Report and Accounts

31 December 2021

Charity Registration Number
291203

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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).

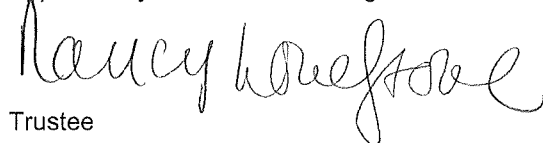
These funds included endowment funds of £19,040,501 (2020 – £19,205,501) including expendable endowments of £161,272 (2020 – £161,272). Whilst income from the permanent endowment funds may be used for general purposes of the charity and is credited, therefore, to unrestricted funds, the permanent endowment 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.

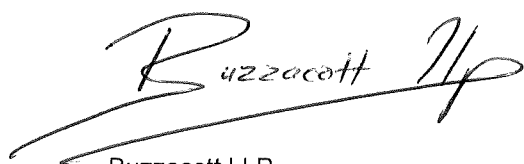
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance 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.

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, appearing to read 'Buzzacott LLP', with a long horizontal flourish extending to the left.

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	—
		811,076	—	—	—	—	811,076	373,924
Expenditure on:								
Charitable activities								
. Preservation of the Castle and collections	3	386,985	1,051	—	—	—	388,036	357,563
		386,985	1,051	—	—	—	388,036	357,563
Net income (expenditure)	6	424,091	(1,051)	—	—	—	423,040	16,361
Transfer between funds	14	165,000	—	(165,000)	—	—	—	—
Net movement in funds		589,091	(1,051)	(165,000)	—	—	423,040	16,361
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		(880,871)	1,701	11,396,512	7,482,717	161,272	18,161,331	17,738,291

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


				Endowment funds			
		General funds £	Restricted funds £	Freehold land and buildings £	Permanent collection £	Reserve collection £	Total 2020 £
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							
		(1,469,962)	2,752	11,561,512	7,482,717	161,272	17,738,291

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
			17,855,252		18,023,945
Current assets					
Debtors	11	94,885		17,989	
Cash at bank and in hand		249,967		47,187	
		344,852		65,176	
Creditors: amounts falling due within one year	12	(38,002)		(348,214)	
Net current liabilities			306,850		(283,038)
Total assets less current liabilities			18,162,102		17,740,907
Creditors: amounts falling due after one year	13		(771)		(2,616)
Total net assets			18,161,331		17,738,291
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		1,701		2,752
			18,161,331		17,738,291

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

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 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.