

THE KELMARSH TRUST

England & Wales · Charity number 295154

Details

Other names	KELMARSH HALL ESTATE PRESERVATION TRUST, KELMARSH HALL ESTATE PRESERVATION TRUST LIMITED, THE KELMARSH TRUST
Status	Registered
Legal form	Charitable company
Company number	01672106
Registered	1986-09-12
Register	View on the Charity Commission register

Contact

Address	Kelmarsh Hall Main Road Kelmarsh Northampton NN6 9LY
Phone	01604686543
Email	lesleydenton@kelmarsh.com
Website	www.kelmarsh.com

Activities

Objects: THE GENERAL OBJECT OF THE TRUST IS THE ADVANCEMENT OF HISTORIC AND AESTHETIC EDUCATION, AND FOR THE PURPOSE OF CARRYING OUT THAT GENERAL OBJECT THE PRIMARY OBJECTS OF THE TRUST ARE IN PARTICULAR:- (A) TO PRESERVE FOR THE BENEFIT OF THE NATION MONUMENTS BUILDINGS OF NATIONAL HISTORIC OR ARCHITECTURAL OR ARTISTIC INTEREST AND IMPORTANCE AND TO PROTECT AND IMPROVE THE AMENITIES OF SUCH BUILDINGS AND THEIR SURROUNDINGS. (B) TO PRESERVE FOR THE BENEFIT OF THE NATION AND AS AN ADJUNCT TO ANY SUCH BUILDINGS AS AFORESAID FURNITURE PICTURES AND OTHER CHATTELS OF NATIONAL HISTORIC OR ARTISTIC INTEREST. (C) TO FACILITATE THE ACCESS TO AND THE STUDY AND APPLICATION OF SUCH BUILDINGS (AND THEIR SURROUNDINGS) FURNITURE PICTURES AND CHATTELS AS AFORESAID BY THE GENERAL PUBLIC.

Activities: Environment/ Conservation/ Heritage including education and access for the general public

Classification

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

Geography

- **Area of benefit:** KELMARSH
- Northamptonshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,339,930	£1,301,459	£33,838,048	12
2024-03-31	£1,079,857	£1,057,793	£29,958,523	12
2023-03-31	£1,071,995	£1,174,085	£27,780,139	11
2022-03-31	£1,212,437	£1,013,088	£28,077,589	11
2021-03-31	£1,133,386	£849,828	£27,405,169	9

Trustees

Name	Role	Appointed
OLIVER BROOKSHAW	Chair	2019-09-18
Andrew Charles Power		2025-06-11
Caroline Brocklehurst		2018-09-26
Christopher Greville-Heygate		2023-06-15
Dr Robert Vincent Matthew Haughney		2023-10-04
Hon Mrs Emily Mary Anderson		2023-12-07
JAMES DAVID LANCASTER		2018-09-01
MARK HUMPHREY WILKINSON		2023-10-04
STUART JOHN RICHMOND-WATSON		2023-06-15

THE KELMARSH TRUST

England & Wales - Charity number 295154

Accounts

REGISTERED COMPANY NUMBER: 01672106 (England and Wales)
REGISTERED CHARITY NUMBER: 295154

REPORT OF THE TRUSTEES AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
FOR
THE KELMARSH TRUST

Mark J Rees LLP Chartered Accountants
and Statutory Auditor
Granville Hall
Granville Road
Leicester
Leicestershire
LE1 7RU

THE KELMARSH TRUST

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	Page
Report of the Trustees and Directors	1 to 11
Report of the Independent Auditors	12 to 14
Consolidated Statement of Financial Activities	15 to 16
Consolidated Balance Sheet	17 to 18
Company Balance Sheet	19 to 20
Consolidated Cash Flow Statement	21
Notes to the Consolidated Cash Flow Statement	22
Notes to the Financial Statements	23 to 44

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2025

The Trustees present their report and the financial statements of The Kelmarsh Trust (the “Trust”) and its subsidiary, Kelmarsh (Events) Limited (“Kelmarsh Events”), for the year ended 31 March 2025. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OVERVIEW

2024-2025 has been a year of change for the Trust but one which has proved to be a positive and successful one. Following the retirement of Lesley Denton as the General Manager, after over 15 years of working to rescue the estate from the parlous state into which it had fallen and heading up the Trust’s management team. Her successor, Rachel Halley was appointed as the Estate Director, taking up position in December 2024. Rachel brought with her 7 years of estate management experience following 13 years with Shell in various roles, culminating in creating and implementing Shell’s real estate strategy in the Middle East and then a one year career break to obtain an MBA from Cranfield University.

In addition to Rachel’s arrival, our gardening team has seen significant change with our existing Head Gardener moving on and one of the other two full time members of the gardening team going on maternity leave. We were very lucky to have Oliver Forrest join us as Head Gardener from a Cambridgeshire estate, bringing with him 20 plus years of experience, including as head gardener, and to find an excellent junior gardener as maternity cover. Together with the other two members of the gardening team and the outstanding band of garden volunteers, the gardens have not only been maintained but have been improved and have provided an outstanding backdrop to many of our weddings.

The Trust continued to see an increase in visitor numbers, weddings, and events at Kelmarsh, which resulted in both the Trust’s direct income and that generated by Kelmarsh Events exceeding their respective budgets. Nonetheless, the Trust’s expenditure also exceeded budget, which resulted in greater than budgeted consolidated deficit.

The Trust succeeded in increasing its educational activities including holding several lecture series and garden related floral workshops. Work both to maintain and improve the Hall was carried out during the year, while across the residential properties, works continued with various new doors installed and roof repairs being undertaken and work to rebuild and conserve a section of the main Estate wall to the second entrance of the Estate was sympathetically carried out.

OBJECTIVES AND ACTIVITIES

As set out in the Trust’s Articles of Association: *The general Object of the Trust is the advancement of historic and aesthetic education, and for the purpose of carrying out that general Object the primary Objects of the Charity are in particular:*

- 1. To preserve for the benefit of the nation monuments and buildings of national historic or architectural or artistic interest and importance and to protect and improve the amenities of such buildings and their surroundings;*
- 2. To preserve for the benefit of the nation and as an adjunct to any such buildings as aforesaid pictures and other chattels of national historic or artistic interest;*
- 3. To facilitate the access to and the study and appreciation of such buildings (and their surroundings) furniture, pictures, and chattels as aforesaid by the general public.*

The Trustees have recently adopted a statement setting out the vision that the Trust should be striving to achieve:

To be an outstanding example of an English country house and estate. It will be funded by the estate itself, visitors, vibrant events that create memorable experiences and sustainable ventures. Focusing on the Nancy Lancaster era, we will preserve and share this historic treasure, fulfilling our charitable objectives and ensuring it thrives for future generations.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2025

Kelmarsh Hall is listed as Grade 1 in the statutory lists of buildings of architectural and historic interest and the adjoining land is also designated as a Scheduled Ancient Monument (SAM) essential for the protection of the character and amenities of Kelmarsh Hall. The Gardens are also included in English Heritage's Register of Parks and Gardens of Special Historic as Grade II*.

The Trust is responsible for the maintenance and preservation of Kelmarsh Hall and the Gardens. Promoting education about the Hall and the Kelmarsh Hall Estate, its history, and its natural history. It also manages an in-hand farm and surrounding woodlands located on the Estate.

Kelmarsh Hall is key to the Trust and takes first priority on funds. It is maintained in good order externally and internally in accordance with the most recent Quinquennial Buildings Inspection.

Beyond its importance as a heritage asset, the estate is a traditional Northamptonshire mixed arable and pasture agricultural estate. The Estate is largely tenanted supporting farming families some of which are third generation tenants but also has a number of let residential properties.

The income of the Trust arises from the principal funding sources as set out on page 5 in the financial review section of the report.

Public Benefit

The Trustees are aware of the guidance given by the Charity Commission regarding public benefit. The Trust continues to carry out its charitable purposes for the benefit of the public, including working towards greater inclusion of the local community, supporting volunteering and other forms of participation, improving access and widening the diversity of its audiences. The Trustees' intention is to enhance the visitor experience and to improve the quality of our facilities so that the heritage we care for can be better appreciated. Our aim is to bring life to the Hall and gardens and wider estate as much more than a static museum but interpreting it as a multi-layered historic story providing greater educational opportunities.

We believe that our commitment to public benefit is also strongly demonstrated throughout this report.

ACHIEVEMENTS AND PERFORMANCE

Public Access to the Hall, Gardens and Estate

We reopened the Gardens, tearoom, and shop to the public from Easter until September as usual for four days a week and the Hall two days a week plus bank holidays. We had 12,028 visitors to the Hall and gardens, sold 158 season tickets and hosted 25 private group visits, attracting a good cross section of the general public.

Lots of families with children came to visit the Fairy Walk which is regenerated and added to each spring. Since installing the Fairy Walk the spring after the pandemic, we have seen a big increase in family visits and our summer school holiday Fairy Picnic saw 793 young visitors and parents excitedly enjoying the face painting, art and pottery workshops, storytelling and the bubble fairy. Other well attended events included our Jazz Night with 285 attendees and the Autumn Fair attracting further visitors which showcased a wide variety of stallholders, the Hall and Gardens.

Turning to outdoor events, two of our loyal clients (The Kelmarsh Show and Shambala) returned in spring and summer 2024 and we had further new events during the year. Together these events attracted nearly 35,000 visitors. We hosted 25 weddings during the year, 15 corporate events and functions with a few photoshoots and a week of filming using Kelmarsh Hall as the backdrop for the BBC's Extraordinary Portraits with Bill Bailey. These events allowed a further 6,000 people to experience the Hall and Gardens.

The feedback we have received has been amazingly positive both for the Gardens and for the Hall in which new areas and exhibitions were available for exploration.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2025

Maintenance, repair and preservation of the Hall and Estate Buildings

The programme of heritage and related maintenance of the Hall and surrounding buildings continues to be given high priority and is ongoing. Repairs have included significant work to the external areas of the Hall with work undertaken on external painting and maintenance, clearing guttering and downpipes. Significant restoration has been completed on the North Lodge Walls, accompanied by the implementation of protective measures to address water erosion along the banks. The Vinery has had a much-needed refresh and maintenance work undertaken. Internally, the estates offices have recently benefited from essential upgrades, including redecoration and new flooring. Additional improvements include fire alarm enhancements, ongoing maintenance of the Orangery and Boat House, and repairs to the internal lift, ensuring continued accessibility throughout the Hall. The Coachman's Cottage has been refurbished to make the property suitable for use and habitation.

Chattels

This season, we have continued our "Book of the Month" feature in the library. Each month, a book is selected by the research volunteers and prominently displayed along with an informative summary. We also have a video showing the upstairs rooms in the Yellow Room for any visitors who cannot access the upstairs rooms.

The research and archive volunteers have updated our chattels folders for each room, with a brief history on each object, which visitors can have a look through to see if they have a particular interest in any of the paintings or objects around the rooms. In addition, work continues to document every item in the storage rooms.

Having completed the restoration of Nancy Lancaster's bedroom and bathroom on the first floor, planning is ongoing to create a new bedroom on the first floor, this room is currently used for storage. This will enhance the visitor experience and provide something new for season pass holders to enjoy. The aim going forward is to re-create a new room each season where possible.

We have also been loaned a superb Van Dyck portrait of Henry Rich, 1st Earl of Holland, measuring over 2 metres high by 1 $\frac{1}{4}$ metres wide. It hangs in the Dining Room and is a magnificent addition to our collection of pictures.

Gardens and Estate

Throughout the year, new planting projects were completed in the gardens, alongside the renewal of path surfaces to enhance the photography opportunities in particular for the wedding bookings. The gardens have received considerable appreciation and positive feedback and on analysing the visitor numbers it is evident that many regular visitors come just to see the gardens. In October 2024, our Head Gardener departed, resulting in a transition period during which the gardens were expertly maintained by our dedicated gardens team and volunteers. Their efforts were particularly notable during the winter months, as they undertook significant work to prepare the gardens for reopening. We have since appointed a new Head Gardener, who has already made a notable and positive impact with the support of the team and volunteers. The gardens continue to be well cared for.

Hedgerows continue to be improved by laying sections and replanting some areas where there were gaps. Hedge cutting is in line with countryside care, allowing for food for birds during the winter months and safe nesting in the spring.

The trees in the Queen's Copse planted for Queen Elizabeth II Platinum Jubilee continue to flourish and a 30-metre mixed hedgerow was also planted on the fence line of the copse. These areas continue to do well.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2025

Education

A new Learning and Education Officer has been appointed to further advance our efforts to promote access to the Hall and position Kelmarsh as an educational destination for children of all ages as well as adults. Through outreach to schools and community groups, we successfully organised a day of educational activities where children participated in outdoor experiences such as bug hunting and seed planting within the gardens and woodland areas. We continue to explore outreach possibilities for connecting schools and other organisations with Kelmarsh. We also hold art classes and hosted several popular in-house flower arranging days plus Christmas Wreath Making which were extremely popular.

Volunteers

The Trust encourages volunteers from all walks of life (mainly from the local community) to assist in as many activities as possible and particularly to support the Trust in visitor services (as tour guides), in gardening and garden maintenance, in research and cataloguing and in the various biodiversity surveys and recording. Our volunteers support the paid staff in tasks such as visitor meet and greet, school visits, tearoom duties, and archiving. Our Archive Volunteers worked hard to put on our third Heritage Open Day. It was a great success and attracted visitors who had not been to Kelmarsh before.

The Trustees are extremely grateful for the time and effort given to the Trust by its many dedicated volunteers.

Fundraising

Grants and funding are an important and essential part of the preservation of the Hall, gardens, and wider estate, and in supporting the Trust's objectives. We will continue to fundraise and seek support for special and larger capital projects, specifically those relating to work on Heritage Assets, including the repair of one of the walls to the Walled Garden where we also have a vision of including a sensory garden for those with sight and mobility issues.

A special mention and thanks go to the Heritage Fund for their continued support over recent years. We continue to ensure that maintenance of our Basement and Laundry project is reviewed each year to ensure that it continues to offer an excellent learning experience and visitor attraction.

FINANCIAL REVIEW

The Trust continues to face financial pressures as a result of the wider economic picture, with continued cost and price increases and pressures on household income impacting the Trust and Events business. Despite this, through sound financial management, planning and supervision, along with the earlier support of grant funding and the commitment of key management, we have achieved a positive outcome for the year. Throughout this period, we have taken a prudent and low risk approach to budgeting and risk management to ensure sustainability and future viability.

Financial performance and position

The total income for the year increased to £1,339,930, which, after deducting expenditure of £1,301,459 generated net income of £38,471, an increase over the 2024 results which generated net income of £22,064.

The Trust's subsidiary, Kelmarsh Events, made a net profit of £179,865, an increase on the 2024 profit generated of £170,062. Annual profits from Kelmarsh Events are gift-aided to the Trust and these are incorporated in the above results.

Total net assets of the Trust and Kelmarsh Events at 31 March 2025 increased by £3,879,525 from £29,958,523 to £33,838,048. This is mainly represented by an increase in the values of fixed assets as shown in the Balance Sheets on pages 17 to 20. The total funds include £33,250,472 which are fixed assets, such as Kelmarsh Hall itself, and can only be realised by way of disposing of them.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2025

Investment performance

The income from financial investments achieved was £50,337, an increase on last year's income of £47,299 and was in line with expectations and objectives set.

There were no realised investment gains or losses during the year. The financial investments showed unrealised investment gains of £31,054 for the year (2024: losses of £13,680).

Investment properties were revalued in the year resulting in the revaluation gain increasing to £3,810,000 (2024: £2,170,000).

Gross income from investment properties increased to £489,688 from £472,467 which after management, repairs and maintenance costs of £233,092, an increase of £6,805 over last year, contributed net income for the year of £256,596, an increase over last year's net income of £246,180.

No additions or disposals of investment properties took place during the year.

Principal Funding Sources

The principal funding sources comprise;

- Income from freehold investment properties and farm tenancies
- Investment income
- Donations and grants
- Visitor admissions income
- Commercial trading operations (received via Kelmarsh Events)
- Income from the windfarm

Investment Policy

Financial investments

We pursue a policy that provides a reasonable income for our current purposes and enhances income and capital growth over the longer term, thereby enabling us to meet our current and future objectives. It is the Trustees' policy to use the income derived from these investments and not to dispose of them unless a better return can be generated from investing the proceeds of sale in other assets.

A specialist UK investment manager oversees the investment portfolios. The Trustees require the investment manager to pay attention to the standard investment criteria, namely the suitability of the class of investment and the need for diversification insofar as it is appropriate to the circumstances of the Trust. Our approach to responsible investments, extends to the Environmental, Social and Governance (ESG) specifications adopted by the investment manager with specific exclusions.

The Trustees monitor these investments by receiving quarterly statements from the investment manager showing the movement in capital value and the income received from investments under management as well as an annual update from the investment manager given at a meeting with them.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2025

Investment properties

The Trustees employ professional farm and property management agents to oversee maintenance and ensure the best returns from farm and let property rents.

The Trust is actively undertaking repairs and upgrades where it can to the let residential properties to ensure compliance with approved EPC guidelines, including internal insulation and roof restoration. Although substantial progress has been achieved, these improvements involve significant expenditure and are further complicated by existing tenancies. The Estate fortunately has a limited turnover of tenants, but this restricts the Trust's ability to improve the let properties which are below the EPC guidelines, as properties generally have to become vacant in order for the necessary work to be carried out. This programme is expected to continue over the coming years.

Reserves Policy

The key reserves policy of the Trustees is to retain a level of reserves which will provide a stable base for the Trust's continuing activities and to enable the Trust to adjust to any significant change to resources through both known and unplanned events, whilst ensuring that excessive funds are not accumulated.

The nature of the assets of the Trust are such that high levels of expenditure can be incurred in both the short term and long term which necessitates having access to liquid funds to cover eventualities. Therefore, the Trustees aim to identify, and set aside as designated funds, a level of funds to meet specific projects (including the ongoing EPC requirements on let properties) and for essential maintenance of Heritage Assets within the foreseeable future.

The Trustees have established a policy whereby the unrestricted funds not designated for specific purposes or invested in tangible fixed assets should be between three and six months of the total expenditure on raising funds and essential charitable activities and governance costs ("running costs").

At 31 March 2025 these reserves amounted to £227,575 which represents just over three months' expenditure on the running costs.

The Trustees consider that this meets the reserves policy outlined above.

Risk Management

The Trustees regularly identify and review the major risks to which the Trust could be exposed, and procedures have been established to manage those risks. In particular the Trustees have adopted a risk management policy, which addresses the major governance, operational, financial, reputational, legal and regulatory risks which might impact upon the core purposes and key objectives of the Trust. This builds on and complements existing risk management procedures in many aspects of the Trust's work in such areas as financial management, health and safety, fire and security and disaster planning arrangements to protect property, staff and visitors. It is formalised in a risk register which is reviewed annually by the Trustees and monitored by the management team, this is circulated at each Trustees' meeting.

More specifically there is a formal contract with our appointed Health & Safety consultant to provide advice (including regular visits) on health and safety issues covering the Hall, Gardens, and wider Estate. There are also maintenance/service contracts covering not only plant and machinery but also fire extinguishers, fire and intruder alarms. Where necessary staff are updated on these issues and reports made to the Trustees by the General Manager / Estate Director.

The Trustees are conscious of the need to keep up to date on Charity Commission and other legal and regulatory developments and changes in order to protect the Trust.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2025

PLANS FOR THE FUTURE

The Trustees and management team are always alert to changing markets and 2024 saw a continued increase in interest particularly from potential corporate clients. However, we are aware that we operate in a very competitive market and continue to revise our offerings to accommodate clients and visitors. As a charitable Trust relying on outsourced commodities such as catering, we must select our service providers carefully to compete in the event business. The Kelmarsh Events board meets quarterly and together with a very capable management team who are continually aware of the changing markets, review new possibilities and are keen to try a variety of events and activities which will keep Kelmarsh in public focus as an interesting venue - for events and for heritage/recreation visitors. The wedding and corporate event market is making a steady recovery, and we have taken on SEO to intensify our social media.

We have succeeded in holding our own by marketing Kelmarsh as a beautiful and flexible venue which listens to what clients want to ensure a successful event and we will continue to do this.

Kelmarsh has evolved into a venue that knows what it is good at. We have considered various options relating to the wedding market by research and listening to what clients want. This has given us the confidence to focus on our strong points whilst being ever determined not to undermine our key roles of access, conservation, and education. Our future plans continue to promote appreciation and enjoyment of the heritage of the Hall and Gardens.

As we move forward Trustees are aware of the pressures outside of this historic property. World affairs and wars together with national and local events have had a significant impact on to how people choose to spend their free time and money. Nevertheless, we believe we have all the right personnel, including Trustees, staff and an ever-increasing number of supportive volunteers to enhance the experience and increased number of visitors and clients.

One of the key challenges is to ensure that the Trust has the funding needed to achieve the recently adopted vision, including generating additional sources of income to provide certainty of funding on a year-on-year basis to enable the Trust to focus on achieving other parts of the vision. This is a key focus for the Trust.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Trust is governed by its Articles of Association, which sets out its Objects, as detailed on page 1 and which are supported by its vision statement also set out on page 1.

Subsidiary Company

The Trust's wholly owned subsidiary, Kelmarsh Events, is a trading company which carries on the commercial activities of the Estate, and which considers the opportunities, direction, risks and yields of existing and potential commercial business. Under a formal agreement the profits of this company are donated under Gift Aid arrangements to the Trust.

Kelmarsh Events has its own board of Directors and operates under a collaboration agreement with the Trust. The board meets at least four times a year and consists of James Lancaster (Trustee), Richard Flenley, Christopher Greville-Heygate and Caroline Brocklehurst. Meetings are also attended by the Trust's management team, management accountant and land agents.

Organisational Structure and Decision Making

The Articles of Association provide for a minimum of three and, up to a maximum of, twelve trustees. At the date of this report there are 9 Trustees. The management of the business and control of the Trust is vested in the Trustees, as directors of the Trust. The Trustees are responsible for ensuring the delivery of the Trust's objects, setting the strategic direction and making decisions on significant issues and for upholding the values of the Trust. The Trustees normally meet four times a year, but visits also occur throughout the year.

In addition, regular reports are made to the Trustees by both the Trust's Finance Committee and Kelmarsh Events.

The Trustees delegate day-to-day management of the Trust to the General Manager / Estate Director who is in regular contact, at least weekly, with the Chairman whilst updating all Trustees on significant matters. The Trustees also periodically walk around the Hall and Gardens during the year and make an annual tour of the Estate including woodlands, farms and properties.

Recruitment, Appointment, Induction and Training of Trustees

The Trustees continually consider the need for new trustees, both to allow for the natural rotation of Trustees' terms and to respond to any skills gaps or opportunities for candidates with particular skills to offer. The Trustees take account of Charity Commission guidelines and the Charity Governance Code for larger charities in considering trustee recruitment and seek to have a proper diversity of Trustees who will improve continually the Trust's governance as well as working towards the objectives and activities shown on page 3.

The induction of new Trustees is undertaken by the existing Trustees and the General Manager / Estate Director. They receive a Trustee manual and induction pack which includes constitution documents and current accounts and other financial information. Training is provided both to new and current Trustees as appropriate.

In accordance with the Articles of Association Trustees may serve for up to three terms of three years each. They are then eligible for re-election on an annual basis for a maximum of three further one-year terms.

Related Parties

Details of related parties, including Trustees, and transactions with them are set out in note 35 to the financial statements.

Staff Remuneration

The remuneration of key staff is regularly reviewed and agreed by the Trustees after, where appropriate, discussions with the General Manager / Estate Director.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2025

REFERENCE AND ADMINISTRATIVE DETAILS

The Kelmarsh Trust is a company limited by guarantee and is a registered charity. For the purpose of charity law, the trustees are directors of the Trust and throughout this report are collectively referred to as Trustees. The Trustees are also members of the Trust. In the event of the Trust being wound up the liability of each member under the guarantee is limited to £1.

Registered Company number

01672106 (England and Wales)

Registered Charity number

295154

Registered office

Kelmarsh Hall
Kelmarsh
Northampton
Northamptonshire
NN6 9LY

Trustees

Mr Oliver Brookshaw (Chairman)
Hon Mrs Emily Anderson
Mrs Caroline Brocklehurst
Mr Christopher Greville-Heygate
Dr Robert Haughney
Mr Richard King (resigned 11/12/2024)
Mr James Lancaster
Mr Andrew Power (appointed 11/06/2025)
Mr Stuart Richmond-Watson
Mr Mark Wilkinson

Estate Director and Company Secretary

Miss Rachel Halley

Senior Statutory Auditor

Mr Phillip Bott FCA

Auditors

Mark J Rees LLP Chartered Accountants
and Statutory Auditor
Granville Hall
Granville Road
Leicester
Leicestershire
LE1 7RU

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2025

REFERENCE AND ADMINISTRATIVE DETAILS

Investment Managers

M & G Securities Limited
PO Box 9038
Chelmsford
CM99 2XF

Land Agent

Howkins & Harrison LLP
7 – 11 Albert Street
Rugby
CV21 2RX

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2025

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of The Kelmarsh Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice for Charities (FRS102);
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Trustees are aware:

- there is no relevant audit information of which the group's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Report of the Trustees approved by order of the board of Trustees, in their capacity as directors of the Trust, on~~23.11.2025~~ and signed on behalf of the Trustees by:



Oliver Brookshaw - Chairman of Trustees

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KELMARSH TRUST

Opinion

We have audited the financial statements of The Kelmarsh Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, Company Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KELMARSH TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and of the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 group's and parent charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISA's (UK).

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

We obtained an understanding of the legal and regulatory frameworks applicable to the group and to the parent charitable company and the sector in which it operates through our general commercial experience and existing knowledge of the charitable sector. We determined that the following laws and regulations were most significant: Charities SORP (FRS 102), FRS 102, Companies Act 2006 and the relevant tax compliance regulations in the UK. In addition, we concluded that there are certain laws and regulations that may have an impact in the determination of the amounts and disclosures in the financial statements such as health and safety and employee related matters.

We enquired of management concerning the group's and parent charitable company's policies and procedures relating to:

- The identification and compliance with laws and regulations
- The detection and response to the risks of fraud
- The internal controls within the charitable company to mitigate fraud risk and non compliance to laws and regulations
- We enquired of management, whether they were aware of any instance of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KELMARSH TRUST

We communicated relevant laws and regulations and potential areas of fraud to all audit team members including the potential for fraud in revenue recognition. We remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We have determined that the principal risk areas where material irregularities could occur were related to posting manual journal entries to manipulate financial performance, revenue recognition and significant one – off or unusual transactions.

Our audit procedures were designed to respond in particular to these identified risks (including non-compliance with laws and regulations and fraud).

Our audit procedures included but were not limited to:

- A review of a sample of bookings received in the year to ensure these were correctly recorded in revenue and detailed cut off testing around the year end to ensure revenue is correctly recognised.
- A review of a sample of grants received in the year to ensure they were correctly recorded in revenue and correctly recognised in line with the conditions attached to each grant.
- A review of laws and regulations the company is subject to, being specifically food and hygiene and health and safety, followed by compliance checks and discussion with management to ensure no instances of non-compliance.
- Addressing the risks of fraud through management override of controls by performing a journal entry test.

We did not identify any matters during the course of our work that indicated non-compliance with laws and regulations or relating to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark J Rees LLP

Mr P Bott FCA (Senior Statutory Auditor)
for and on behalf of Mark J Rees LLP Chartered Accountants, Statutory Auditor
Granville Hall
Granville Road
Leicester
Leicestershire
LE1 7RU

Date: ...24/12/2025...

THE KELMARSH TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2025 Total funds £	2024 Total funds £
INCOMING RESOURCES						
Voluntary Income	2	213,349	-	-	213,349	9,770
Charitable activities						
Preservation	4	116,505	-	-	116,505	117,930
Commercial trading operations	6	332,110	-	-	332,110	304,172
Investment income	3	553,971	-	-	553,971	522,940
Other income	5	123,995	-	-	123,995	125,045
Total		1,339,930	-	-	1,339,930	1,079,857
EXPENDITURE ON						
Raising funds						
Commercial trading activities		152,245	-	-	152,245	134,110
Investment management & property maintenance costs	7	233,094	-	-	233,094	226,287
Charitable activities						
Preservation	8	872,792	11,519	-	884,311	669,530
Governance costs	8 & 9	31,809	-	-	31,809	27,866
Total		1,289,940	11,519	-	1,301,459	1,057,793
Incoming resources less expenditure		49,990	(11,519)	-	38,471	22,064
Net gains/(losses) on investments	10	581,054	-	3,260,000	3,841,054	2,156,320
NET INCOME/(EXPENDITURE)		631,044	(11,519)	3,260,000	3,879,525	2,178,384
Transfers between funds	31 & 32	-	-	-	-	-
Net movement in funds		631,044	(11,520)	3,260,000	3,879,525	2,178,384
RECONCILIATION OF FUNDS						
Total funds brought forward		11,065,709	1,211,907	17,680,907	29,958,523	27,780,139
TOTAL FUNDS CARRIED FORWARD		11,696,753	1,200,388	20,940,907	33,838,048	29,958,523

The notes form part of these financial statements

THE KELMARSH TRUST

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN
INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2025 (CONTINUED)**

CONTINUING OPERATIONS

The consolidated Statement of Financial Activities includes all gains and losses recognised in the year and previous years. All incoming resources and resources expended derive from continuing activities.

The notes form part of these financial statements

THE KELMARSH TRUST

CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2025 Total funds £	2024 Total funds £
FIXED ASSETS						
Tangible assets	16	125,283	117,433	-	242,716	254,139
Heritage assets	17	1,327,770	1,082,955	760,907	3,171,632	3,171,632
Investments	18	856,124	-	-	856,124	825,070
Investment properties	19	8,800,000	-	20,180,000	28,980,000	25,170,000
		<u>11,109,177</u>	<u>1,200,388</u>	<u>20,940,907</u>	<u>33,250,472</u>	<u>29,420,841</u>
CURRENT ASSETS						
Stocks	20	33,653	-	-	33,653	28,569
Debtors: amounts falling due within one year	22	180,752	-	-	180,752	198,522
Investments	24	188,738	-	-	188,738	-
Cash at bank and in hand		525,413	-	-	525,413	624,472
		<u>928,556</u>	<u>-</u>	<u>-</u>	<u>928,556</u>	<u>851,563</u>
CREDITORS						
Amounts falling due within one year	25	(340,980)	-	-	(340,980)	(313,881)
		<u>587,576</u>	<u>-</u>	<u>-</u>	<u>587,576</u>	<u>537,682</u>
NET CURRENT ASSETS						
		<u>587,576</u>	<u>-</u>	<u>-</u>	<u>587,576</u>	<u>537,682</u>
TOTAL ASSETS LESS CURRENT LIABILITIES						
		11,696,753	1,200,388	20,940,907	33,838,048	29,958,523
CREDITORS						
Amounts falling due after more than one year		-	-	-	-	-
		<u>11,696,753</u>	<u>1,200,388</u>	<u>20,940,907</u>	<u>33,838,048</u>	<u>29,958,523</u>
NET ASSETS						
		<u>11,696,753</u>	<u>1,200,388</u>	<u>20,940,907</u>	<u>33,838,048</u>	<u>29,958,523</u>

The notes form part of these financial statements

THE KELMARSH TRUST

CONSOLIDATED BALANCE SHEET (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2025 Total funds £	2024 Total Funds £
FUNDS	31					
Unrestricted general funds		3,704,915	-	-	3,704,915	3,730,371
Unrestricted fair value reserve		7,631,838	-	-	7,631,838	7,081,838
Designated funds		360,000	-	-	360,000	253,500
Restricted funds		-	1,200,388	-	1,200,388	1,211,907
Endowment funds		-	-	1,751,783	1,751,783	1,751,783
Endowment fair value reserve		-	-	19,189,124	19,189,124	15,929,124
TOTAL FUNDS		11,696,753	1,200,388	20,940,907	33,838,048	29,958,523

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on ...23/12/2025... and were signed on its behalf by:



Oliver Brookshaw - Chairman of Trustees

The notes form part of these financial statements

THE KELMARSH TRUST

COMPANY BALANCE SHEET 31 MARCH 2025

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2025 Total funds £	2024 Total funds £
FIXED ASSETS						
Tangible assets	16	125,284	117,432	-	242,716	254,139
Heritage assets	17	1,327,770	1,082,955	760,907	3,171,632	3,171,632
Investments	18	857,124	-	-	857,124	826,070
Investment properties	19	8,800,000	-	20,180,000	28,980,000	25,170,000
		<u>11,110,178</u>	<u>1,200,387</u>	<u>20,940,907</u>	<u>33,251,472</u>	<u>29,421,841</u>
CURRENT ASSETS						
Stocks	21	23,558	-	-	23,558	20,329
Debtors: amounts falling due within one year	23	248,224	-	-	248,224	282,879
Investments	24	188,738	-	-	188,738	-
Cash at bank and in hand		319,857	-	-	319,857	462,877
		<u>780,377</u>	<u>-</u>	<u>-</u>	<u>780,377</u>	<u>766,085</u>
CREDITORS						
Amounts falling due within one year	26	(200,652)	-	-	(200,652)	(236,253)
NET CURRENT ASSETS						
		<u>579,725</u>	<u>-</u>	<u>-</u>	<u>579,725</u>	<u>529,832</u>
TOTAL ASSETS LESS CURRENT LIABILITIES						
		11,689,903	1,200,387	20,940,907	33,831,197	29,951,673
CREDITORS						
Amounts falling due after more than one year		-	-	-	-	-
NET ASSETS						
		<u>11,689,903</u>	<u>1,200,387</u>	<u>20,940,907</u>	<u>33,831,197</u>	<u>29,951,673</u>

The notes form part of these financial statements

THE KELMARSH TRUST

COMPANY BALANCE SHEET (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2025 Total funds £	2024 Total funds £
FUNDS						
Unrestricted general funds		3,698,065	-	-	3,698,065	3,723,521
Unrestricted fair value reserve		7,631,838	-	-	7,631,838	7,081,838
Designated funds		360,000	-	-	360,000	253,500
Restricted funds		-	1,200,387	-	1,200,387	1,211,907
Endowment funds		-	-	1,751,783	1,751,783	1,751,783
Endowment fair value reserve		-	-	19,189,124	19,189,124	15,929,124
TOTAL FUNDS		11,689,903	1,200,387	20,940,907	33,831,197	29,951,673
Charitable company's surplus (deficit) for the financial year					3,879,526	2,178,384

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on ...23/12/2025... and were signed on its behalf by:



Oliver Brookshaw - Chairman of Trustees

The notes form part of these financial statements

THE KELMARSH TRUST

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

		2025	2024
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	128,353	(79,856)
Interest element of hire purchase payments paid		(167)	(792)
Finance costs paid		(1,022)	(1,188)
Net cash provided by/(used in) operating activities		<u>127,164</u>	<u>(81,836)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(20,484)	(5,539)
Purchase of current asset investments		(188,738)	-
Interest received		13,946	3,174
Dividends received		50,337	47,299
Net cash provided by investing activities		<u>(144,939)</u>	<u>44,934</u>
Cash flows from financing activities			
Capital repayments in year		(1,284)	(5,137)
Repayment of other borrowings		(80,000)	-
Net cash provided by/(used in) financing activities		<u>(81,284)</u>	<u>(5,137)</u>
Change in cash and cash equivalents in the reporting period		(99,059)	(42,039)
Cash and cash equivalents at the beginning of the reporting period		624,472	666,511
Cash and cash equivalents at the end of the reporting period		<u>525,413</u>	<u>624,472</u>

The notes form part of these financial statements

THE KELMARSH TRUST

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

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

	2025	2024
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	3,879,525	2,178,384
Adjustments for:		
Depreciation charges	31,907	33,482
(Gain)/loss on investments	(3,841,054)	(2,156,320)
Interest received	(13,946)	(3,174)
Interest element of hire purchase and finance lease rental payments	167	792
Finance costs	1,022	1,188
Dividends received	(50,337)	(47,299)
(Increase)/decrease in stocks	(5,083)	3,581
(Increase)/decrease in debtors	17,770	(64,244)
Increase/(decrease) in creditors	108,382	(26,246)
Net cash provided by/(used in) operations	128,353	(79,856)

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.24	Cash flow	Other non-cash changes	At 31.03.25
	£	£	£	£
Net cash				
Cash at bank	624,472	(99,059)	-	525,413
	<u>624,472</u>	<u>(99,059)</u>	<u>-</u>	<u>525,413</u>
Debt				
Hire purchase	(1,284)	1,284	-	-
Loan - Miss Lancaster's 1994 Charitable Trust	(80,000)	80,000	-	-
	<u>(81,284)</u>	<u>81,284</u>	<u>-</u>	<u>-</u>
Total	<u>543,188</u>	<u>(17,775)</u>	<u>-</u>	<u>525,413</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The charitable company is a public benefit entity as defined under FRS 102. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Status of company

The Trust is a company limited by guarantee and does not have any share capital (Company registered number 01672106, charity registered number 295154). The liability of the members is limited but shall not exceed £1.

Significant judgements and estimates

There were no areas in which the preparation of the financial statements required management to make significant judgements or estimates.

Basis of consolidation

The consolidated accounts incorporate the results for the year ended 31 March 2025 of the Trust and Kelmarsh Events, its wholly owned subsidiary, which have been included on a line by line basis. As permitted by Section 408 of the Companies Act 2006, the Trust has not presented its own income and expenditure account in addition to the consolidated income and expenditure account.

Income

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

The following specific policies are applied to particular categories of income:

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable.

Investment income from rents relating to investment property is included on an accruals basis. Rental income arising from the rental of the Hall is included on an accruals basis under preservation income. Listed investment income is included when receivable and interest receivable is accounted for on an accruals basis.

Grant income is credited in the period to which it relates. Grant income is included as incoming resources from charitable activities when these amount to a contract for services, but as voluntary income where they have been given with greater freedom of use.

Incoming resources from activities for generating funds and charitable trading activities are accounted for when earned and stated net of value added tax.

Expenditure

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

1. ACCOUNTING POLICIES - continued

Expenditure - Continued

Costs of activities to generate funds comprise those costs directly attributable to investment management activities and the costs of Kelmarsh Events.

Investment management costs comprise those costs directly attributable to the management and maintenance of fixed asset properties.

Charitable expenditure comprises those costs incurred by the Trust in the delivery of its objectives. It includes those costs which can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Trust and include the audit fees and cost linked to the strategic management of the charity.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, other costs are apportioned on the basis of the proportion of direct expenditure.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Drainage works	- 5% on reducing balance
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Office equipment	- 25% on reducing balance

All tangible fixed assets costing £1,000 or more are capitalised and included at cost.

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation decrease. All other impairment losses are recognised in the income statement.

Heritage assets

Freehold land and buildings included in heritage assets comprise Kelmarsh Hall which is listed as Grade 1 in the statutory lists of buildings of architectural and historic interest, together with adjoining land which is also essential for the protection of the character and amenities of Kelmarsh Hall. Heritage assets are included at cost, with the exception of freehold land and buildings transferred to the Trust by the Executors of Colonel CG Lancaster and by the Executors of Miss CV Lancaster, which are included at probate values at the dates of transfer. No depreciation is charged on these assets as they are considered to have an indefinitely long useful life. Expenditure on the conservation and preservation of Kelmarsh Hall is charged to unrestricted funds when it is incurred.

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES - continued

Fixed asset investments

Investment properties are shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a fair value reserve.

Listed investments quoted on a recognised stock exchange are stated at market value at the year end. Their original cost is shown as a note.

Freehold investment properties are valued at least every five years and included at market value at the date of valuation. Their original cost is shown as a note. All gains and losses on revaluations and disposals are taken to the Income and Expenditure account.

Other investments are shown at cost less amounts written off. All gains and losses on revaluations and disposals are taken to the Income and Expenditure account.

Stocks

Stocks comprise farm stocks and have been valued at the lower of cost and net realisable value. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted and designated funds can be used in accordance with the charitable objectives at the discretion of the trustees. They include a revaluation reserve representing the restatement of investment assets at market rates.

The Endowment Funds are represented by freehold land and buildings and investment properties transferred to the charity by the Executors of Colonel CG Lancaster on the direction of Miss CV Lancaster, the benefactress at the commencement of The Kelmarsh Trust, less the value of the land lost in respect of the compulsory purchase by the Department of Transport of land relating to the A14 Link Road.

Restricted funds can only be used for particular restricted purposes within the objects of the Trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the statement of financial activities over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the Trust's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES - continued

Going concern

After reviewing the Trust's forecasts and projections, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. The Trust therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

2. VOLUNTARY INCOME – GROUP AND COMPANY

				2025	2024
	Unrestricted funds	Restricted Funds	Endowment funds	Total funds	Total funds
	£	£	£	£	£
Donations	207,336	-	-	207,336	3,094
Grants	6,013	-	-	6,013	6,676
	<u>213,349</u>	<u>-</u>	<u>-</u>	<u>213,349</u>	<u>9,770</u>

Donations received, and included in the above, are as follows:

	2025	2024
	£	£
Donations		
Miss CV Lancaster's 1994 Charitable Trust	2,674	3,094
John & Janet Lancaster legacy	200,000	-
Other	4,662	-
	<u>207,336</u>	<u>3,094</u>

Grants received, and included in the above, are as follows:

	2025	2024
	£	£
Grants		
Renewable Heating Incentive	6,013	6,676
	<u>6,013</u>	<u>6,676</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

3. INVESTMENT INCOME – GROUP AND COMPANY

				2025	2024
	Unrestricted funds	Restricted funds	Endowment funds	Total funds	Total funds
	£	£	£	£	£
Rent receivable	489,688	-	-	489,688	472,467
Listed investment income	50,337	-	-	50,337	47,299
Interest receivable	13,946	-	-	13,946	3,174
	<u>553,971</u>	<u>-</u>	<u>-</u>	<u>553,971</u>	<u>522,940</u>

4. INCOME FROM CHARITABLE ACTIVITIES – GROUP AND COMPANY

	2025	2024
	Preservation	Preservation
	£	£
Rent receivable	31,580	29,600
Visitor admissions, teas and sundry sales	56,735	54,464
Livestock and farm sales	5,744	15,115
Agricultural grants and subsidies	20,661	17,014
Wayleaves and compensation	1,785	1,737
	<u>116,505</u>	<u>117,930</u>

5. OTHER INCOME – GROUP AND COMPANY

	2025	2024
	£	£
Windfarm rent, compensation and contribution to costs	123,995	125,045
	<u>123,995</u>	<u>125,045</u>

6. KELMARSH EVENTS INCOME – GROUP

	2025	2024
	£	£
Kelmarsh Events	332,110	304,172
	<u>332,110</u>	<u>304,172</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

7. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds	Restricted funds	Endowment funds	2025 Total funds	2024 Total funds
	£	£	£	£	£
Agents letting fees	86,735	-	-	86,735	86,735
Repairs maintenance and let property project costs	146,359	-	-	146,359	139,552
	<u>233,094</u>	<u>-</u>	<u>-</u>	<u>233,094</u>	<u>226,287</u>

8. CHARITABLE ACTIVITIES COSTS

	2025	2024
	£	£
Preservation	884,311	669,530
Governance costs (see note 9)	31,809	27,866
	<u>916,120</u>	<u>697,396</u>

9. GOVERNANCE COSTS

	2025	2024
	£	£
Travelling and Trustees expenses	13,553	9,607
Auditors' remuneration (charity only)	17,234	17,071
Interest payable and similar charges	1,022	1,188
	<u>31,809</u>	<u>27,866</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

10. NET GAINS/(LOSSES) ON INVESTMENTS

	2025	2024
	£	£
Gains/(losses) on revaluation of investments	31,054	(13,680)
Gains on revaluation of investment properties	3,810,000	2,170,000
	<u>3,841,054</u>	<u>2,156,320</u>

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2025	2024
	£	£
Auditors remuneration (Group)	22,223	21,891
Depreciation - owned assets	31,355	32,746
Depreciation - assets on hire purchase contracts and finance leases	552	736
Hire purchase interest and finance lease charges	<u>167</u>	<u>792</u>

12. TRUSTEES' REMUNERATION, BENEFITS AND EXPENSES

There was no trustees' remuneration or other benefits for the year ended 31 March 2025 nor for the year ended 31 March 2024.

Trustees' expenses	2025	2024
	£	£
Travel and subsistence	<u>13,553</u>	<u>9,607</u>

13. STAFF COSTS

	2025	2024
	£	£
Wages and salaries	307,859	232,378
Social security costs	16,548	10,607
Other pension costs	52,113	38,251
	<u>376,520</u>	<u>281,236</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

13. STAFF COSTS- continued

The average number of employees during the year was 12 (2024: 12).

	2025	2024
	£	£
£60,001 - £70,000	1	-
£70,001 - £80,000	-	1
	<u>1</u>	<u>1</u>

The charity currently employs casual seasonal staff as guides during the months the Hall and Gardens are open to visitors. Staff are also employed on a casual basis for the activities of Kelmarsh Events. The full-time equivalent is included in the staff numbers above.

The permanent staff are spread across a number of departments which reflect the diverse activities of a historic house and its estate.

Remuneration to key management personnel, including employer's national insurance and pension contributions, amounted to £99,232 (2024: £74,721).

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2024

	Unrestricted funds £	Restricted Funds £	Endowment funds £	Total funds £
INCOMING RESOURCES				
Voluntary income	3,094	6,676	-	9,770
Charitable activities				
Preservation	117,930	-	-	117,930
Commercial trading operations	304,172	-	-	304,172
Investment income	522,940	-	-	522,940
Other income	125,045	-	-	125,045
Total	<u>1,073,181</u>	<u>6,676</u>	<u>-</u>	<u>1,079,857</u>
EXPENDITURE ON				
Raising funds				
Other trading activities	134,110	-	-	134,110
Investment management costs	226,287	-	-	226,287
Charitable activities				
Preservation	651,078	18,452	-	669,530
Governance costs	27,866	-	-	27,866
Total	<u>1,039,341</u>	<u>18,452</u>	<u>-</u>	<u>1,057,793</u>
Incoming resource less expenditure	33,840	(11,776)	-	22,064
Net gains on investments	(213,680)	-	2,370,000	2,156,320
NET INCOME/(EXPENDITURE)	<u>(179,840)</u>	<u>(11,776)</u>	<u>2,370,000</u>	<u>2,178,384</u>
Transfers between funds	-	-	-	-
Net movement in funds	<u>(179,840)</u>	<u>(11,776)</u>	<u>2,370,000</u>	<u>2,178,384</u>
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>11,245,549</u>	<u>1,223,683</u>	<u>15,310,907</u>	<u>27,780,139</u>
TOTAL FUNDS CARRIED FORWARD	<u>11,065,709</u>	<u>1,211,907</u>	<u>17,680,907</u>	<u>29,958,523</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

15. NET INCOME FOR THE FINANCIAL YEAR

As permitted by Section 408 of the Companies Act 2006 the parent charity's Statement of Financial Activities has not been included in these financial statements. The parent charity's total incoming resources for the year were £1,187,685 (2024: £945,747) and total resources expended were £1,149,214 (2024: £923,684) resulting in net incoming resources for the year of £38,471 (2024: £22,064) which included a donation of £179,865 (2024: £170,062) from Kelmarsh Events Limited. The net surplus for the year for the Trust was £3,879,525 (2024: £2,178,384) after other recognised gains and losses.

16. TANGIBLE FIXED ASSETS

	Drainage works £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2024	94,033	396,044	146,425
Additions	-	-	13,138
Disposals	-	-	-
At 31 March 2025	94,033	396,044	159,563
DEPRECIATION			
At 1 April 2024	59,515	241,891	132,411
Charge for year	1,726	19,170	4,899
Eliminated on disposal	-	-	-
At 31 March 2025	61,241	261,061	137,310
NET BOOK VALUE			
At 31 March 2025	32,792	134,983	22,253
At 31 March 2024	34,518	154,153	14,014

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

16. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Office equipment £	Totals £
COST			
At 1 April 2024	83,612	51,374	771,488
Additions	-	7,346	20,484
Disposals	-	-	-
At 31 March 2025	<u>83,612</u>	<u>58,720</u>	<u>791,972</u>
DEPRECIATION			
At 1 April 2024	45,395	38,137	517,349
Charge for year	2,054	4,058	31,907
Eliminated on disposal	-	-	-
At 31 March 2025	<u>47,449</u>	<u>42,195</u>	<u>549,256</u>
NET BOOK VALUE			
At 31 March 2025	<u>36,163</u>	<u>16,525</u>	<u>242,716</u>
At 31 March 2024	<u>38,217</u>	<u>13,237</u>	<u>254,139</u>

Fixed assets included in the above, which are held under hire purchase contracts, are as follows:

	Plant and machinery £
COST	
At 1 April 2024	22,400
Transfer to ownership	(22,400)
At 31 March 2025	<u>-</u>
DEPRECIATION	
At 1 April 2024	10,193
Charge for year	552
Transfer to ownership	(10,745)
At 31 March 2025	<u>-</u>
NET BOOK VALUE	
At 31 March 2025	<u>-</u>
At 31 March 2024	<u>12,207</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

17. HERITAGE ASSETS – GROUP AND COMPANY

	Total £
COST	
At 1 April 2024	3,171,632
Additions	-
At 31 March 2025	<u>3,171,632</u>
NET BOOK VALUE	
At 31 March 2025	<u>3,171,632</u>
At 31 March 2024	<u>3,171,632</u>

The Heritage assets consist of Kelmarsh Hall together with amenity lands, gardens and woodlands and Home Farm.

Freehold land and buildings are made up as follows;

	£
Transfer to the Trust during the year ended 31 March 1988 by the executors of Colonel CG Lancaster at probate value	760,907
Transfers to the Trust during the year ended 31 March 1997 by the executors of Miss CV Lancaster at probate value	310,000
Acquisitions at cost comprising improvements carried out in accordance with the Trust's development plan	735,211
Acquisitions at cost during 2017- 2019 relating to the Heritage Lottery Fund project	1,359,789
Additions in 2023 relating to a new footbridge	<u>5,725</u>
	<u>3,171,632</u>

The transactions relating to the heritage assets for this reporting period and for each of the previous four reporting periods are summarised as follows;

	2025 £	2024 £	2023 £	2022 £	2021 £
Cost brought forward	3,171,632	3,171,632	3,165,907	3,165,907	3,165,907
Additions	-	-	5,725	-	-
Donations	-	-	-	-	-
Total purchases	<u>3,171,632</u>	<u>3,171,632</u>	<u>3,171,632</u>	<u>3,165,907</u>	<u>3,165,907</u>
Charge for impairment	-	-	-	-	-
Disposals	-	-	-	-	-
Proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

18. FIXED ASSET INVESTMENTS – GROUP

	Listed investments £	Totals £
MARKET VALUE		
At 1 April 2024	825,070	825,070
Revaluations	31,054	31,054
At 31 March 2025	<u>856,124</u>	<u>856,124</u>
NET BOOK VALUE		
At 31 March 2025	<u>856,124</u>	<u>856,124</u>
At 31 March 2024	<u>825,070</u>	<u>825,070</u>

There were no investment assets outside the UK.

The original cost of financial investments was £756,118 (2024: £756,118). They are held in portfolios managed by M & G Securities Limited.

COMPANY	Shares in group undertakings £	Listed investments £	Totals £
MARKET VALUE			
At 1 April 2024	1,000	825,070	826,070
Disposals	-	-	-
Unrealised gains/(losses)	-	31,054	31,054
At 31 March 2025	<u>1,000</u>	<u>856,124</u>	<u>857,124</u>
NET BOOK VALUE			
At 31 March 2025	<u>1,000</u>	<u>856,124</u>	<u>857,124</u>
At 31 March 2024	<u>1,000</u>	<u>825,070</u>	<u>826,070</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Kelmarsh (Events) Limited

Nature of business: Organisation of events

Class of share:	% holding
£1 Ordinary	100

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

19. INVESTMENT PROPERTIES – GROUP AND COMPANY

FAIR VALUE	£
At 1 April 2024	25,170,000
Revaluation	3,810,000
At 31 March 2025	<u>28,980,000</u>
NET BOOK VALUE	
At 31 March 2025	<u>28,980,000</u>
At 31 March 2024	<u>25,170,000</u>

Freehold investment properties were valued at 31 March 2025 by Howkins & Harrison, Chartered Surveyors and Valuers. The basis of valuation for residential properties was at fair value with an appropriate discount to take account of the likelihood of gaining vacant possession within a period of time, and for farm properties on an investment basis ignoring sitting tenants' bids which would be at higher levels.

The original cost of freehold investment properties was £2,100,945 (2024: £2,100,945).

This is made up as follows:

	£
Transfers to the Trust during the year ended 31 March 1988 by the executors of Colonel CG Lancaster, at probate value	1,090,876
Less: land lost upon compulsory purchase by the Department of Transport relating to the A14 Link Road	<u>(100,000)</u>
	990,876
Transfers to the Trust during the year ended 31 March 1997 by the executors of Miss CV Lancaster, at probate value	1,048,450
Other acquisitions at cost	<u>61,619</u>
	<u>2,100,945</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

20. STOCKS - GROUP

	2025	2024
	£	£
Farm Stocks	23,558	20,329
Other Stocks	10,095	8,240
	<u>33,653</u>	<u>28,569</u>

21. STOCKS – COMPANY

	2025	2024
	£	£
Farm stocks	<u>23,558</u>	<u>20,329</u>

22. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – GROUP

	2025	2024
	£	£
Trade debtors	42,055	71,214
Other debtors	17,462	13,106
VAT	645	-
Prepayments	120,590	114,202
	<u>180,752</u>	<u>198,522</u>

23. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – COMPANY

	2025	2024
	£	£
Trade debtors	31,888	65,084
Amounts owed by group undertakings	85,508	95,073
Other debtors	11,300	11,300
VAT	1,958	-
Prepayments	117,570	111,422
	<u>248,224</u>	<u>282,879</u>

24. CURRENT ASSET INVESTMENTS – GROUP AND COMPANY

	2025	2024
	£	£
Cash deposits	<u>188,738</u>	<u>-</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS – continued FOR THE YEAR ENDED 31 MARCH 2025

25. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – GROUP

	2025	2024
	£	£
Hire purchase (see note 29)	-	1,284
Trade creditors	96,676	72,231
Social security and other taxes	6,060	3,702
Other creditors	32,080	81,132
Other loans (see note 27)	-	80,000
Accruals and deferred income	206,164	75,532
	<u>340,980</u>	<u>313,881</u>

Hire purchase creditors are secured on the assets concerned.

Deferred income includes deposits received for events held after the year end.

26. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – COMPANY

	2025	2024
	£	£
Hire purchase (see note 29)	-	1,284
Trade creditors	93,057	71,235
Social security and other taxes	6,060	3,702
Other creditors	19,480	4,500
Other loans (see note 28)	-	80,000
Accruals and deferred income	82,055	75,532
	<u>200,652</u>	<u>236,253</u>

Hire purchase creditors are secured on the assets concerned.

Deferred income includes deposits received for events held after the year end.

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

27. LOANS – GROUP

An analysis of the maturity of loan is given below:

	2025 £	2024 £
Amounts falling due within one year on demand:		
Loan from Miss CV Lancaster's 1994 Charitable Trust	<u>-</u>	<u>80,000</u>

28. LOANS – COMPANY

An analysis of the maturity of loans is given below:

	2025 £	2024 £
Amounts falling due within one year on demand:		
Loan from Miss CV Lancaster's 1994 Charitable Trust	<u>-</u>	<u>80,000</u>

29. LEASING AGREEMENTS – GROUP AND COMPANY

Minimum lease payments under hire purchase fall due as follows:

	2025 £	2024 £
Net obligations repayable:		
Within one year	<u>-</u>	<u>1,284</u>
	<u>-</u>	<u>1,284</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

30. SECURED DEBTS – GROUP AND COMPANY

The following secured debts are included within creditors:

	2025 £	2024 £
Hire purchase contracts	-	1,284

Hire purchase creditors are secured on the assets concerned.

31. MOVEMENT IN FUNDS

	At 1.4.24 £	Net movement in funds £	Transfers between funds £	At 31.3.25 £
Unrestricted funds				
General fund	3,730,371	186,214	(211,670)	3,704,915
General fair value reserve	7,081,838	550,000	-	7,631,838
Designated fund - Hall & Gardens	140,500	(34,983)	(60,517)	45,000
Designated fund - Let Property	113,000	(70,187)	72,187	115,000
Designated fund - J&J Lancaster Legacy	-	-	200,000	200,000
	<u>11,065,709</u>	<u>631,044</u>	<u>-</u>	<u>11,696,753</u>
Restricted funds				
Contribution to heating system	125,870	(10,750)	-	115,120
Obtaining museum accreditation	3,082	(769)	-	2,313
Heritage Lottery Fund	1,082,955	-	-	1,082,955
	<u>1,211,907</u>	<u>(11,519)</u>	<u>-</u>	<u>1,200,388</u>
Endowment funds				
Endowment fund	1,751,783	-	-	1,751,783
Endowment fair value reserve	15,929,124	3,260,000	-	19,189,124
	<u>17,680,907</u>	<u>3,260,000</u>	<u>-</u>	<u>20,940,907</u>
TOTAL FUNDS	<u>29,958,523</u>	<u>3,879,525</u>	<u>-</u>	<u>33,838,048</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

31. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,339,930	1,184,770	31,054	186,214
General fair value reserve	-	-	550,000	550,000
Designated fund - Hall & Gardens	-	34,983	-	(34,983)
Designated fund - Let Property	-	70,187	-	(70,187)
Designated fund - J&J Lancaster Legacy	-	-	-	-
	<u>1,339,930</u>	<u>1,289,940</u>	<u>581,054</u>	<u>631,044</u>
Restricted funds				
Renewable heating incentive	-	-	-	-
Contribution to heating system	-	10,750	-	(10,750)
Obtaining museum accreditation	-	769	-	(769)
	<u>-</u>	<u>11,519</u>	<u>-</u>	<u>(11,519)</u>
Endowment funds				
Endowment fund	-	-	-	-
Endowment fair value reserve	-	-	3,260,000	3,260,000
	<u>-</u>	<u>-</u>	<u>3,260,000</u>	<u>3,260,000</u>
TOTAL FUNDS	<u>1,339,930</u>	<u>1,301,459</u>	<u>3,841,054</u>	<u>3,879,525</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

32. MOVEMENT IN FUNDS – 31 MARCH 2024

	At 1.4.23 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
Unrestricted funds				
General fund	3,678,111	109,394	(57,134)	3,730,371
General fair value reserve	7,281,838	(200,000)	-	7,081,838
Designated fund - Hall & Gardens	84,500	(53,696)	109,696	140,500
Designated fund - Let Property	201,100	(35,538)	(52,562)	113,000
	<u>11,245,549</u>	<u>(179,840)</u>	<u>-</u>	<u>11,065,709</u>
Restricted funds				
Contribution to heating system	136,620	(10,750)	-	125,870
Obtaining museum accreditation	4,108	(1,026)	-	3,082
Heritage Lottery Fund	1,082,955	-	-	1,082,955
	<u>1,223,683</u>	<u>(11,776)</u>	<u>-</u>	<u>1,211,907</u>
Endowment funds				
Endowment fund	1,751,783	-	-	1,751,783
Endowment fair value reserve	13,559,124	2,370,000	-	15,929,124
	<u>15,310,907</u>	<u>2,370,000</u>	<u>-</u>	<u>17,680,907</u>
TOTAL FUNDS	<u>27,780,139</u>	<u>2,178,384</u>	<u>-</u>	<u>29,958,523</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

32. MOVEMENT IN FUNDS – 31 MARCH 2024 - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,073,181	950,107	(13,680)	109,394
General fair value reserve	-	-	(200,000)	(200,000)
Designated fund - Hall & Gardens	-	53,696	-	(53,696)
Designated fund - Let Property	-	35,538	-	(35,538)
	<u>1,073,181</u>	<u>1,039,341</u>	<u>(213,680)</u>	<u>(179,840)</u>
Restricted funds				
Renewable heating incentive	6,676	6,676	-	-
Contribution to heating system	-	10,750	-	(10,750)
Obtaining museum accreditation	-	1,026	-	(1,026)
	<u>6,676</u>	<u>18,452</u>	<u>-</u>	<u>(11,776)</u>
Endowment funds				
Endowment fund	-	-	-	-
Endowment fair value reserve	-	-	2,370,000	2,370,000
	<u>-</u>	<u>-</u>	<u>2,370,000</u>	<u>2,370,000</u>
TOTAL FUNDS	<u>1,079,857</u>	<u>1,057,793</u>	<u>2,156,320</u>	<u>2,178,384</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

33. MOVEMENT IN FUNDS

RESTRICTED FUNDS

Contribution to the heating system

In the year ended 31 March 2013, £215,000 was received as a contribution towards the heating system. At 1 April 2024, the balance was £125,870 (1 April 2023: £136,620). During the year £10,750 (2024: £10,750) was released to the Statement of Financial Activities as depreciation. The balance at 31 March 2025 was £115,120 (2024: £125,870).

Heritage Lottery Fund

During the year no additional funds were received towards the "Heritage Lottery Fund" funded project. At 31 March 2025 the balance was £1,082,955 (2024: £1,082,955).

Museum Accreditation

Monies received in order to obtain museum accreditation. During the year £769 (2024: £1,026) was released to the Statement of Financial Activities as depreciation. At 31 March 2025 the balance of the fund was £2,313 (2024: £3,082).

Renewable Heating Incentive

During the year £6,013 (2024: £6,676) was received as a result of the energy generated through the renewable heating system. At 31 March 2025 the balance was £Nil (2024: £Nil), due to utilisation in the year.

DESIGNATED FUNDS

Hall and Gardens

During the year, a total of £34,983 (2024: £53,696) was spent on specific projects relating to scheduled works and improvements to the Hall and Gardens. Also, during the year unrestricted funds amounting to £60,517 (2024: £109,696) were re-designated from (2024: to) specific projects relating to scheduled works and improvements to the Hall and Gardens. At 31 March 2025, the balance of the fund was £45,000 (2024: £140,500).

Let Property

During the year, a total of £70,187 (2024: £35,538) was spent on relevant refurbishment work. Also, during the year unrestricted funds amounting to £72,187 (2024: £52,562) were re-designated to (2024: from) specific projects relating to the refurbishment of let properties, including work on the EPC requirements. At 31 March 2025, the balance of the fund was £115,000 (2024: £113,000).

J&J Lancaster Legacy

During the year unrestricted funds amounting to £200,000 were re-designated to projects with an educational purpose. At 31 March 2025, the balance of the fund was £200,000.

34. PENSION COMMITMENTS

The charity has contributed to personal pension schemes in respect of certain employees. The total contributions paid in the year were £52,113 (2024: £38,251). Contributions of £859 (2024: £Nil) were unpaid at the year end.

35. RELATED PARTY DISCLOSURES

Mr CL Greville-Heygate and Mr JD Lancaster are Trustees of Miss Lancaster's 1994 Charitable Trust. At the balance sheet date the charity owes Miss Lancaster's 1994 Charitable Trust £Nil (2024: £80,000).

The Trust has taken advantage of the exemption under Section 33 of FRS102 not to disclose transactions with group companies.

THE KELMARSH TRUST

England & Wales - Charity number 295154

Accounts

REGISTERED COMPANY NUMBER: 01672106 (England and Wales)
REGISTERED CHARITY NUMBER: 295154

**REPORT OF THE TRUSTEES AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024
FOR
THE KELMARSH TRUST**

Mark J Rees LLP Chartered Accountants
and Statutory Auditor
Granville Hall
Granville Road
Leicester
Leicestershire
LE1 7RU

WEDNESDAY



ADCVOP7K

A19

02/10/2024

#213

COMPANIES HOUSE

THE KELMARSH TRUST

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	Page
Report of the Trustees and Directors	1 to 12
Report of the Independent Auditors	13 to 15
Consolidated Statement of Financial Activities	16 to 17
Consolidated Balance Sheet	18 to 19
Company Balance Sheet	20 to 21
Consolidated Cash Flow Statement	22
Notes to the Consolidated Cash Flow Statement	23
Notes to the Financial Statements	24 to 45

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

01672106 (England and Wales)

Registered Charity number

295154

Registered office

Kelmarsh Hall
Kelmarsh
Northampton
Northamptonshire
NN6 9LY

Trustees

Mr Oliver Brookshaw (Chairman)

Mr Richard Flenley (until 15/06/2023)

Mr Charles Greville-Heygate (until 15/06/2023)

Mr James Lancaster

Mrs Caroline Brocklehurst

Mr Richard King

Mr Christopher Greville-Heygate (appointed 15/06/2023)

Mr Stuart Richmond-Watson (appointed 15/06/2023)

Dr Robert Haughney (appointed 4/10/2023)

Mr Mark Wilkinson (appointed 4/10/2023)

Hon Mrs Emily Anderson (appointed 07/12/2023)

General Manager and Company Secretary

Mrs Lesley Denton

Senior Statutory Auditor

Mr P Bott FCA

Auditors

Mark J Rees LLP Chartered Accountants
and Statutory Auditor

Granville Hall
Granville Road
Leicester
Leicestershire
LE1 7RU

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Investment Managers
M & G Securities Limited
PO Box 9038
Chelmsford
CM99 2XF

Land Agent
Howkins & Harrison LLP
7 – 11 Albert Street
Rugby
CV21 2RX

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2024

The Trustees of The Kelmarsh Trust ("the Trust"), who are also Directors of the charitable company for the purposes of the Companies Act 2006, present their report and the financial statements of the charity and its subsidiary, Kelmarsh (Events) Limited ("Kelmarsh Events"), for the year ended 31 March 2024. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OVERVIEW

The Financial Year of 2023-2024 has proved to be a positive and successful one for the Trust. We continued to see an increase in visitor numbers, weddings and events at Kelmarsh, all of which have helped finance the objects of the Trust. We succeeded in increasing educational activities including several lecture series and garden related floral workshops. We have also been able to carry out significant heritage maintenance and property repairs.

Performance against our key objects has been positive, although as ever we remain cautious about our overall finances. 2023 saw the retirement of two of our longest serving Trustees, Richard Flenley also our Chairman, and Charles Greville-Heygate. After deciding to increase our Trustee numbers from six to nine and following the process prescribed by the Charity Commission we searched for new Trustees. We had a strong response from applicants and appointed five new Trustees each of whom had different skills pertinent to our needs.

OBJECTIVES AND ACTIVITIES

Main objectives and aims

The general Object of the Charity is the advancement of historic and aesthetic education, and for the purpose of carrying out that general Object the primary Objects of the Charity are in particular:

1. To preserve for the benefit of the nation monuments and buildings of national historic or architectural or artistic interest and importance and to protect and improve the amenities of such buildings and their surroundings;
2. To preserve for the benefit of the nation and as an adjunct to any such buildings as aforesaid pictures and other chattels of national historic or artistic interest;
3. To facilitate the access to and the study and appreciation of such buildings (and their surroundings) furniture, pictures and chattels as aforesaid by the general public.

Significant activities and related information

Kelmarsh Hall is listed as Grade 1 in the statutory lists of buildings of architectural and historic interest and the adjoining land is also designated as a Scheduled Ancient Monument (SAM) essential for the protection of the character and amenities of Kelmarsh Hall. The Gardens are also included in English Heritage's Register of Parks and Gardens of Special Historic as Grade II*.

The Trust is responsible for the maintenance and preservation of Kelmarsh Hall and for promoting education about the Hall and the Kelmarsh Hall Estate and its natural history. It also manages an in-house farm and surrounding woodlands located on the Estate.

Kelmarsh Hall is key to the Trust and also takes first priority on funds. It is maintained in good order externally and internally in accordance with the most recent Quinquennial Buildings Inspection.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2024

Beyond its importance as a heritage asset, the estate is a traditional Northamptonshire mixed arable and pasture agricultural estate. The Estate is largely tenanted supporting farming families some of which are third generation tenants.

The Trustees employ professional farm and property management agents to oversee maintenance and ensure the best returns from farm and let property rents. Let properties are currently being improved to bring them up to the Government's Energy and Performance Certificate (EPC) guidelines. The Estate fortunately has a limited turnover of tenants but one consequence is that properties, which are below the EPC guidelines have to become vacant in order for the necessary work to be carried out.

The income of the Trust arises from the principal funding sources as set out on page 7 in the financial review section of the report.

Public Benefit

The Trustees are aware of the guidance given by the Charity Commission regarding public benefit.

The vision of the Trust is to carry out its charitable purposes for the benefit of the public, including working towards greater inclusion of the local community, supporting volunteering and other forms of participation, improving access and widening the diversity of our audiences. Our intention is to enhance the visitor experience and to improve the quality of our facilities so that the Heritage we care for can be better appreciated. Our aim is to bring life to the Hall and gardens and wider estate as much more than a static museum, but interpreting it as a multi-layered historic story providing greater educational opportunities.

We believe that our commitment to public benefit is also strongly demonstrated throughout this report.

ACHIEVEMENTS AND PERFORMANCE

Public Access to the Hall, Gardens and Estate

We reopened the gardens, tearoom and shop to the public from 1 April 2024 for four days a week and the Hall two days a week plus bank holidays. We had 14,166 visitors to the Hall and gardens, sold 166 season tickets and hosted 27 private group visits, attracting a good cross section of the general public.

Lots of families with children come to visit the Fairy Walk which is regenerated and added to each spring. Since installing the fairy walk the spring after the pandemic we have seen a big increase in family visits and our summer school holiday Fairy Picnic saw 817 young visitors and parents excitedly enjoying the face painting, art and pottery workshops, storytelling and the bubble fairy. Other well attended events included our Jazz Night with 260 attendees and the Autumn Fair attracting further visitors which showcased a wide variety of stallholders, the Hall and Gardens.

For outdoor events, two of our loyal clients (The Kelmarsh Show and Shambala) returned in spring and summer 2023 and we had further new events during the year, including a larger event on the Madcroft site this year attracting additional visitors. These events attracting nearly 75,000 visitors. We hosted 26 weddings during the year, 15 corporate events and functions with a few photoshoots and a week of filming with Alexander Armstrong using Kelmarsh Hall as the backdrop for Buckingham Palace. These events allowed a further 14,500 people to experience the Hall and Gardens.

The feedback we have received has been amazingly positive both for the gardens and for the Hall in which new areas and exhibitions were available for exploration.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2024

Maintenance, repair and preservation of the Hall and Estate Buildings

The programme of heritage and related maintenance of the Hall and surrounding buildings has been given higher priority and is ongoing. Repairs have included significant work to the external areas of the Hall with work undertaken on external painting and maintenance of the roof areas, clearing guttering and downpipes. Internally, work was undertaken on the flooring to restore areas with high traffic including new protective flooring in the Great Hall. Additional joinery in key areas was installed to relocate some facilities which will help protect the flooring longer term. More UV Film was applied to ground floor windows and the hunting passage was repaired. The dining room was also updated and redecorated to bring it back to its historic design and early 20th century feel, which is now used on a regular basis.

We are continuing with repairs and upgrades to our residential properties to bring the stock up to approved EPC standards including internal insulation and roof repairs. This requires substantial expenditure and our ability to do the works is constrained by existing tenancies as the scale of work sometimes requires that the properties are fully vacated in order to carry out the works efficiently. The programme will continue ahead - probably over several years.

Chattels

We have introduced a 'book of the month' feature in the library this season, where a book is chosen by the research volunteers and put on display with a spiel about the book. We also have a new video showing the upstairs rooms in the Yellow Room for any visitors who can't access the upstairs rooms.

The research and archive volunteers have updated our chattels folders for each room, with a brief history on each object, which visitors can have a look through to see if they have a particular interest in any of the paintings or objects around the rooms.

A mysterious bone which had been stored in the safe was researched by our research and archive volunteers who deciphered the writing on the bone and contacted St Albans Abbey. Further research is being carried out as there is a strong likelihood that it belonged to Humphrey Plantagenet, at one time Lord Protector of England, Prince, soldier, and Shakespearean character.

Having completed the restoration of Nancy Lancaster's bedroom and bathroom on the first floor, we then took on the recovery of some of the chattels from attic storage and the "dressing" of the adjacent Gentleman's Room on the first floor. This has proved to be very successful and popular with visitors. Additionally, we mounted a new exhibition of the "Nancy Lancaster story" in the two west wing bedrooms which we have used previously on occasion for seasonal exhibitions.

Kelmarsh Hall Gardens and Estate

During the year, significant new planting has been undertaken in the gardens together with renewal of path surfaces to improve accessibility. The gardens have come in for a good deal of appreciation and much praise. Our Head Gardener left in December but after several months looking after the gardens and external interviews, we appointed our under gardener to the position. We are supporting him in his continuing RHS course work and with the help of a newly appointed under gardener the gardens continue to be well cared for.

In the wider estate, a project to improve small ponds was started this winter. Over hanging trees and bushes were cut back and used to create a 'dead hedge' for wildlife.

Hedgerows continue to be improved by laying sections and replanting some areas where there were gaps. Hedge cutting is in line with countryside care, allowing for food for birds during the winter months and safe nesting in the spring. Following an inspection of the owl boxes in June 23 two owlets were ringed by owl licensed volunteer with the information supplied to the British Trust for Ornithology. The success continued with a barn owl sitting on eggs which will be monitored.

The trees in the Queens Copse planted for Queen Elizabeth II Platinum Jubilee continue to flourish and a 30 meter mixed hedgerow was also planted on the fence line of the Copse.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2024

Education

We hosted several pre-school groups to enjoy the outside space, bug hunting and the planting of seeds in the gardens and woodland area. We continue to explore outreach possibilities for connecting schools and other organisations with Kelmarsh. We hold fortnightly art classes and held several popular flower arranging days plus Christmas Wreath Making which were extremely popular.

Volunteers

The Trust encourages volunteers from all walks of life (mainly from the local community) to assist in as many activities as possible and particularly to support the Trust in visitor services (as tour guides), in gardening and garden maintenance, in research and cataloguing and in the various biodiversity surveys and recording. Our volunteers support the paid staff in tasks such as visitor meet and greet, school visits, tearoom duties and archiving. Our Archive Volunteers worked hard to put on our first Heritage Open Day. It was a great success with 414 attendees, most of whom had not been to Kelmarsh before.

The Trustees are extremely grateful for the time and effort given to the Trust by its many dedicated volunteers.

Fundraising

Grants and funding are an important and essential part of the preservation of the Hall, gardens and wider estate, and in supporting the Trusts objectives. We will continue to fundraise and seek support for special and larger capital projects, specifically those relating to work on Heritage Assets including the repair of one of the walls to the Walled Garden where we also have a vision of including a sensory garden for those with sight and mobility issues.

A special mention and thanks go to the Heritage Fund for their continued support over recent years. We continue to ensure that maintenance of our Basement and Laundry project is reviewed each year.

FINANCIAL REVIEW

Through sound financial management, planning and supervision, along with the earlier support of grant funding and the commitment of key management, we have achieved a positive outcome for the year. Throughout this period, we have taken a prudent and low risk approach to budgeting and risk management to ensure sustainability and future viability.

Financial performance and position

The total income for the year increased to £1,079,857 which, after deducting expenditure of £1,057,794 generated net incoming resources of £22,064, an increase over the 2023 results which generated net outgoings of £102,090.

The Trust's subsidiary, Kelmarsh Events, made a net profit of £170,062, a small decrease on the 2023 profit generated of £174,600. Annual profits from Kelmarsh Events are gift-aided to the Trust and these are incorporated in the above results.

Total net assets of the Trust and Kelmarsh Events at 31 March 2024 increased by £2,178,384 from £27,780,139 to £29,958,523. This is mainly represented by an increase in fixed assets as shown in the Balance Sheets on pages 18 to 21.

The total funds include £29,420,841 which are fixed assets, such as Kelmarsh Hall itself, and can only be realised by way of disposing of them.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2024

Investment performance

The income from financial investments achieved was £47,299, an increase on last year's income of £45,225 and was in line with expectations and objectives set.

There were no realised investment gains or losses during the year. The financial investments showed unrealised investment losses of £13,680 for the year (2023: £55,360).

Investment properties were revalued in the year resulting in a revaluation gain of £2,170,000 (2023: loss of £140,000).

Gross income from investment properties increased to £472,467 from £465,844 which after management and maintenance costs contributed net income for the year of £246,180, an increase over last year's net income of £168,738 because of reduced spending.

No additions or disposals of investment properties took place during the year.

Principal Funding Sources

The principal funding sources and significant activities comprise;

- Income from freehold investment properties and farm tenancies
- Investment income
- Donations and grants
- Visitor admissions income
- Commercial trading operations (received via Kelmarsh Events)
- Income from the windfarm

Investment Policy

Financial investments

We pursue a policy that provides a reasonable income for our current purposes and enhances income and capital growth over the longer term, thereby enabling us to meet our current and future objectives. It is the Trustees' policy to use the income derived from these investments and not to dispose of them unless a better return can be generated from investing the proceeds of sale in other assets.

A specialist UK investment manager oversees the investment portfolios. The Trustees require the investment manager to pay attention to the standard investment criteria, namely the suitability of the class of investment and the need for diversification insofar as it is appropriate to the circumstances of the Trust. Our approach to responsible investments, extends to the Environmental, Social and Governance (ESG) specifications adopted by the investment manager with specific exclusions.

The Trustees monitor these investments by receiving quarterly statements from the investment manager showing the movement in capital value and the income received from investments under management as well as an annual update from the investment manager given at a meeting with them.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2024

Investment properties

The management of the investment properties is passed to external land agents who are required to maximise the income from these properties whilst ensuring they are maintained in a reasonable state of repair.

Several of the Trust's let properties are below the Energy Performance Certificate requirements. We are aware of this and have undertaken surveys which are being acted upon in a prioritised programme as and when property vacancies occur so as to phase the works and minimise terminations.

Reserves Policy

The key reserves policy of the Trustees is to retain a level of reserves which will provide a stable base for the Trust's continuing activities and to enable the Trust to adjust to any significant change to resources through both known and unplanned events, whilst ensuring that excessive funds are not accumulated.

The nature of the assets of the Trust are such that high levels of expenditure can be incurred in both the short term and long term which necessitates having access to liquid funds to cover eventualities. Therefore, the Trustees aim to identify, and set aside as designated funds, a level of funds to meet specific projects (including the ongoing EPC requirements on let properties) and for essential maintenance of Heritage Assets within the foreseeable future.

The Trustees have established a policy whereby the unrestricted funds not designated for specific purposes or invested in tangible fixed assets should be between three and six months of the total expenditure on raising funds and essential charitable activities and governance costs ("running costs").

At 31 March 2024 these reserves amounted to £284,182 which represents just over three months' expenditure on the running costs.

The Trustees consider that this meets the reserves policy outlined above.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Kelmarsh Trust is a charitable company limited by guarantee which was incorporated on 15 October 1982. It is governed by its Memorandum and Articles of Association. This is further supported by the Corporate Plan (January 2023) which sets out our objectives and aspirations in more detail.

The members of the Trust are the Trustees who are named on page 1. They are also the directors of the Trust for company law purposes. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £1 per member.

Subsidiary Company

The Trust's wholly owned subsidiary, Kelmarsh Events Limited, is a trading company which carries on the commercial activities of the Estate and which considers the opportunities, direction, risks and yields of existing and potential commercial business. Under a formal agreement the profits of this company are donated under Gift Aid arrangements to the Trust.

Kelmarsh Events has its own board of Directors and operates under a collaboration agreement with the Trust. The board meets at least four times a year and consists of James Lancaster (Trustee) and Richard Flenley. Meetings are also attended by representatives from the Trust's accountants, land agents and management team.

Organisational Structure and Decision Making

The Articles of Association provide for a minimum of three and, up to a maximum of, twelve trustees. At the date of this report there were nine Trustees. The Trustees normally meet four times a year but visits also occur throughout the year. Decisions are then given to the General Manager for implementation.

In addition regular reports are made to the Trustees by both the Trust's Finance Committee and Kelmarsh Events.

The General Manager may make decisions on day-to-day matters but is in regular contact, at least weekly, with the Chairman whilst updating all Trustees on significant matters. The Trustees also periodically walk around the Hall and Gardens during the year and make an annual tour of the Estate including woodlands, farms and properties.

Recruitment, Appointment, Induction and Training of Trustees

The Trustees continually consider the need for new trustees, both to allow for the natural rotation of Trustees' terms and to respond to any skills gaps or opportunities for candidates with particular skills to offer. The Trustees take account of Charity Commission guidelines and the Charity Governance Code for larger charities in considering trustee recruitment and seek to have a proper diversity of Trustees who will improve continually the Trust's governance as well as working towards the objectives and activities shown on page 3.

The induction of new Trustees is provided by the existing Trustees and the General Manager. They receive a Trustee manual and induction pack which includes constitution documents and current accounts and other financial information. Training is provided both to new and current Trustees as appropriate.

In accordance with the Articles of Association Trustees may serve for up to three terms of three years each. They are then eligible for re-election on an annual basis for a maximum of three further one year terms.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2024

Related Parties

Details of related parties, including Trustees, and transactions with them are set out in note 36 to the financial statements.

Staff Remuneration

The remuneration of key staff is regularly reviewed and agreed by the Trustees after, where appropriate, discussions with the General Manager.

Risk Management

The Trustees regularly identify and review the major risks to which the Trust could be exposed and procedures have been established to manage those risks. In particular the Trustees have adopted a risk management policy, which addresses the major governance, operational, financial, reputational, legal and regulatory risks which might impact upon the core purposes and key objectives of the Trust. This builds on and complements existing risk management procedures in many aspects of the Trust's work in such areas as financial management, health and safety, fire and security and disaster planning arrangements to protect property, staff and visitors. It is formalised in a risk register which is reviewed annually by the Trustees and by the management team and is circulated at each meeting.

More specifically there is a formal contract with our appointed Health & Safety consultant to provide advice (including regular visits) on health and safety issues covering the Hall, Gardens and wider Estate. There are also maintenance/service contracts covering not only plant and machinery but also fire extinguishers, fire and intruder alarms. Where necessary staff are updated on these issues and reports made to the Trustees by the General Manager.

The Trustees are conscious of the need to keep up to date on Charity Commission and other legal and regulatory developments and changes in order to protect the Trust.

PLANS FOR THE FUTURE

The Trustees and staff are always alert to changing markets and 2023 saw an increase in interest particularly from potential corporate clients. However, we are aware that we operate in a very competitive market and continue to revise our offerings to accommodate clients and visitors. As a charitable Trust relying on outsourced commodities such as catering, we must select our service providers carefully to compete in the event business. The Kelmarsh Events board meets quarterly and together with a very capable management team who are continually aware of the changing markets, review new possibilities and are keen to try a variety of events and activities which will keep Kelmarsh in public focus as an interesting venue - for events and for heritage/recreation visitors. The wedding and corporate event market is making a steady recovery and we have taken on an SEO to intensify our social media.

We have succeeded in holding our own by marketing Kelmarsh as an interesting venue which listens to what clients want to ensure a successful event and we will continue to do this.

Kelmarsh has evolved into a venue that knows what it is good at. We have considered various options relating to the wedding market but research and listening to what clients want, has given us the confidence to focus on our strong points whilst being ever determined not to undermine our key roles of access, conservation, and education. Our future plans continue to promote appreciation and enjoyment of the heritage of the Hall and Gardens.

As we move forward Trustees are aware of the pressures outside of this historic property. World affairs and wars together with a change of UK Government could have significant relevance to how people choose to spend their free time and money. Nevertheless, we believe we have all the right personnel including Trustees, staff and a ever increasing number of supportive volunteers to enhance the experience and increased number of visitors and clients.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2024

In going forward, we identify here some examples of these ambitions in future projects - based on these key areas. The first is that of researching and reinforcing the historic skyline planting scheme which John Hanbury commissioned and implemented as shown in the plan of 1739 dedicated to him. This exists in part of the estate; fieldwork and research are indicating where we may, with co-operation of tenant farmers, plant additional trees to reinforce and perpetuate this historic pattern.

Second is a modest but nevertheless challenging project to recover and restore Nancy Lancaster's Rhododendron Bank on the East frontage, adjacent to A508, as a local flagship for Kelmarsh; and third is the possibility of reinforcing the verges of the North Drive which would give us greater flexibility in providing parking during poorer weather conditions for Hall based events when it is sometimes impractical to use the overflow field.

As ever, while desirable, such projects require careful research, planning and funding.

Development priorities for the Kelmarsh Trust

The Trustees and the Management Team are committed to preserving, improving and enhancing the Hall, Gardens and Estate, improving the EPC rating of the let properties, continuing the good relationship with our tenant farmers and working through the maintenance priority list.

The Trust has adopted a Corporate Plan, which was reviewed, updated and re-adopted in January 2023. This expands on the Trusts objects and looks at all aspects of the Trust and the wider estate and sets out aims, objectives and plans for these various aspects.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of The Kelmarsh Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice for Charities (FRS102);
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

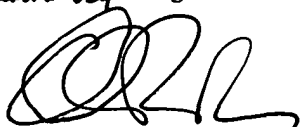
The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the group's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Report of the Trustees approved by order of the board of Trustees, in their capacity as Directors of the Trust, on 18 September 2024 and signed on behalf of the Trustees by:



Oliver Brookshaw - Chairman of Trustees

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KELMARSH TRUST

Opinion

We have audited the financial statements of The Kelmarsh Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, Company Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KELMARSH TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and of the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 group's and parent charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISA's (UK).

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

We obtained an understanding of the legal and regulatory frameworks applicable to the group and to the parent charitable company and the sector in which it operates through our general commercial experience and existing knowledge of the charitable sector. We determined that the following laws and regulations were most significant: Charities SORP (FRS 102), FRS 102, Companies Act 2006 and the relevant tax compliance regulations in the UK. In addition, we concluded that there are certain laws and regulations that may have an impact in the determination of the amounts and disclosures in the financial statements such as health and safety and employee related matters.

We enquired of management concerning the group's and parent charitable company's policies and procedures relating to:

- The identification and compliance with laws and regulations
- The detection and response to the risks of fraud
- The internal controls within the charitable company to mitigate fraud risk and non compliance to laws and regulations
- We enquired of management, whether they were aware of any instance of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KELMARSH TRUST

We communicated relevant laws and regulations and potential areas of fraud to all audit team members including the potential for fraud in revenue recognition. We remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We have determined that the principal risk areas where material irregularities could occur were related to posting manual journal entries to manipulate financial performance, revenue recognition and significant one – off or unusual transactions.

Our audit procedures were designed to respond in particular to these identified risks (including non-compliance with laws and regulations and fraud).

Our audit procedures included but were not limited to:

- A review of stock lines to ensure the valuation of stock is at the lower of cost and net realisable value.
- A review of a sample of orders received in the year to ensure these were correctly recorded in revenue and detailed cut off testing around the year end to ensure revenue is correctly recognised.
- A review of a sample of grants received in the year to ensure they were correctly recorded in revenue and correctly recognised in line with the conditions attached to each grant.
- A review of laws and regulations the company is subject to, being specifically food and hygiene and health and safety, followed by compliance checks and discussion with management to ensure no instances of non-compliance.
- Addressing the risks of fraud through management override of controls by performing a journal entry test.

We did not identify any matters during the course of our work that indicated non-compliance with laws and regulations or relating to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark J Rees LLP

Mr P Bott FCA (Senior Statutory Auditor)
for and on behalf of Mark J Rees LLP Chartered Accountants, Statutory Auditor
Granville Hall
Granville Road
Leicester
Leicestershire
LE1 7RU

Date: 26/9/24

THE KELMARSH TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2024 Total funds £	2023 Total Funds £
INCOMING RESOURCES						
Voluntary Income	2	3,094	6,676	-	9,770	20,693
Charitable activities						
Preservation	4	117,930	-	-	117,930	100,577
Commercial trading operations	6	304,172	-	-	304,172	323,452
Investment income	3	522,940	-	-	522,940	511,626
Other income	5	125,045	-	-	125,045	115,647
Total		1,073,181	6,676	-	1,079,857	1,071,995
EXPENDITURE ON						
Raising funds						
Commercial trading activities		134,110	-	-	134,110	148,852
Investment management & property maintenance costs	7	226,287	-	-	226,287	297,106
Charitable activities						
Preservation	8	651,078	18,452	-	669,530	705,347
Governance costs	8 & 9	27,866	-	-	27,866	22,780
Total		1,039,341	18,452	-	1,057,793	1,174,085
Incoming resources less expenditure		33,840	(11,776)	-	22,064	(102,090)
Net gains/(losses) on investments	10	(213,680)	-	2,370,000	2,156,320	(195,360)
NET INCOME/(EXPENDITURE)		(179,840)	(11,776)	2,370,000	2,178,384	(297,450)
Transfers between funds	32 & 34	-	-	-	-	-
Net movement in funds		(179,840)	(11,776)	2,370,000	2,178,384	(297,450)
RECONCILIATION OF FUNDS						
Total funds brought forward		11,245,549	1,223,683	15,310,907	27,780,139	28,077,589
TOTAL FUNDS CARRIED FORWARD		11,065,709	1,211,907	17,680,907	29,958,523	27,780,139

The notes form part of these financial statements

THE KELMARSH TRUST

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN
INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)**

CONTINUING OPERATIONS

The consolidated Statement of Financial Activities includes all gains and losses recognised in the year and previous years. All incoming resources and resources expended derive from continuing activities.

The notes form part of these financial statements

THE KELMARSH TRUST

CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2024 Total funds £	2023 Total Funds £
FIXED ASSETS						
Tangible assets	16	125,187	128,952	-	254,139	282,082
Heritage assets	17	1,327,770	1,082,955	760,907	3,171,632	3,171,632
Investments	18	825,070	-	-	825,070	838,750
Investment properties	19	8,250,000	-	16,920,000	25,170,000	23,000,000
		<u>10,528,027</u>	<u>1,211,907</u>	<u>17,680,907</u>	<u>29,420,841</u>	<u>27,292,464</u>
CURRENT ASSETS						
Stocks	20	28,569	-	-	28,569	32,150
Debtors: amounts falling due within one year	22	198,522	-	-	198,522	134,278
Cash at bank and in hand		624,472	-	-	624,472	666,511
		<u>851,563</u>	<u>-</u>	<u>-</u>	<u>851,563</u>	<u>832,939</u>
CREDITORS						
Amounts falling due within one year	24	(313,881)	-	-	(313,881)	(343,980)
NET CURRENT ASSETS						
		<u>537,682</u>	<u>-</u>	<u>-</u>	<u>537,682</u>	<u>488,959</u>
TOTAL ASSETS LESS CURRENT LIABILITIES						
		<u>11,065,709</u>	<u>1,211,907</u>	<u>17,680,907</u>	<u>29,958,523</u>	<u>27,781,423</u>
CREDITORS						
Amounts falling due after more than one year	25	-	-	-	-	(1,284)
NET ASSETS						
		<u><u>11,065,709</u></u>	<u><u>1,211,907</u></u>	<u><u>17,680,907</u></u>	<u><u>29,958,523</u></u>	<u><u>27,780,139</u></u>

The notes form part of these financial statements

THE KELMARSH TRUST

CONSOLIDATED BALANCE SHEET (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

	Notes	£	£	£	£	£
FUNDS	32					
Unrestricted general funds		3,730,371	-	-	3,730,371	3,678,111
Unrestricted fair value reserve		7,081,838	-	-	7,081,838	7,281,838
Designated funds		253,500	-	-	253,500	285,600
Restricted funds		-	1,211,907	-	1,211,907	1,223,683
Endowment funds		-	-	1,751,783	1,751,783	1,751,783
Endowment fair value reserve		-	-	15,929,124	15,929,124	13,559,124
TOTAL FUNDS		<u>11,065,709</u>	<u>1,211,907</u>	<u>17,680,907</u>	<u>29,958,523</u>	<u>27,780,139</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 18 September 2024 and were signed on its behalf by:



Oliver Brookshaw - Chairman of Trustees

The notes form part of these financial statements

THE KELMARSH TRUST

COMPANY BALANCE SHEET 31 MARCH 2024

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2024 Total funds £	2023 Total funds £
FIXED ASSETS						
Tangible assets	16	125,187	128,952	-	254,139	282,082
Heritage assets	17	1,327,770	1,082,955	760,907	3,171,632	3,171,632
Investments	18	826,070	-	-	826,070	839,750
Investment properties	19	8,250,000	-	16,920,000	25,170,000	23,000,000
		<u>10,529,027</u>	<u>1,211,907</u>	<u>17,680,907</u>	<u>29,421,841</u>	<u>27,293,464</u>
CURRENT ASSETS						
Stocks	21	20,329	-	-	20,329	22,428
Debtors: amounts falling due within one year	23	282,879	-	-	282,879	284,266
Cash at bank and in hand		462,877	-	-	462,877	391,662
		<u>766,085</u>	<u>-</u>	<u>-</u>	<u>766,085</u>	<u>698,356</u>
CREDITORS						
Amounts falling due within one year	26	(236,253)	-	-	(236,253)	(217,247)
NET CURRENT ASSETS						
		<u>529,832</u>	<u>-</u>	<u>-</u>	<u>529,832</u>	<u>481,109</u>
TOTAL ASSETS LESS CURRENT LIABILITIES						
		11,058,859	1,211,907	17,680,907	29,951,673	27,774,573
CREDITORS						
Amounts falling due after more than one year	27	-	-	-	-	(1,284)
NET ASSETS						
		<u>11,058,859</u>	<u>1,211,907</u>	<u>17,680,907</u>	<u>29,951,673</u>	<u>27,773,289</u>

The notes form part of these financial statements

THE KELMARSH TRUST

COMPANY BALANCE SHEET (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2024 Total funds £	2023 Total funds £
FUNDS						
Unrestricted general funds		3,723,521	-	-	3,723,521	3,671,261
Unrestricted fair value reserve		7,081,838	-	-	7,081,838	7,281,838
Designated funds		253,500	-	-	253,500	285,600
Restricted funds		-	1,211,907	-	1,211,907	1,223,683
Endowment funds		-	-	1,751,783	1,751,783	1,751,783
Endowment fair value reserve		-	-	15,929,124	15,929,124	13,559,124
TOTAL FUNDS		11,058,859	1,211,907	17,680,907	29,951,673	27,773,289
Charitable company's surplus (deficit) for the financial year					2,178,384	(297,450)

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 18 September 2024 and were signed on its behalf by:



Oliver Brookshaw - Chairman of Trustees

The notes form part of these financial statements

THE KELMARSH TRUST

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

		2024	2023
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	(79,855)	(148,295)
Interest element of hire purchase payments paid		(792)	(668)
Finance costs paid		(1,188)	(407)
Net cash provided by/(used in) operating activities		<u>(81,835)</u>	<u>(149,370)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(5,539)	(16,587)
Interest received		3,174	557
Dividends received		47,299	45,225
Net cash provided by investing activities		<u>44,934</u>	<u>29,195</u>
Cash flows from financing activities			
Capital repayments in year		(5,137)	(5,138)
Repayment of other borrowings		-	(7,789)
Net cash provided by/(used in) financing activities		<u>(5,137)</u>	<u>(12,927)</u>
Change in cash and cash equivalents in the reporting period		(42,038)	(133,102)
Cash and cash equivalents at the beginning of the reporting period		666,511	799,613
Cash and cash equivalents at the end of the reporting period		<u>624,473</u>	<u>666,511</u>

The notes form part of these financial statements

THE KELMARSH TRUST

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

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

	2024	2023
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	2,178,384	(297,450)
Adjustments for:		
Depreciation charges	33,482	37,369
(Gain)/loss on investments	(2,156,320)	195,360
Interest received	(3,174)	(557)
Interest element of hire purchase and finance lease rental payments	792	668
Finance costs	1,188	407
Dividends received	(47,299)	(45,225)
(Increase)/decrease in stocks	3,581	(10,607)
(Increase)/decrease in debtors	(64,244)	12,856
Increase/(decrease) in creditors	(26,245)	(41,116)
Net cash provided by/(used in) operations	(79,855)	(148,295)

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.23	Cash flow	Other non-cash changes	At 31.03.24
	£	£	£	£
Net cash				
Cash at bank	666,511	(42,039)	-	624,472
	<u>666,511</u>	<u>(42,039)</u>	<u>-</u>	<u>624,472</u>
Debt				
Hire purchase	(6,421)	5,137	-	(1,284)
Loan - Miss Lancaster's 1994 Charitable Trust	(80,000)	-	-	(80,000)
	<u>(86,421)</u>	<u>5,137</u>	<u>-</u>	<u>(81,284)</u>
Total	<u>580,090</u>	<u>(36,902)</u>	<u>-</u>	<u>543,188</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the group and charitable company, have been prepared in accordance with Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', The Companies Act 2006, and FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The charitable company is a public benefit entity as defined under FRS 102. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Status of company

The Trust is a company limited by guarantee and does not have any share capital (Company registered number 01672106, charity registered number 295154). The liability of the members is limited but shall not exceed £1.

Significant judgements and estimates

There were no areas in which the preparation of the financial statements required management to make significant judgements or estimates.

Basis of consolidation

The consolidated accounts incorporate the results for the year ended 31 March 2024 of the Trust and Kelmarsh Events, its wholly owned subsidiary, which have been included on a line by line basis. As permitted by Section 408 of the Companies Act 2006, the Trust has not presented its own income and expenditure account in addition to the consolidated income and expenditure account.

Income

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

The following specific policies are applied to particular categories of income:

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable.

Investment income from rents relating to investment property is included on an accruals basis. Rental income arising from the rental of the Hall is included on an accruals basis under preservation income. Listed investment income is included when receivable and interest receivable is accounted for on an accruals basis.

Grant income is credited in the period to which it relates. Grant income is included as incoming resources from charitable activities when these amount to a contract for services, but as voluntary income where they have been given with greater freedom of use.

Incoming resources from activities for generating funds and charitable trading activities are accounted for when earned and stated net of value added tax.

Expenditure

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

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES - continued

Expenditure - Continued

Costs of activities to generate funds comprise those costs directly attributable to investment management activities and the costs of Kelmarsh Events.

Investment management costs comprise those costs directly attributable to the management and maintenance of fixed asset properties.

Charitable expenditure comprises those costs incurred by the Trust in the delivery of its objectives. It includes those costs which can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Trust and include the audit fees and cost linked to the strategic management of the charity.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, other costs are apportioned on the basis of the proportion of direct expenditure.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Drainage works	- 5% on reducing balance
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Office equipment	- 25% on reducing balance

All tangible fixed assets costing £1,000 or more are capitalised and included at cost.

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation decrease. All other impairment losses are recognised in the income statement.

Heritage assets

Freehold land and buildings included in heritage assets comprise Kelmarsh Hall which is listed as Grade 1 in the statutory lists of buildings of architectural and historic interest, together with adjoining land which is also essential for the protection of the character and amenities of Kelmarsh Hall. Heritage assets are included at cost, with the exception of freehold land and buildings transferred to the Trust by the Executors of Colonel CG Lancaster and by the Executors of Miss CV Lancaster, which are included at probate values at the dates of transfer. No depreciation is charged on these assets as they are considered to have an indefinitely long useful life. Expenditure on the conservation and preservation of Kelmarsh Hall is charged to unrestricted funds when it is incurred.

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES - continued

Fixed asset investments

Investment properties are shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a fair value reserve.

Listed investments quoted on a recognised stock exchange are stated at market value at the year end. Their original cost is shown as a note.

Freehold investment properties are valued at least every five years and included at market value at the date of valuation. Their original cost is shown as a note. All gains and losses on revaluations and disposals are taken to the Income and Expenditure account.

Other investments are shown at cost less amounts written off. All gains and losses on revaluations and disposals are taken to the Income and Expenditure account.

Stocks

Stocks comprise farm stocks and have been valued at the lower of cost and net realisable value. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted and designated funds can be used in accordance with the charitable objectives at the discretion of the trustees. They include a revaluation reserve representing the restatement of investment assets at market rates.

The Endowment Funds are represented by freehold land and buildings and investment properties transferred to the charity by the Executors of Colonel CG Lancaster on the direction of Miss CV Lancaster, the benefactress at the commencement of The Kelmarsh Trust, less the value of the land lost in respect of the compulsory purchase by the Department of Transport of land relating to the A14 Link Road.

Restricted funds can only be used for particular restricted purposes within the objects of the Trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the statement of financial activities over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the Trust's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES - continued

Going concern

After reviewing the Trust's forecasts and projections, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. The Trust therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

2. VOLUNTARY INCOME – GROUP AND COMPANY

				2024	2023
	Unrestricted funds	Restricted Funds	Endowment funds	Total funds	Total funds
	£	£	£	£	£
Donations	3,094	-	-	3,094	15,784
Grants	-	6,676	-	6,676	4,909
	<u>3,094</u>	<u>6,676</u>	<u>-</u>	<u>9,770</u>	<u>20,693</u>

Donations received, and included in the above, are as follows:

	2024	2023
	£	£
Donations		
Miss CV Lancaster's 1994 Charitable Trust	3,094	10,832
Other	-	4,952
	<u>3,094</u>	<u>15,784</u>

Grants received, and included in the above, are as follows:

	2024	2023
	£	£
Grants		
Renewable Heating Incentive	6,676	4,909
Cultural Recover Fund for Heritage	-	-
	<u>6,676</u>	<u>4,909</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

3. INVESTMENT INCOME – GROUP AND COMPANY

	Unrestricted funds	Restricted funds	Endowment funds	2024 Total funds	2023 Total funds
	£	£	£	£	£
Rent receivable	472,467	-	-	472,467	465,844
Listed investment income	47,299	-	-	47,299	45,225
Interest receivable	3,174	-	-	3,174	557
	<u>522,940</u>	<u>-</u>	<u>-</u>	<u>522,940</u>	<u>511,626</u>

4. INCOME FROM CHARITABLE ACTIVITIES – GROUP AND COMPANY

	2024 Preservation	2023 Preservation
	£	£
Rent receivable	29,600	29,050
Visitor admissions, teas and sundry sales	54,464	43,362
Livestock and farm sales	15,115	8,319
Agricultural grants and subsidies	17,014	18,112
Wayleaves and compensation	1,737	1,734
	<u>117,930</u>	<u>100,577</u>

5. OTHER INCOME – GROUP AND COMPANY

	2024	2023
	£	£
Windfarm rent, compensation and contribution to costs	125,045	115,647
	<u>125,045</u>	<u>115,647</u>

6. KELMARSH EVENTS INCOME – GROUP AND COMPANY

	2024	2023
	£	£
Kelmarsh Events	304,172	323,452
	<u>304,172</u>	<u>323,452</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

7. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds	Restricted funds	Endowment funds	2024 Total funds	2023 Total funds
	£	£	£	£	£
Agents letting fees	86,735	-	-	86,735	87,599
Repairs maintenance and let property project costs	139,552	-	-	139,552	209,507
	<u>226,287</u>	<u>-</u>	<u>-</u>	<u>226,287</u>	<u>297,106</u>

8. CHARITABLE ACTIVITIES COSTS

	2024	2023
	£	£
Preservation	669,530	705,347
Governance costs (see note 9)	27,866	22,780
	<u>697,396</u>	<u>728,127</u>

9. GOVERNANCE COSTS

	2024	2023
	£	£
Travelling and Trustees expenses	9,607	7,356
Auditors' remuneration (charity only)	17,071	15,017
Legal and professional	-	-
Interest payable and similar charges	1,188	407
	<u>27,866</u>	<u>22,780</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

10. NET GAINS/(LOSSES) ON INVESTMENTS

	2024	2023
	£	£
Gains/(losses) on revaluation of investments	(13,680)	(55,360)
Gains on revaluation of investment properties	2,170,000	(140,000)
	<u>2,156,320</u>	<u>(195,360)</u>

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2024	2023
	£	£
Auditors remuneration (Group)	21,891	20,087
Depreciation - owned assets	32,746	36,389
Depreciation - assets on hire purchase contracts and finance leases	736	980
Surplus on disposal of fixed assets	-	-
Hire purchase interest and finance lease charges	<u>792</u>	<u>668</u>

12. TRUSTEES' REMUNERATION, BENEFITS AND EXPENSES

There was no trustees' remuneration or other benefits for the year ended 31 March 2024 nor for the year ended 31 March 2023.

Trustees' expenses	2024	2023
	£	£
Travel and subsistence	<u>9,607</u>	<u>7,356</u>

13. STAFF COSTS

	2024	2023
	£	£
Wages and Salaries	232,378	238,390
Social security costs	10,607	10,955
Other pension costs	38,251	30,390
	<u>281,236</u>	<u>279,735</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

13. STAFF COSTS- continued

The average number of employees during the year was 12 (2023: 11).

	2024	2023
	£	£
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
	<u>1</u>	<u>1</u>

The charity currently employs casual seasonal staff as guides during the months the Hall and Gardens are open to visitors. Staff are also employed on a casual basis for the activities of Kelmarsh Events. The full-time equivalent is included in the staff numbers above.

The permanent staff are spread across a number of departments which reflect the diverse activities of a historic house and its estate.

Remuneration to key management personnel, including employer's national insurance and pension contributions, amounted to £74,721 (2023: £69,008).

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

	Unrestricted funds £	Restricted Funds £	Endowment funds £	Total funds £
INCOMING RESOURCES				
Voluntary income	15,784	4,909	-	20,693
Charitable activities				
Preservation	100,577	-	-	100,577
Commercial trading operations	323,452	-	-	323,452
Investment income	511,626	-	-	511,626
Other income	115,647	-	-	115,647
Total	<u>1,067,086</u>	<u>4,909</u>	<u>-</u>	<u>1,071,995</u>
EXPENDITURE ON				
Raising funds				
Other trading activities	148,852	-	-	148,852
Investment management costs	297,106	-	-	297,106
Charitable activities				
Preservation	688,320	17,027	-	705,347
Governance costs	22,780	-	-	22,780
Total	<u>1,157,058</u>	<u>17,027</u>	<u>-</u>	<u>1,174,085</u>
Incoming resource less expenditure	(89,972)	(12,118)	-	(102,090)
Net gains on investments	(395,360)	-	200,000	(195,360)
NET INCOME/(EXPENDITURE)	<u>(485,332)</u>	<u>(12,118)</u>	<u>200,000</u>	<u>(297,450)</u>
Transfers between funds	(10,750)	10,750	-	-
Net movement in funds	<u>(496,082)</u>	<u>(1,368)</u>	<u>200,000</u>	<u>(297,450)</u>
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>11,741,631</u>	<u>1,225,051</u>	<u>15,110,907</u>	<u>28,077,589</u>
TOTAL FUNDS CARRIED FORWARD	<u>11,245,549</u>	<u>1,223,683</u>	<u>15,310,907</u>	<u>27,780,139</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

15. NET INCOME FOR THE FINANCIAL YEAR

As permitted by Section 408 of the Companies Act 2006 the parent charity's Statement of Financial Activities has not been included in these financial statements. The parent charity's total incoming resources for the year were £945,747 (2023: £923,143) and total resources expended were £923,684 (2023: £1,025,233) resulting in net incoming resources for the year of £22,064 (2023: £102,090 - outgoing) which included a donation of £170,062 (2023: £174,600) from Kelmarsh Events Limited. The net surplus for the year for the Trust was £2,178,384 (2023: £297,450 - deficit) after other recognised gains and losses.

16. TANGIBLE FIXED ASSETS

	Drainage works £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2023	94,033	395,736	144,465
Additions	-	308	1,960
Disposals	-	-	-
At 31 March 2024	<u>94,033</u>	<u>396,044</u>	<u>146,425</u>
DEPRECIATION			
At 1 April 2023	57,698	221,069	128,317
Charge for year	1,817	20,822	4,094
Eliminated on disposal	-	-	-
At 31 March 2024	<u>59,515</u>	<u>241,891</u>	<u>132,411</u>
NET BOOK VALUE			
At 31 March 2024	<u>34,518</u>	<u>154,153</u>	<u>14,014</u>
At 31 March 2023	<u>36,335</u>	<u>174,667</u>	<u>16,148</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

16. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Office equipment £	Totals £
COST			
At 1 April 2023	83,612	48,103	765,949
Additions	-	3,271	5,539
Disposals	-	-	-
At 31 March 2024	83,612	51,374	771,488
DEPRECIATION			
At 1 April 2023	42,656	34,127	483,867
Charge for year	2,739	4,010	33,482
Eliminated on disposal	-	-	-
At 31 March 2024	45,395	38,137	517,349
NET BOOK VALUE			
At 31 March 2024	38,217	13,237	254,139
At 31 March 2023	40,956	13,976	282,082

Fixed assets included in the above, which are held under hire purchase contracts, are as follows:

	Plant and machinery £
COST	
At 1 April 2023	22,400
Disposals/Transfer to ownership	-
	22,400
DEPRECIATION	
At 1 April 2023	9,457
Charge for year	736
At 31 March 2024	10,193
NET BOOK VALUE	
At 31 March 2024	12,207
At 31 March 2023	12,943

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

17. HERITAGE ASSETS – GROUP AND COMPANY

	Total £
MARKET VALUE	
At 1 April 2023	3,171,632
Additions	-
At 31 March 2024	<u>3,171,632</u>
NET BOOK VALUE	
At March 31 2024	<u>3,171,632</u>
At 31 March 2023	<u>3,171,632</u>

The Heritage assets consist of Kelmarsh Hall together with amenity lands, gardens and woodlands and Home Farm.

Freehold land and buildings are made up as follows;

	£
Transfer to the Trust during the year ended 31 March 1988 by the executors of Colonel CG Lancaster at probate value	760,907
Transfers to the Trust during the year ended 31 March 1997 by the executors of Miss CV Lancaster at probate value	310,000
Acquisitions at cost comprising improvements carried out in accordance with the Trust's development plan	735,211
Acquisitions at cost during 2017- 2019 relating to the Heritage Lottery Fund project	1,359,789
Additions in 2023 relating to a new footbridge	<u>5,725</u>
	<u>3,171,632</u>

The transactions relating to the heritage assets for this reporting period and for each of the previous four reporting periods are summarised as follows;

	2024 £	2023 £	2022 £	2021 £	2020 £
Cost brought forward	3,171,632	3,165,907	3,165,907	3,165,907	3,165,907
Additions	-	5,725	-	-	-
Donations	-	-	-	-	-
Total purchases	<u>3,171,632</u>	<u>3,171,632</u>	<u>3,165,907</u>	<u>3,165,907</u>	<u>3,165,907</u>
Charge for impairment	-	-	-	-	-
Disposals	-	-	-	-	-
Proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

18. FIXED ASSET INVESTMENTS – GROUP

	Listed investments £	Totals £
MARKET VALUE		
At 1 April 2023	838,750	838,750
Revaluations	(13,680)	(13,680)
At 31 March 2024	<u>825,070</u>	<u>825,070</u>
NET BOOK VALUE		
At 31 March 2024	<u>825,070</u>	<u>825,070</u>
At 31 March 2023	<u>838,750</u>	<u>838,750</u>

There were no investment assets outside the UK.

The original cost of financial investments was £756,118 (2023: £756,118). They are held in portfolios managed by M & G Securities Limited.

COMPANY	Shares in group undertakings £	Listed investments £	Totals £
MARKET VALUE			
At April 2023	1,000	838,750	839,750
Disposals	-	-	-
Unrealised gains/(losses)	-	(13,680)	(13,680)
At 31 March 2024	<u>1,000</u>	<u>825,070</u>	<u>826,070</u>
NET BOOK VALUE			
At 31 March 2024	<u>1,000</u>	<u>825,070</u>	<u>826,070</u>
At 31 March 2023	<u>1,000</u>	<u>838,750</u>	<u>839,750</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Kelmarsh (Events) Limited

Nature of business: Organisation of events

Class of share:	% holding
£1 Ordinary	100

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

19. INVESTMENT PROPERTIES – GROUP AND COMPANY

FAIR VALUE	£
At 1 April 2023	23,000,000
Additions	-
Revaluation	2,170,000
At 31 March 2024	<u>25,170,000</u>
 NET BOOK VALUE	
At 31 March 2024	<u>25,170,000</u>
At 31 March 2023	<u>23,000,000</u>

Freehold investment properties were valued at 31 March 2024 by Howkins & Harrison, Chartered Surveyors and Valuers. The basis of valuation for residential properties was at fair value with an appropriate discount to take account of the likelihood of gaining vacant possession within a period of time, and for farm properties on an investment basis ignoring sitting tenants' bids which would be at higher levels.

The original cost of freehold investment properties was £2,100,945 (2023: £2,100,945).

This is made up as follows:

	£
Transfers to the Trust during the year ended 31 March 1988 by the executors of Colonel CG Lancaster, at probate value	1,090,876
Less: land lost upon compulsory purchase by the Department of Transport relating to the A14 Link Road	<u>(100,000)</u>
	990,876
Transfers to the Trust during the year ended 31 March 1997 by the executors of Miss CV Lancaster, at probate value	1,048,450
Other acquisitions at cost	<u>61,619</u>
	<u>2,100,945</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

20. STOCKS - GROUP

	2024	2023
	£	£
Farm Stocks	20,329	22,428
Other Stocks	8,240	9,722
	<u>28,569</u>	<u>32,150</u>

21. STOCKS - COMPANY

	2024	2023
	£	£
Farm stocks	<u>20,329</u>	<u>22,428</u>

22. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - GROUP

	2024	2023
	£	£
Trade debtors	71,214	33,512
Other debtors	13,106	108
Prepayments	114,202	100,658
	<u>198,522</u>	<u>134,278</u>

23. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - COMPANY

	2024	2023
	£	£
Trade debtors	65,084	10,892
Amounts owed by group undertakings	95,073	182,924
Other debtors	11,300	-
Prepayments	111,422	90,450
	<u>282,879</u>	<u>284,266</u>

24. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - GROUP

	2024	2023
	£	£
Hire purchase (see note 30)	1,284	5,137
Trade creditors	72,231	44,766
Social security and other taxes	3,702	5,402
Other creditors	81,132	13,507
Other loans (see note 28)	80,000	80,000
Accruals and deferred income	75,532	195,168
	<u>313,881</u>	<u>343,980</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS – continued FOR THE YEAR ENDED 31 MARCH 2024

24. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – GROUP – continued

Hire purchase creditors are secured on the assets concerned.
Deferred income includes deposits received for events held after the year end.

25. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR – GROUP

	2024	2023
	£	£
Hire purchase (see note 30)	-	1,284
	<u>-</u>	<u>1,284</u>

26. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – COMPANY

	2024	2023
	£	£
Hire purchase (see note 30)	1,284	5,137
Trade creditors	71,235	43,662
Social security and other taxes	3,702	5,402
Other creditors	4,500	3,757
Other loans (see note 29)	80,000	80,000
Accruals and deferred income	75,532	79,289
	<u>236,253</u>	<u>217,247</u>

Hire purchase creditors are secured on the assets concerned.
Deferred income includes deposits received for events held after the year end.

27. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR – COMPANY

	2024	2023
	£	£
Hire purchase (see note 30)	-	1,284
	<u>-</u>	<u>1,284</u>

Hire purchase creditors are secured on the assets concerned.

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

28. LOANS – GROUP

An analysis of the maturity of loan is given below:

	2024 £	2023 £
Amounts falling due within one year on demand:		
Loan from Miss CV Lancaster's 1994 Charitable Trust	<u>80,000</u>	<u>80,000</u>
Amounts falling due after more than one year:		
Bounce Back Loan	<u>-</u>	<u>-</u>

29. LOANS – COMPANY

An analysis of the maturity of loans is given below:

	2024 £	2023 £
Amounts falling due within one year on demand:		
Loan from Miss CV Lancaster's 1994 Charitable Trust	<u>80,000</u>	<u>80,000</u>

30. LEASING AGREEMENTS – GROUP AND COMPANY

Minimum lease payments under hire purchase fall due as follows:

	2024 £	2023 £
Net obligations repayable:		
Within one year	1,284	5,137
Between one and five years	-	1,284
	<u>1,284</u>	<u>6,421</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

31. SECURED DEBTS – GROUP AND COMPANY

The following secured debts are included within creditors:

	2024	2023
	£	£
Hire purchase contracts	<u>1,284</u>	<u>6,421</u>

Hire purchase creditors are secured on the assets concerned.

32. MOVEMENT IN FUNDS

	At 1.4.23	Net movement in funds	Transfers between funds	At 31.3.24
	£	£	£	£
Unrestricted funds				
General fund	3,678,111	109,394	(57,134)	3,730,371
General fair value reserve	7,281,838	(200,000)	-	7,081,838
Designated fund - Hall & Gardens	84,500	(53,696)	109,696	140,500
Designated fund - Let Property	201,100	(35,538)	(52,562)	113,000
	<u>11,245,549</u>	<u>(179,840)</u>	<u>-</u>	<u>11,065,709</u>
Restricted funds				
Contribution to heating system	136,620	(10,750)	-	125,870
Obtaining museum accreditation	4,108	(1,026)	-	3,082
Heritage Lottery Fund	1,082,955	-	-	1,082,955
	<u>1,223,683</u>	<u>(11,776)</u>	<u>-</u>	<u>1,211,907</u>
Endowment funds				
Endowment fund	1,751,783	-	-	1,751,783
Endowment fair value reserve	13,559,124	2,370,000	-	15,929,124
	<u>15,310,907</u>	<u>2,370,000</u>	<u>-</u>	<u>17,680,907</u>
TOTAL FUNDS	<u>27,780,139</u>	<u>2,178,384</u>	<u>-</u>	<u>29,958,523</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

32. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,073,181	950,107	(13,680)	109,394
General fair value reserve	-	-	(200,000)	(200,000)
Designated fund - Hall & Gardens	-	53,696	-	(53,696)
Designated fund - Let Property	-	35,538	-	(35,538)
	<u>1,073,181</u>	<u>1,039,341</u>	<u>(213,680)</u>	<u>(179,840)</u>
Restricted funds				
Renewable heating incentive	6,676	6,676	-	-
Contribution to heating system	-	10,750	-	(10,750)
Obtaining museum accreditation	-	1,026	-	(1,026)
	<u>6,676</u>	<u>18,452</u>	<u>-</u>	<u>(11,776)</u>
Endowment funds				
Endowment fund	-	-	-	-
Endowment fair value reserve	-	-	2,370,000	2,370,000
	<u>-</u>	<u>-</u>	<u>2,370,000</u>	<u>2,370,000</u>
TOTAL FUNDS	<u>1,079,857</u>	<u>1,057,793</u>	<u>2,156,320</u>	<u>2,178,384</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

33. MOVEMENT IN FUNDS – 31 MARCH 2023

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General fund	3,758,653	65,931	(146,473)	3,678,111
General fair value reserve	7,621,838	(340,000)	-	7,281,838
Designated fund - Hall & Gardens	175,290	(89,548)	(1,242)	84,500
Designated fund - Let Property	185,850	(121,715)	136,965	201,100
	<u>11,741,631</u>	<u>(485,332)</u>	<u>(10,750)</u>	<u>11,245,549</u>
Restricted funds				
Contribution to heating system	136,620	(10,750)	10,750	136,620
Obtaining museum accreditation	5,476	(1,368)	-	4,108
Heritage Lottery Fund	1,082,955	-	-	1,082,955
	<u>1,225,051</u>	<u>(12,118)</u>	<u>10,750</u>	<u>1,223,683</u>
Endowment funds				
Endowment fund	1,751,783	-	-	1,751,783
Endowment fair value reserve	13,359,124	200,000	-	13,559,124
	<u>15,110,907</u>	<u>200,000</u>	<u>-</u>	<u>15,310,907</u>
TOTAL FUNDS	<u>28,077,589</u>	<u>(297,450)</u>	<u>-</u>	<u>27,780,139</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

33. MOVEMENT IN FUNDS – 31 MARCH 2023 - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,067,086	945,795	(55,360)	65,931
General fair value reserve	-	-	(340,000)	(340,000)
Designated fund - Hall & Gardens	-	89,548	-	(89,548)
Designated fund - Let Property	-	121,715	-	(121,715)
	<u>1,067,086</u>	<u>1,157,058</u>	<u>(395,360)</u>	<u>(485,332)</u>
Restricted funds				
Renewable heating incentive	4,909	4,909	-	-
Contribution to heating system	-	10,750	-	(10,750)
Obtaining museum accreditation	-	1,368	-	(1,368)
	<u>4,909</u>	<u>17,027</u>	<u>-</u>	<u>(12,118)</u>
Endowment funds				
Endowment fund	-	-	-	-
Endowment fair value reserve	-	-	200,000	200,000
	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>200,000</u>
TOTAL FUNDS	<u>1,071,995</u>	<u>1,174,085</u>	<u>(195,360)</u>	<u>(297,450)</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

34. MOVEMENT IN FUNDS

RESTRICTED FUNDS

Contribution to the heating system

In the year ended 31 March 2013, £215,000 was received as a contribution towards the heating system. At 1 April 2023, the balance was £136,620 (2023: £147,370). During the year £10,750 (2023: £10,750) was released to the Statement of Financial Activities as depreciation. The balance at 31 March 2024 was £125,870 (2023: £136,620).

Heritage Lottery Fund

During the year no additional funds were received towards the "Heritage Lottery Fund" funded project. At 31 March 2024 the balance was £1,082,955 (2023: £1,082,955).

Museum Accreditation

Monies received in order to obtain museum accreditation. During the year £1,026 (2023: £1,368) was released to the Statement of Financial Activities as depreciation. At 31 March 2024 the balance of the fund was £3,082 (2023: £4,108).

Renewable Heating Incentive

During the year £6,676 (2023: £4,909) was received as a result of the energy generated through the renewable heating system. At 31 March 2024 the balance was £Nil (2023: £Nil), due to utilisation in the year.

DESIGNATED FUNDS

Hall and Gardens

During the year, a total of £53,696 (2023: £89,548) was spent on specific projects relating to scheduled works and improvements to the Hall and Gardens. Also, during the year unrestricted funds amounting to £109,696 (2023: £1,242) were re-designated to (2023: from) specific projects relating to scheduled works and improvements to the Hall and Gardens. At 31 March 2024, the balance of the fund was £140,500 (2023: £84,500).

Let Property

During the year, a total of £35,538 (2023: £121,715) was spent on relevant refurbishment work. Also, during the year unrestricted funds amounting to £52,562 (2023: £136,965) were re-designated from (2023: to) specific projects relating to the refurbishment of let properties, including work on the EPC requirements. At 31 March 2024, the balance of the fund was £113,000 (2023: £201,100).

35. PENSION COMMITMENTS

The charity has contributed to personal pension schemes in respect of certain employees. The total contributions paid in the year were £38,251 (2023: £30,390).

36. RELATED PARTY DISCLOSURES

Mr Charles Greville-Heygate, Mr James Lancaster and Mr Richard King are Trustees of Miss Lancaster's 1994 Charitable Trust. At the balance sheet date the charity owes Miss Lancaster's 1994 Charitable Trust £80,000 (2023: £80,000). There is no fixed date for repayment and amounts are repayable on demand.

The Trust has taken advantage of the exemption under Section 33 of FRS102 not to disclose transactions with group companies.

THE KELMARSH TRUST

England & Wales - Charity number 295154

Accounts

REGISTERED COMPANY NUMBER: 01672106 (England and Wales)
REGISTERED CHARITY NUMBER: 295154

**REPORT OF THE TRUSTEES AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
FOR
THE KELMARSH TRUST**

Mark J Rees LLP Chartered Accountants
and Statutory Auditor
Granville Hall
Granville Road
Leicester
Leicestershire
LE1 7RU



THE KELMARSH TRUST

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	Page
Report of the Trustees	1 to 12
Report of the Independent Auditors	13 to 15
Consolidated Statement of Financial Activities	16 to 17
Consolidated Balance Sheet	18 to 19
Company Balance Sheet	20 to 21
Consolidated Cash Flow Statement	22
Notes to the Cash Flow Statement	23
Notes to the Financial Statements	24 to 45

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

01672106 (England and Wales)

Registered Charity number

295154

Registered office

Kelmarsh Hall
Kelmarsh
Northampton
Northamptonshire
NN6 9LY

Trustees

Mr OC Brookshaw (Chairman)	
Mr R G Flenley	(resigned 15/06/2023)
Mr CL Greville-Heygate	(resigned 15/06/2023)
Mr JD Lancaster	
Mrs C Brocklehurst	
Mr R King	
Mr C Greville-Heygate	(appointed 15/06/2023)
Mr SJ Richmond-Watson	(appointed 15/06/2023)

General Manager and Company Secretary

Mrs L A Denton

Senior Statutory Auditor

Mr P Bott FCA

Auditors

Mark J Rees LLP Chartered Accountants
and Statutory Auditor
Granville Hall
Granville Road
Leicester
Leicestershire
LE1 7RU

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

HCR Legal LLP
Lancaster House
Nunn Mills Road
Northampton
NN1 5GE

Investment Managers

M & G Securities Limited
PO Box 9038
Chelmsford
CM99 2XF

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2023

The Trustees of The Kelmarsh Trust ("the Trust"), who are also Directors of the charitable company for the purposes of the Companies Act 2006, present their report and the financial statements of the charity and its subsidiary, Kelmarsh (Events) Limited ("Kelmarsh Events"), for the year ended 31 March 2023. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2021).

OVERVIEW

The Financial Year of 2022-23 has proved to be a positive and successful one for the Trust, having survived the rigors and restrictions of the Covid pandemic and being able to return to what is more normal business - albeit in a changed and changing world. We have seen a strong return of visitor numbers and events at Kelmarsh in keeping with the objects of the Trust; and we have been able to embark on some of the "catch-up" of heritage maintenance and property repairs which we cautiously rationed during the difficulties of the previous 3 years.

Performance against our key objects has been positive, although we remain cautious about our overall finances. This has also been a significant year in anticipating the retirements in June 2023 of Richard Flenley and Charles Greville-Heygate, two of our longest serving Trustees, Richard also having been our chairman for a number of years. We have followed the process prescribed by the Charity Commission in such recruitment and have appointed two Trustees and anticipate other Trustees will join in stages over the second half of 2023.

OBJECTIVES AND ACTIVITIES

Main objectives and aims

The objects of the Trust are:

1. To preserve for the benefit of the nation monuments and buildings of national historic or architectural or artistic interest and importance and to protect and improve the amenities of such buildings and their surroundings;
2. To preserve for the benefit of the nation and as an adjunct to any such buildings as aforesaid pictures and other chattels of national historic or artistic interest;
3. To facilitate the access to and the study and appreciation of such buildings (and their surroundings) furniture, pictures and chattels as aforesaid by the general public.

Significant activities and related information

Kelmarsh Hall is listed as Grade 1 in the statutory lists of buildings of architectural and historic interest and the adjoining land is also designated as a Scheduled Ancient Monument (SAM) essential for the protection of the character and amenities of Kelmarsh Hall. The Gardens are also included in English Heritage's Register of Parks and Gardens of Special Historic as Grade II*.

The Trust is responsible for the maintenance and preservation of Kelmarsh Hall and for promoting education about the Hall and the Kelmarsh Hall Estate and its natural history. It also manages an in-house farm and surrounding woodlands located on the Estate.

Kelmarsh Hall is considered key to the Trust and also takes first priority on funds. It is maintained in good order externally and internally in accordance with the agreed Management and Maintenance Plan which has been updated in line with the Quinquennial Buildings Inspection of February 2018 and with full regard to the Conservation Management Plan produced in 2014.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2023

Beyond its importance as a heritage asset, the estate is a traditional Northamptonshire mixed arable and pasture agricultural estate. The Estate is largely tenanted supporting farming families some of which are third generation tenants.

The Trustees employ professional farm and property management agents to oversee maintenance and ensure the best returns from farm and let property rents. Let properties are currently being improved to bring them up to the Government's Energy and Performance Certificate (EPC) under a schedule of improvements commissioned in 2017. The Estate fortunately has a limited turnover of tenants but one consequence is that properties, which are below the EPC guidelines have to become vacant in order for the necessary work to be carried out.

The income of the Trust arises from the following significant activities and sources:

- Donations and grants
- Visitor admissions
- Rents receivable
- Commercial trading operations (received via the Events company)
- Income from the windfarm
- Investment income

Public Benefit

The Trustees are aware of the guidance given by the Charity Commission regarding public benefit. We believe that our commitment to public benefit is also strongly demonstrated throughout this report.

The vision of the Trust is to carry out its charitable purposes for the benefit of the public, including working towards greater inclusion of the local community, supporting volunteering and other forms of participation, improving access and widening the diversity of our audiences. Our intention is to enhance the visitor experience and to improve the quality of our facilities so that the Heritage we care for can be better appreciated. Our aim is to bring life to the Hall and gardens and wider estate as much more than a static museum, but interpreting it as a multi-layered historic story providing greater educational opportunities.

ACHIEVEMENTS AND PERFORMANCE

Public Access to the Hall, Gardens and Estate

After partial interruptions during 2020 and 2021, we reopened the gardens, tearoom and shop to the public fully from April 2022 for four days a week and the Hall on Tuesdays, Wednesdays, Sundays and Bank Holidays. We had 11,284 visitors to the gardens, sold 134 garden season tickets and hosted 26 private group visits, attracting a good cross section of the general public.

For outdoor events, two of our loyal clients (Morris Minor Owners Club and Shambala) returned in summer 2022 and we had four new events, these events attracting nearly 60,000 visitors. We hosted 32 weddings during the year, 21 corporate events and functions with a few photoshoots. These events allowed a further 9,500 people to experience the Hall and Gardens.

The feedback we have received has been amazingly positive both for the gardens and for the Hall in which new areas and exhibitions were available for exploration.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2023

Maintenance, repair and preservation of the Hall and Estate Buildings

The programme of heritage and related maintenance of the Hall and surrounding buildings, which was partly interrupted during the uncertainties of Covid, has now been given higher priority and is ongoing. Repairs have included significant work to the historic Vinery in the Walled Garden and to the Orangery. We have also upgraded our CCTV and outside lighting which, along with better security, provides safer access to and from the Hall for visitors and staff.

We are continuing with repairs and upgrades to our residential properties to bring the stock up to approved EPC standards. This requires substantial expenditure and our ability to do the works is constrained by existing tenancies as the scale of work sometimes requires that the properties are fully vacated in order to carry out the works efficiently. The programme will continue ahead - probably over several years.

Chattels

Having completed the restoration of Nancy Lancaster's bedroom and bathroom on the first floor in partnership with OKA Interiors for the 2022 season, we then took on to recover some of the chattels from attic storage and to "dress" the adjacent Gentleman's Room on the first floor. This has proved to be very successful and popular with visitors. Additionally, we mounted a new exhibition of the "Nancy Lancaster story" in the two west wing bedrooms which we have used previously on occasion for seasonal exhibitions.

In the basement we also made further exhibition additions, including the Northamptonshire Heritage Forum Best Volunteer Project Award for 'Coalmарsh' the story of the Lancaster family's connections with coal, including a model railway exhibit provided and installed by the Corby and District Model Railway Society. The exhibition was delivered by our fantastic Research and Archive Volunteers.

Kelmarsh Hall Gardens and Estate

During the year, significant new planting has been undertaken in the gardens together with renewal of path surfaces to improve accessibility. The gardens have come in for a good deal of appreciation and much praise.

In the wider estate, hedgerows were improved by laying sections and replanting some areas where there were gaps. Hedge cutting is in line with countryside care, allowing for food for birds during the winter months and safe nesting in the spring. We have installed 2 tawny owl boxes and 3 barn owl boxes; also, following an Osprey sighting, we are in talks with the Osprey specialist at Rutland Water to reinstate our nesting tower. Bird feeding stations are in place all winter and bird ringing and survey is carried out with the help of volunteers.

Also in the wider estate, we undertook a review of our in-hand woodlands. With the help of our consultant/contractor Matthew Biddle, Aspect Forestry & Rural Management we have updated our Woodlands Management Plan (January 2023) to address the immediacy of the next three years, focusing on Langborough, Rabbit Hill, Scotland Woods and also Shipley South.

One small but important achievement in January 2023 was the planting of The Queen's Copse on a small area just North of the outfall of the main lake. This had been identified as a Platinum Jubilee project but necessarily deferred into the winter 2022-23 planting season. Eight hardy volunteers helped in planting in atrocious weather conditions - all now doing well!

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2023

Education

Whilst we could not host school visits because of the pandemic, we did invite several pre-school groups to enjoy the outside space and the fairy walk within the woodland and surrounding areas of the Hall. We acknowledge that we are often disadvantaged by our rural location in seeking to attract school parties (bus hire costs etc). However, we continue to explore outreach possibilities for connecting schools and other organisations with Kelmarsh. We have continued to hold our fortnightly art classes.

Volunteers

The Trust encourages volunteers from all walks of life (mainly from the local community) to assist in as many activities as possible and particularly to support the Trust in visitor services (as tour guides), in gardening and garden maintenance, in research and cataloguing and in the various biodiversity surveys and recording. Our volunteers support the paid staff in tasks such as visitor meet and greet, school visits, tearoom duties and archiving.

There was a very cautious approach to volunteering activities during 2021-22 but a full and enthusiastic return to normal duties in 2022-23. The Trustees are extremely grateful for the time and effort given to the Trust by its many dedicated volunteers.

Fundraising

Grants and funding are an important and essential part of the preservation of the Hall, gardens and wider estate, and in supporting the Trusts objectives. We will continue to fundraise and seek support for special and larger capital projects, specifically those relating to work on Heritage Assets which have been deferred as a result of the pandemic.

A special mention and thanks go to the Heritage Fund for their continued support over recent years. Given the level of assets maintained by the Trust grant funding is an important and necessary part of maintaining and preserving Kelmarsh Hall for the benefit of the nation and providing access to the public.

FINANCIAL REVIEW

Through sound financial management, planning and supervision, along with the earlier support of grant funding and the commitment of key management, we have achieved a positive outcome for the year, although a revaluation of property resulted in a decrease in funds. Throughout this period, we have taken a prudent and low risk approach to budgeting and risk management to ensure sustainability and future viability.

Financial performance and position

The total income for the year decreased to £1,071,995 from £1,212,437 in the previous year which, after deducting expenditure of £1,174,085 (2022: £1,013,088) generated net outgoings of £102,090 a reduction over the 2022 results which generated net incoming resources of £199,349.

The previous year includes exceptional grant funding of £274,700 relating to the pandemic, without this funding the Trust would have operated at a net loss of £75,351 last year.

The Trust's subsidiary, Kelmarsh Events made a net profit of £174,600, an increase on the 2022 profit generated of £126,161. Annual profits from Kelmarsh Events are gift-aided to the Trust and these are incorporated in the above results.

Total net assets of the Trust and Kelmarsh Events at 31 March 2023 decreased by £297,450 from £28,077,589 to £27,780,139. This is mainly represented by a decrease in fixed assets to £27,292,464 (2022: £27,508,606) as shown in the Balance Sheets on pages 18 to 21.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2023

Investment performance

The income from financial investments achieved was £45,225, an increase on last year's income of £40,604 and was in line with expectations and objectives set.

There were no realised investment gains or losses during the year. The financial investments showed unrealised investment losses of £55,360 for the year (2022 Gain: £53,071).

Investment properties were revalued in the year resulting in revaluation losses of £140,000 (2022: Gain of £420,000).

Gross income from investment properties increased to £465,844 from £459,388 which after management and maintenance costs contributed net income for the year of £168,738, a reduction over last year's net income of £247,859 because of increased spending.

No additions or disposals of investment properties took place during the year.

Principal Funding Sources

The principal funding sources comprise rental income from the freehold investment properties and farm tenancies, admissions income, income from other investments including the portfolios of listed and other investments and in recent years additional grant funding.

The income from these sources supports the primary aims and objectives of the Trust. These funding sources have faced a higher level of uncertainty in the past couple of years as a result of the pandemic with a loss of admissions and events income and challenges on rental incomes.

Investment Policy

Financial investments

We pursue a policy that provides a reasonable income for our current purposes and enhances income and capital growth over the longer term, thereby enabling us to meet our current and future objectives. It is the Trustees' policy to use the income derived from these investments and not to dispose of these assets which generate an income for the Trust.

A specialist UK investment manager oversees the investment portfolios. The Trustees require the investment manager to pay attention to the standard investment criteria, namely the suitability of the class of investment and the need for diversification insofar as it is appropriate to the circumstances of the Trust. Our approach to responsible investments, extends to the Environmental, Social and Governance (ESG) specifications adopted by the investment manager with specific exclusions.

The Trustees monitor these investments by receiving quarterly statements from the investment manager showing the movement in capital value and the income received from investments under management as well as an annual update from the investment manager.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2023

Investment properties

The management of the investment properties is passed to external land agents who are required to maximise the income from these properties whilst ensuring they are maintained in a reasonable state of repair. It is the Trustees' policy not to dispose of these assets.

Several of the Trust's let properties are below the Energy Performance Certificate requirements. We are aware of this and have undertaken surveys which are being acted upon in a prioritised programme as and when property vacancies occur so as to phase the works and minimise terminations.

Reserves Policy

The policy of the Trustees is to maintain a level of reserves which will provide a stable base for the Trust's continuing activities and enable the Trust to adjust to any significant change in resources through both known and unplanned events, whilst ensuring that excessive funds are not accumulated.

At 31 March 2023 the total funds held by the Trust are £27,780,139 (2022: £28,077,589). This includes endowment funds of £15,310,907 (2022: £15,110,907), restricted funds of £1,223,683 (2022: £1,225,051) and unrestricted funds of £11,245,549 (2022: £11,741,631). The total funds include £27,292,464 (2022: £27,508,606) which are fixed assets, such as Kelmarsh Hall itself, and can only be realised by way of disposing of them.

As a result of the pandemic and the lack of specialist tradesmen there has been an increase in identified works which have been planned and unfortunately deferred. We have therefore identified and designated funds amounting to £285,600 (2022: £361,140), which forms part of the unrestricted funds above, towards specific projects, including the ongoing EPC requirements on let properties and maintenance of Heritage Assets within the next 12-24 months.

The amount of unrestricted reserves remaining after taking into account designated funds and those held in fixed assets amounts to £202,275 (2022: £207,843).

The nature of the assets of the Trust are such that high levels of expenditure can be incurred in both the short term and long term which necessitates having access to liquid funds to cover eventualities. We consider it reasonable to hold this level of reserves in order to meet operational commitments which equates to between three and six months unrestricted expenditure, in order to provide sufficient funds to finance expenditure on charitable activities and governance costs.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Kelmarsh Trust is a charitable company limited by guarantee which was incorporated on 15 October 1982. It is governed by its Memorandum and Articles of Association. This is further supported by the Corporate Plan (January 2023) which sets out our objectives and aspirations in more detail.

The members of the Trust are the Trustees who are named on page 1. They are also the directors of the Trust for company law purposes. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £1 per member.

Subsidiary Company

The Trust's wholly owned subsidiary, Kelmarsh Events is a trading company that organises commercial and corporate events held at Kelmarsh. Under a formal agreement the profits of this company are donated under Gift Aid arrangements to the Trust. Kelmarsh Events has its own Board of Directors and operates under a collaboration agreement with the Trust.

Organisational Structure and Decision Making

The Articles of Association provide for a minimum of three and, up to a maximum of, twelve trustees. Throughout the accounting period there were six Trustees two of whom retired in June 2023. In addition since 31 March 2023, and following proper review and interview processes, two new trustees have been appointed and we anticipate a further three to be appointed. The Trustees normally meet four times a year but visits also occur throughout the year. Decisions are then given to the General Manager for implementation.

The General Manager may make decisions on day-to-day matters but is in regular contact, at least weekly, with the Chairman whilst updating all trustees on significant matters. The Trustees also periodically walk around the Hall and Gardens during the year and make an annual tour of the Estate including woodlands, farms and properties.

In addition the Trustees take reports from two bodies both of which are chaired by a Trustee.

- A Finance Committee, which meets four times a year. The main terms of reference of this committee are to prepare budgets, periodic accounts and cash flow statements for approval by the trustees and to ensure proper internal financial controls are in place.
- Kelmarsh Events Limited, which has its own Board and which carries on the commercial activities of the Estate and which considers the opportunities, direction, risks and yields of existing and potential commercial business, the Board meets at least four times a year.

Recruitment, Appointment, Induction and Training of Trustees

The Trustees continually consider the need for new trustees, both to allow for the natural rotation of Trustees' terms and to respond to any skills gaps or opportunities for candidates with particular skills to offer. The Trustees take account of Charity Commission guidelines and the Charity Governance Code in considering trustee recruitment and seek to have a proper diversity of Trustees who will improve continually the Trust's governance as well as working towards the objectives and activities shown on page 3.

The induction of new Trustees is provided by the existing Trustees and the General Manager. They receive a Trustee manual and induction pack which includes constitution documents and current accounts and other financial information. Training is provided both to new and current Trustees as appropriate.

In accordance with the Articles of Association Trustees serve for up to two terms of three years each. They are then not eligible for re-election within a period of one year.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2023

Related Parties

Details of related parties, including Trustees, and transactions with them are set out in note 36 to the financial statements.

Staff Remuneration

The remuneration of key staff is regularly reviewed and agreed by the Trustees after, where appropriate, discussions with the General Manager.

Risk Management

The Trustees regularly identify and review the major risks to which the Trust could be exposed and procedures have been established to manage those risks. In particular the Trustees have adopted a risk management policy, which addresses the major governance, operational, financial, reputational, legal and regulatory risks which might impact upon the core purposes and key objectives of the Trust. This builds on and complements existing risk management procedures in many aspects of the Trust's work in such areas as financial management, health and safety, fire and security and disaster planning arrangements to protect property, staff and visitors. It is formalised in a risk register which is reviewed annually by the Trustees and by the management team and is circulated at each meeting.

More specifically there is a formal contract with our appointed Health & Safety consultant to provide advice (including regular visits) on health and safety issues covering the Hall, Gardens and wider Estate. There are also maintenance/service contracts covering not only plant and machinery but also fire extinguishers, fire and intruder alarms. Where necessary staff are updated on these issues and reports made to the Trustees by the General Manager.

The Trustees are conscious of the need to keep up to date on Charity Commission and other legal and regulatory developments and changes in order to protect the Trust.

PLANS FOR THE FUTURE

The Trustees are of the view that going forward, we need to be alert to changing market forces and fortunes. Already in turning into 2023 and after the beneficial catch up of delayed weddings, that market appears to be getting tougher, so we need to be alert to new possibilities. The Kelmarsh Events board meets quarterly to review new possibilities and is keen to try a diversity of events and activities which will keep Kelmarsh in public focus as an interesting venue - for events and for heritage/recreation visitors.

We have a very capable management team at the core, well supported by our close consultants and also by our teams of volunteers. We still need to be appropriately cautious of, and reactive to, the sorts of uncertainties which have characterised the last three years; and we are determined to press on with our key roles in preserving heritage, enhancing visitor access, and promoting appreciation and enjoyment.

As we now progress into the new accounting period of 2023-24, the Trustees are aware of the new pressures of world order which may impinge on "normal progress". Nevertheless, we are in a good position with a dedicated and committed management team and supportive volunteers. The Trustees have a positive outlook in wishing to enhance delivery of core objects, focused on heritage assets, accessibility, and education.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2023

In going forward, we identify here some examples of these ambitions in future projects - based on these key areas. The first is that of researching and reinforcing the historic skyline planting scheme which John Hanbury commissioned and implemented as shown in the plan of 1739 dedicated to him. This exists in part of the estate; fieldwork and research are indicating where we may, with co-operation of tenant farmers, plant additional trees to reinforce and perpetuate this historic pattern.

Second is a modest but nevertheless challenging project to recover and restore Nancy Lancaster's Rhododendron Bank on the East frontage, adjacent to A508, as a local flagship for Kelmarsh; and third is the possibility of reinforcing the verges of the North Drive which would give us greater flexibility in providing parking during poorer weather conditions for Hall based events when it is sometimes impractical to use the overflow field.

As ever, while desirable, such projects require careful research, planning and funding.

Development priorities for the Kelmarsh Trust

The Trustees and the Management Team are committed to preserving, improving and enhancing the Hall, Gardens and Estate, improving the EPC rating of the let properties, continuing the good relationship with our tenant farmers and working through the maintenance priority list. The following work is scheduled for 2023-24.

- Monitoring energy consumption and measures to offset increased energy costs.
- The Hall and North Pavilion external pointing
- Refurbishment of vacant let properties
- Roof repairs to the stable flat
- Further security upgrades and enhancements
- Improved internet connectivity and WI-FI enhancements
- Opening of additional rooms on the first floor of the Hall
- Skyline planting scheme
- Development of events and offerings to support the Trust

The Trust has adopted a Corporate Plan, which was reviewed, updated and re-adopted in January 2023. This expands on the Trusts objects and looks at all aspects of the Trust and the wider estate and sets out aims, objectives and plans for these various aspects.

RETIREMENTS

As mentioned above, in June this year Richard Flenley who had been a Trustee for 12 years and Chairman for 8 years, and Charles Greville-Heygate, who had been a Trustee for nearly 40 years, both retired. They have both contributed hugely to the Trust over the years, seeing it through some tough times as well as good times and helping it to overcome the challenges that the Trust has faced. The current stability and success of the Trust owe a great deal to the hard work that both Richard and Charles have put in over the years and the current (and joining) Trustees would like to record our thanks and appreciation and wish them a happy retirement.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of The Kelmarsh Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the group's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Report of the Trustees approved by order of the board of Trustees, in their capacity as Directors of the Trust, on 41 October 2023 and signed on behalf of the Trustees by:



Oliver Brookshaw - Chairman of Trustees

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KELMARSH TRUST

Opinion

We have audited the financial statements of The Kelmarsh Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, Company Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KELMARSH TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and of the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 group's and parent charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISA's (UK).

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

We obtained an understanding of the legal and regulatory frameworks applicable to the group and to the parent charitable company and the sector in which it operates through our general commercial experience and existing knowledge of the charitable sector. We determined that the following laws and regulations were most significant: Charities SORP (FRS 102), FRS 102, Companies Act 2006 and the relevant tax compliance regulations in the UK. In addition, we concluded that there are certain laws and regulations that may have an impact in the determination of the amounts and disclosures in the financial statements such as health and safety and employee related matters.

We enquired of management concerning the group's and parent charitable company's policies and procedures relating to:

- The identification and compliance with laws and regulations
- The detection and response to the risks of fraud
- The internal controls within the charitable company to mitigate fraud risk and non compliance to laws and regulations
- We enquired of management, whether they were aware of any instance of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KELMARSH TRUST

We communicated relevant laws and regulations and potential areas of fraud to all audit team members including the potential for fraud in revenue recognition. We remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We have determined that the principal risk areas where material irregularities could occur were related to posting manual journal entries to manipulate financial performance, revenue recognition and significant one – off or unusual transactions.

Our audit procedures were designed to respond in particular to these identified risks (including non-compliance with laws and regulations and fraud).

Our audit procedures included but were not limited to:

- A review of stock lines to ensure the valuation of stock is at the lower of cost and net realisable value.
- A review of a sample of orders received in the year to ensure these were correctly recorded in revenue and detailed cut off testing around the year end to ensure revenue is correctly recognised.
- A review of a sample of grants received in the year to ensure they were correctly recorded in revenue and correctly recognised in line with the conditions attached to each grant.
- A review of laws and regulations the company is subject to, being specifically food and hygiene and health and safety, followed by compliance checks and discussion with management to ensure no instances of non-compliance.
- Addressing the risks of fraud through management override of controls by performing a journal entry test.

We did not identify any matters during the course of our work that indicated non-compliance with laws and regulations or relating to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark J Rees LLP

Mr P Bott FCA (Senior Statutory Auditor)
for and on behalf of Mark J Rees LLP Chartered Accountants, Statutory Auditor
Granville Hall
Granville Road
Leicester
Leicestershire
LE1 7RU

Date: 16/10/23

THE KELMARSH TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total Funds £
INCOMING RESOURCES						
Voluntary Income	2	15,784	4,909	-	20,693	295,731
Charitable activities						
Preservation	4	100,577	-	-	100,577	87,157
Commercial trading operations	6	323,452	-	-	323,452	230,840
Investment income	3	511,626	-	-	511,626	500,002
Other income	5	115,647	-	-	115,647	98,707
Total		1,067,086	4,909	-	1,071,995	1,212,437
EXPENDITURE ON						
Raising funds						
Commercial trading activities		148,852	-	-	148,852	104,679
Investment management & property maintenance costs	7	297,106	-	-	297,106	211,529
Charitable activities						
Preservation	8	688,320	17,027	-	705,347	677,747
Governance costs	9	22,780	-	-	22,780	19,133
Total		1,157,058	17,027	-	1,174,085	1,013,088
Incoming resources less expenditure		(89,972)	(12,118)	-	(102,090)	199,349
Net gains/(losses) on investments	10	(395,360)	-	200,000	(195,360)	473,071
NET INCOME/(EXPENDITURE)		(485,332)	(12,118)	200,000	(297,450)	672,420
Transfers between funds	32 & 34	(10,750)	10,750	-	-	-
Net movement in funds		(496,082)	(1,368)	200,000	(297,450)	672,420
RECONCILIATION OF FUNDS						
Total funds brought forward		11,741,631	1,225,051	15,110,907	28,077,589	27,405,169
TOTAL FUNDS CARRIED FORWARD		11,245,549	1,223,683	15,310,907	27,780,139	28,077,589

The notes form part of these financial statements

THE KELMARSH TRUST

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN
INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)**

CONTINUING OPERATIONS

The consolidated Statement of Financial Activities includes all gains and losses recognised in the year and previous years. All incoming resources and resources expended derive from continuing activities.

The notes form part of these financial statements

THE KELMARSH TRUST

CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total Funds £
FIXED ASSETS						
Tangible assets	16	141,354	140,728	-	282,082	308,589
Heritage assets	17	1,327,770	1,082,955	760,907	3,171,632	3,165,907
Investments						
Investments	18	838,750	-	-	838,750	894,110
Investment properties	19	8,450,000	-	14,550,000	23,000,000	23,140,000
		<u>10,757,874</u>	<u>1,223,683</u>	<u>15,310,907</u>	<u>27,292,464</u>	<u>27,508,606</u>
CURRENT ASSETS						
Stocks	20	32,150	-	-	32,150	21,543
Debtors: amounts falling due within one year	22	134,278	-	-	134,278	147,134
Cash at bank and in hand		666,511	-	-	666,511	799,613
		<u>832,939</u>	<u>-</u>	<u>-</u>	<u>832,939</u>	<u>968,290</u>
CREDITORS						
Amounts falling due within one year	24	(343,980)	-	-	(343,980)	(392,886)
NET CURRENT ASSETS		<u>488,959</u>	<u>-</u>	<u>-</u>	<u>488,959</u>	<u>575,404</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,246,833</u>	<u>1,223,683</u>	<u>15,310,907</u>	<u>27,781,423</u>	<u>28,084,010</u>
CREDITORS						
Amounts falling due after more than one year	25	(1,284)	-	-	(1,284)	(6,421)
NET ASSETS		<u>11,245,549</u>	<u>1,223,683</u>	<u>15,310,907</u>	<u>27,780,139</u>	<u>28,077,589</u>

The notes form part of these financial statements

THE KELMARSH TRUST

CONSOLIDATED BALANCE SHEET (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total Funds £
FUNDS	32					
Unrestricted general funds		3,678,111	-	-	3,678,111	3,758,653
Unrestricted fair value reserve		7,281,838	-	-	7,281,838	7,621,838
Designated funds		285,600	-	-	285,600	361,140
Restricted funds		-	1,223,683	-	1,223,683	1,225,051
Endowment funds		-	-	1,751,783	1,751,783	1,751,783
Endowment fair value reserve		-	-	13,559,124	13,559,124	13,359,124
TOTAL FUNDS		11,245,549	1,223,683	15,310,907	27,780,139	28,077,589

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 4th October 2023 and were signed on its behalf by:



Oliver Brookshaw - Chairman of Trustees

The notes form part of these financial statements

THE KELMARSH TRUST

COMPANY BALANCE SHEET 31 MARCH 2023

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS						
Tangible assets	16	141,354	140,728	-	282,082	308,589
Heritage assets	17	1,327,770	1,082,955	760,907	3,171,632	3,165,907
Investments	18	839,750	-	-	839,750	895,110
Investment properties	19	8,450,000	-	14,550,000	23,000,000	23,140,000
		<u>10,758,874</u>	<u>1,223,683</u>	<u>15,310,907</u>	<u>27,293,464</u>	<u>27,509,606</u>
CURRENT ASSETS						
Stocks	21	22,428	-	-	22,428	16,566
Debtors: amounts falling due within one year	23	284,266	-	-	284,266	274,189
Cash at bank and in hand		391,662	-	-	391,662	570,437
		<u>698,356</u>	<u>-</u>	<u>-</u>	<u>698,356</u>	<u>861,192</u>
CREDITORS						
Amounts falling due within one year	26	(217,247)	-	-	(217,247)	(293,638)
NET CURRENT ASSETS						
		<u>481,109</u>	<u>-</u>	<u>-</u>	<u>481,109</u>	<u>567,554</u>
TOTAL ASSETS LESS CURRENT LIABILITIES						
		11,239,983	1,223,683	15,310,907	27,774,573	28,077,160
CREDITORS						
Amounts falling due after more than one year	27	(1,284)	-	-	(1,284)	(6,421)
NET ASSETS						
		<u>11,238,699</u>	<u>1,223,683</u>	<u>15,310,907</u>	<u>27,773,289</u>	<u>28,070,739</u>

The notes form part of these financial statements

THE KELMARSH TRUST

COMPANY BALANCE SHEET (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
FUNDS	32					
Unrestricted general funds		3,671,261	-	-	3,671,261	3,751,803
Unrestricted fair value reserve		7,281,838	-	-	7,281,838	7,621,838
Designated funds		285,600	-	-	285,600	361,140
Restricted funds		-	1,223,683	-	1,223,683	1,225,051
Endowment funds		-	-	1,751,783	1,751,783	1,751,783
Endowment fair value reserve		-	-	13,559,124	13,559,124	13,359,124
TOTAL FUNDS		11,238,699	1,223,683	15,310,907	27,773,289	28,070,739

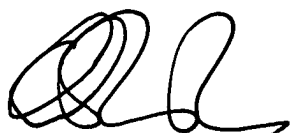
Charitable company's surplus
(deficit) for the financial year

(297,450)

672,420

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 4th October 2023 and were signed on its behalf by:



Oliver Brookshaw - Chairman of Trustees

The notes form part of these financial statements

THE KELMARSH TRUST

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

		2023	2022
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	(148,295)	260,350
Interest element of hire purchase payments paid		(668)	(668)
Finance costs paid		(407)	(650)
Net cash provided by/(used in) operating activities		<u>(149,370)</u>	<u>259,032</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(16,587)	(21,511)
Interest received		557	10
Dividends received		45,225	40,604
Net cash provided by investing activities		<u>29,195</u>	<u>19,103</u>
Cash flows from financing activities			
Capital repayments in year		(5,138)	(5,137)
Repayment of other borrowings		(7,789)	(50,000)
Net cash provided by/(used in) financing activities		<u>(12,927)</u>	<u>(55,137)</u>
Change in cash and cash equivalents in the reporting period		(133,102)	222,998
Cash and cash equivalents at the beginning of the reporting period		799,613	576,615
Cash and cash equivalents at the end of the reporting period		<u>666,511</u>	<u>799,613</u>

The notes form part of these financial statements

THE KELMARSH TRUST

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

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

	2023	2022
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	(297,450)	672,420
Adjustments for:		
Depreciation charges	37,369	35,399
(Gain)/loss on investments	195,360	(473,071)
Interest received	(557)	(10)
Interest element of hire purchase and finance lease rental payments	668	668
Finance costs	407	650
Dividends received	(45,225)	(40,604)
(Increase)/decrease in stocks	(10,607)	(6,229)
(Increase)/decrease in debtors	12,856	115
Increase/(decrease) in creditors	(41,116)	71,012
Net cash provided by/(used in) operations	<u>(148,295)</u>	<u>260,350</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22	Cash flow	Other non-cash changes	At 31.03.23
	£	£	£	£
Net cash				
Cash at bank	799,613	(133,102)	-	666,511
	<u>799,613</u>	<u>(133,102)</u>	<u>-</u>	<u>666,511</u>
Debt				
Hire purchase	(11,559)	5,138	-	(6,421)
Loan - Miss Lancaster's 1994 Charitable Trust	(87,789)	7,789	-	(80,000)
	<u>(99,348)</u>	<u>12,927</u>	<u>-</u>	<u>(86,421)</u>
Total	<u>700,265</u>	<u>(120,175)</u>	<u>-</u>	<u>580,090</u>

The notes form part of these financial statements

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the group and charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2021)', the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Status of company

The Trust is a company limited by guarantee and does not have any share capital (Company registered number 01672106, charity registered number 295154). The liability of the members is limited but shall not exceed £1.

Significant judgements and estimates

There were no areas in which the preparation of the financial statements required management to make significant judgements or estimates.

Basis of consolidation

The consolidated accounts incorporate the results for the year ended 31 March 2023 of the Trust and Kelmarsh Events, its wholly owned subsidiary, which have been included on a line by line basis. As permitted by Section 408 of the Companies Act 2006, the Trust has not presented its own income and expenditure account in addition to the consolidated income and expenditure account.

Income

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

The following specific policies are applied to particular categories of income:

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable.

Investment income from rents relating to investment property is included on an accruals basis. Rental income arising from the rental of the Hall is included on an accruals basis under preservation income. Listed investment income is included when receivable and interest receivable is accounted for on an accruals basis.

Grant income is credited in the period to which it relates. Grant income is included as incoming resources from charitable activities when these amount to a contract for services, but as voluntary income where they have been given with greater freedom of use.

Incoming resources from activities for generating funds and charitable trading activities are accounted for when earned and stated net of value added tax.

Expenditure

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

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES - continued

Expenditure - Continued

Costs of activities to generate funds comprise those costs directly attributable to investment management activities and the costs of Kelmarsh Events.

Investment management costs comprise those costs directly attributable to managing the fixed asset investments.

Charitable expenditure comprises those costs incurred by the Trust in the delivery of its objectives. It includes those costs which can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Trust and include the audit fees and cost linked to the strategic management of the charity.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, other costs are apportioned on the basis of the proportion of direct expenditure.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Drainage works	- 5% on reducing balance
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Office equipment	- 25% on reducing balance

All tangible fixed assets costing £1,000 or more are capitalised and included at cost.

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation decrease. All other impairment losses are recognised in the income statement.

Heritage assets

Freehold land and buildings included in heritage assets comprise Kelmarsh Hall which is listed as Grade 1 in the statutory lists of buildings of architectural and historic interest, together with adjoining land which is also essential for the protection of the character and amenities of Kelmarsh Hall. Heritage assets are included at cost, with the exception of freehold land and buildings transferred to the Trust by the Executors of Colonel CG Lancaster and by the Executors of Miss CV Lancaster, which are included at probate values at the dates of transfer. No depreciation is charged on these assets as they are considered to have an indefinitely long useful life. Expenditure on the conservation and preservation of Kelmarsh Hall is charged to unrestricted funds when it is incurred.

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES - continued

Fixed asset investments

Investment properties are shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a fair value reserve.

Listed investments quoted on a recognised stock exchange are stated at market value at the year end. Their original cost is shown as a note.

Freehold investment properties are valued at least every five years and included at market value at the date of valuation. Their original cost is shown as a note. All gains and losses on revaluations and disposals are taken to the Income and Expenditure account.

Other investments are shown at cost less amounts written off. All gains and losses on revaluations and disposals are taken to the Income and Expenditure account.

Stocks

Stocks comprise farm stocks and have been valued at the lower of cost and net realisable value. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted and designated funds can be used in accordance with the charitable objectives at the discretion of the trustees. They include a revaluation reserve representing the restatement of investment assets at market rates.

The endowment fund is represented by freehold land and buildings and investment properties transferred to the charity by the Executors of Colonel CG Lancaster on the direction of Miss CV Lancaster, the benefactress at the commencement of The Kelmarsh Trust, less the value of the land lost in respect of the compulsory purchase by the Department of Transport of land relating to the A14 Link Road.

Restricted funds can only be used for particular restricted purposes within the objects of the Trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the statement of financial activities over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the Trust's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES - continued

Going concern

The pandemic had a significant impact on our operations over the past couple of years. With restrictions on tourism and hospitality venues, weddings and other events in place across the country until July 2021. Sales have now returned to normal levels during the year with deferred events going ahead.

The Trustees have undertaken a number of measures to mitigate costs and reduce expenditure over recent years which allows the Trust to continue in a sustainable and viable way.

The Trustees therefore continue to adopt the going concern basis in preparing the consolidated financial statements.

2. VOLUNTARY INCOME – GROUP AND COMPANY

	Unrestricted funds £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
Donations	15,784	-	-	15,784	10,400
Grants	-	4,909	-	4,909	285,331
	<u>15,784</u>	<u>4,909</u>	<u>-</u>	<u>20,693</u>	<u>295,731</u>

Donations received, and included in the above, are as follows:

	2023 £	2022 £
Donations		
Miss CV Lancaster's 1994 Charitable Trust	10,832	10,000
Other	<u>4,952</u>	<u>400</u>
	<u>15,784</u>	<u>10,400</u>

Grants received, and included in the above, are as follows:

	2023 £	2022 £
Grants		
Renewable Heating Incentive	4,909	10,631
Cultural Recovery Fund for Heritage	<u>-</u>	<u>274,700</u>
	<u>4,909</u>	<u>285,331</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

3. INVESTMENT INCOME – GROUP AND COMPANY

	Unrestricted funds £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
Rent receivable	465,844	-	-	465,844	459,388
Financial investment income	45,225	-	-	45,225	40,604
Interest receivable	557	-	-	557	10
	<u>511,626</u>	<u>-</u>	<u>-</u>	<u>511,626</u>	<u>500,002</u>

4. INCOME FROM CHARITABLE ACTIVITIES – GROUP AND COMPANY

	2023 Preservation £	2022 Preservation £
Rent receivable	29,050	30,700
Visitor admissions, teas and sundry sales	43,362	37,962
Livestock and farm sales	8,319	1,516
Agricultural grants and subsidies	18,112	15,255
Wayleaves and compensation	1,734	1,724
	<u>100,577</u>	<u>87,157</u>

5. OTHER INCOME – GROUP AND COMPANY

	2023 £	2022 £
Windfarm rent, compensation and contribution to costs	115,647	98,707
	<u>115,647</u>	<u>98,707</u>

6. KELMARSH EVENTS INCOME – GROUP AND COMPANY

	2023 £	2022 £
Kelmarsh Events	323,452	230,840
	<u>323,452</u>	<u>230,840</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

7. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
Agents letting fees	87,599	-	-	87,599	67,156
Repairs, maintenance and let property project costs	209,507	-	-	209,507	144,373
	<u>297,106</u>	<u>-</u>	<u>-</u>	<u>297,106</u>	<u>211,529</u>

8. CHARITABLE ACTIVITIES COSTS

	2023 £	2022 £
Preservation	705,347	677,747
Governance costs (see note 9)	<u>22,780</u>	<u>19,133</u>
	<u>728,127</u>	<u>696,880</u>

9. GOVERNANCE COSTS

	2023 £	2022 £
Travelling and Trustees expenses	7,356	4,421
Auditors' remuneration (charity only)	15,017	14,062
Legal and professional	-	-
Interest payable and similar charges	<u>407</u>	<u>650</u>
	<u>22,780</u>	<u>19,133</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

10. NET GAINS/(LOSSES) ON INVESTMENTS

	2023	2022
	£	£
Gains/(losses) on revaluation of investments	(55,360)	53,071
Gains on revaluation of investment properties	(140,000)	420,000
	<u>(195,360)</u>	<u>473,071</u>

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023	2022
	£	£
Auditors' remuneration (Group)	20,087	18,132
Depreciation - owned assets	36,389	34,091
Depreciation - assets on hire purchase contracts and finance leases	980	1,308
Surplus on disposal of fixed assets	-	-
Hire purchase interest and finance lease charges	<u>668</u>	<u>668</u>

12. TRUSTEES' REMUNERATION, BENEFITS AND EXPENSES

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

	2023	2022
	£	£
Trustees' expenses	<u>7,356</u>	<u>4,421</u>

The above consist of travel and subsistence expenses reimbursed for Trustees.

13. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	171,673	180,199
Social security costs	10,955	10,353
Other pension costs	<u>30,390</u>	<u>31,453</u>
	<u>213,018</u>	<u>222,005</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

13. STAFF COSTS- continued

The average number of employees during the year was 11 (2022: 11).

No employees received emoluments in excess of £60,000 in either year.

The charity currently employs casual seasonal staff as guides during the months the Hall and Gardens are open to visitors. Staff are also employed on a casual basis for the activities of Kelmarsh Events. The full-time equivalent is included in the staff numbers above.

The permanent staff are spread across a number of departments which reflect the diverse activities of a historic house and its estate.

Remuneration to key management personnel, including employer's national insurance and pension contributions, amounted to £69,008 (2022: £60,476).

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022

	Unrestricted funds £	Restricted Funds £	Endowment funds £	Total funds £
INCOMING RESOURCES				
Voluntary income	10,400	285,331	-	295,731
Charitable activities				
Preservation	87,157	-	-	87,157
Commercial trading operations	230,840	-	-	230,840
Investment income	500,002	-	-	500,002
Other income	98,707	-	-	98,707
Total	<u>927,106</u>	<u>285,331</u>	<u>-</u>	<u>1,212,437</u>
EXPENDITURE ON				
Raising funds				
Other trading activities	104,679	-	-	104,679
Investment management costs	179,029	32,500	-	211,529
Charitable activities				
Preservation	412,341	265,406	-	677,747
Governance costs	19,133	-	-	19,133
Total	<u>715,182</u>	<u>297,906</u>	<u>-</u>	<u>1,013,088</u>
Incoming resource less expenditure	211,924	(12,575)	-	199,349
Net gains on investments	623,071	-	(150,000)	473,071
NET INCOME/(EXPENDITURE)	<u>834,995</u>	<u>(12,575)</u>	<u>(150,000)</u>	<u>672,420</u>
Transfers between funds	-	-	-	-
Net movement in funds	<u>834,995</u>	<u>(12,575)</u>	<u>(150,000)</u>	<u>672,420</u>
RECONCILIATION OF FUNDS				
Total funds brought forward	10,906,636	1,237,626	15,260,907	27,405,169
TOTAL FUNDS CARRIED FORWARD	<u>11,741,631</u>	<u>1,225,051</u>	<u>15,110,907</u>	<u>28,077,589</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

15. NET INCOME FOR THE FINANCIAL YEAR

As permitted by Section 408 of the Companies Act 2006 the parent charity's Statement of Financial Activities has not been included in these financial statements. The parent charity's total incoming resources for the year were £923,143 (2022: £1,107,758) and total resources expended were £1,025,233 (2022: £908,409) resulting in net outgoing resources for the year of £102,090 (2022: incoming resources £199,349) which included a donation of £174,600 (2022: £126,161) from Kelmarsh Events Limited. The net deficit for the year for the Trust was £297,450 (2022: surplus £672,420) after other recognised gains and losses.

16. TANGIBLE FIXED ASSETS

	Drainage works £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2022	94,033	393,429	142,810
Additions	-	2,307	1,655
Disposals	-	-	-
At 31 March 2023	<u>94,033</u>	<u>395,736</u>	<u>144,465</u>
DEPRECIATION			
At 1 April 2022	55,786	198,069	123,220
Charge for year	1,912	23,000	5,097
Eliminated on disposal	-	-	-
At 31 March 2023	<u>57,698</u>	<u>221,069</u>	<u>128,317</u>
NET BOOK VALUE			
At 31 March 2023	<u>36,335</u>	<u>174,667</u>	<u>16,148</u>
At 31 March 2022	<u>38,247</u>	<u>195,360</u>	<u>19,590</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

16. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Office equipment £	Totals £
COST			
At 1 April 2022	83,612	41,203	755,087
Additions	-	6,900	10,862
Disposals	-	-	-
At 31 March 2023	<u>83,612</u>	<u>48,103</u>	<u>765,949</u>
DEPRECIATION			
At 1 April 2022	39,003	30,420	446,498
Charge for year	3,653	3,707	37,369
Eliminated on disposal	-	-	-
At 31 March 2023	<u>42,656</u>	<u>34,127</u>	<u>483,867</u>
NET BOOK VALUE			
At 31 March 2023	<u>40,956</u>	<u>13,976</u>	<u>282,082</u>
At 31 March 2022	<u>44,609</u>	<u>10,784</u>	<u>308,589</u>

Fixed assets included in the above, which are held under hire purchase contracts, are as follows:

	Plant and machinery £	Totals £
COST		
At 1 April 2022	22,400	22,400
Disposals/Transfer to ownership	-	-
	<u>22,400</u>	<u>22,400</u>
DEPRECIATION		
At 1 April 2022	8,477	8,477
Charge for year	980	980
At 31 March 2023	<u>9,457</u>	<u>9,457</u>
NET BOOK VALUE		
At 31 March 2023	<u>12,943</u>	<u>12,943</u>
At 31 March 2022	<u>13,923</u>	<u>13,923</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

17. HERITAGE ASSETS – GROUP AND COMPANY

	Total £
MARKET VALUE	
At 1 April 2022 and 31 March 2023	3,165,907
Additions	<u>5,725</u>
At 31 March 2023	<u>3,171,632</u>
NET BOOK VALUE	
At 31 March 2023	<u>3,171,632</u>
At 31 March 2022	<u>3,165,907</u>

The Heritage assets consist of Kelmarsh Hall together with amenity lands, gardens and woodlands and Home Farm.

Freehold land and buildings are made up as follows;

	£
Transfer to the Trust during the year ended 31 March 1988 by the executors of Colonel CG Lancaster at probate value	760,907
Transfers to the Trust during the year ended 31 March 1997 by the executors of Miss CV Lancaster at probate value	310,000
Acquisitions at cost comprising improvements carried out in accordance with the Trust's development plan	735,211
Acquisitions at cost during 2017- 2019 relating to the Heritage Lottery Fund project	1,359,789
Additions in 2023 relating to a new footbridge	<u>5,725</u>
	<u>3,171,632</u>

The transactions relating to the heritage assets for this reporting period and for each of the previous four reporting periods are summarised as follows;

	2023 £	2022 £	2021 £	2020 £	2019 £
Cost brought forward	3,165,907	3,165,907	3,165,907	3,165,907	3,133,896
Additions	5,725	-	-	-	32,011
Donations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cost carried forward	3,171,632	3,165,907	3,165,907	3,165,907	3,165,907
Charge for impairment	-	-	-	-	-
Disposals	-	-	-	-	-
Proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

18. FIXED ASSET INVESTMENTS - GROUP

	Financial investments £	Totals £
MARKET VALUE		
At 1 April 2022	894,110	894,110
Revaluations	<u>(55,360)</u>	<u>(55,360)</u>
At 31 March 2023	<u>838,750</u>	<u>838,750</u>
NET BOOK VALUE		
At 31 March 2023	<u>838,750</u>	<u>838,750</u>
At 31 March 2022	<u>894,110</u>	<u>894,110</u>

There were no investment assets outside the UK.

The original cost of financial investments was £756,118 (2022: £770,242). They are held in portfolios managed by M & G Securities Limited.

COMPANY	Shares in group undertakings £	Financial investments £	Totals £
MARKET VALUE			
At 1 April 2022	1,000	894,110	895,110
Disposals	-	-	-
Unrealised gains /(losses)	<u>-</u>	<u>(55,360)</u>	<u>(55,360)</u>
At 31 March 2023	<u>1,000</u>	<u>838,750</u>	<u>839,750</u>
NET BOOK VALUE			
At 31 March 2023	<u>1,000</u>	<u>838,750</u>	<u>839,750</u>
At 31 March 2022	<u>1,000</u>	<u>894,110</u>	<u>895,110</u>

There were no investment assets outside the UK.

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

18. FIXED ASSET INVESTMENTS - continued

The company's investments at the balance sheet date in the share capital of companies include the following:

Kelmarsh (Events) Limited

Nature of business: Organisation of events

Class of share:	% holding
£1 Ordinary	100

19. INVESTMENT PROPERTY – GROUP AND COMPANY

	£
FAIR VALUE	
At 1 April 2022	23,140,000
Additions	-
Revaluation	<u>(140,000)</u>
At 31 March 2023	<u>23,000,000</u>
NET BOOK VALUE	
At 31 March 2023	<u>23,000,000</u>
At 31 March 2022	<u>23,140,000</u>

Freehold investment properties were valued at 31 March 2023 by Howkins & Harrison, Chartered Surveyors and Valuers. The basis of valuation for residential properties was at fair value with an appropriate discount to take account of the likelihood of gaining vacant possession within a period of time, and for farm properties on an investment basis ignoring sitting tenants' bids which would be at higher levels.

The original cost of freehold investment properties was £2,100,945 (2022: £2,100,945). This is made up as follows:

	£
Transfers to the Trust during the year ended 31 March 1988 by the executors of Colonel CG Lancaster, at probate value	1,090,876
Less: land lost upon compulsory purchase by the Department of Transport relating to the A14 Link Road	<u>(100,000)</u>
	990,876
Transfers to the Trust during the year ended 31 March 1997 by the executors of Miss CV Lancaster, at probate value	1,048,450
Other acquisitions at cost	<u>61,619</u>
	<u>2,100,945</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

20. STOCKS - GROUP

	2023	2022
	£	£
Farm Stocks	22,428	16,566
Other stocks	9,722	4,977
	<u>32,150</u>	<u>21,543</u>

21. STOCKS – COMPANY

	2023	2022
	£	£
Farm stocks	<u>22,428</u>	<u>16,566</u>

22. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – GROUP

	2023	2022
	£	£
Trade debtors	33,512	27,416
Other debtors	108	13,387
Prepayments and accrued income	<u>100,658</u>	<u>106,331</u>
	<u>134,278</u>	<u>147,134</u>

23. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – COMPANY

	2023	2022
	£	£
Trade debtors	10,892	9,241
Amounts owed by group undertakings	182,924	146,642
Other debtors	-	13,387
Prepayments and accrue income	<u>90,450</u>	<u>104,919</u>
	<u>284,266</u>	<u>274,189</u>

24. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – GROUP

	2023	2022
	£	£
Hire purchase (see note 30)	5,137	5,138
Trade creditors	44,766	119,388
Social security and other taxes	5,402	4,267
Other creditors	13,507	9,006
Other loans (see note 28)	80,000	87,789
Accruals and deferred income	<u>195,168</u>	<u>167,298</u>
	<u>343,980</u>	<u>392,886</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS – continued FOR THE YEAR ENDED 31 MARCH 2023

24. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – GROUP – continued

Hire purchase creditors are secured on the assets concerned.
Deferred income includes deposits received for events held after the year end.

25. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR – GROUP

	2023	2022
	£	£
Hire purchase (see note 30)	<u>1,284</u>	<u>6,421</u>
	<u>1,284</u>	<u>6,421</u>

26. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – COMPANY

	2023	2022
	£	£
Hire purchase (see note 30)	5,137	5,138
Trade creditors	43,662	118,165
Social security and other taxes	5,402	4,268
Other creditors	3,757	3,757
Other loans (see note 29)	80,000	87,789
Accruals and deferred income	<u>79,289</u>	<u>74,521</u>
	<u>217,247</u>	<u>293,638</u>

Hire purchase creditors are secured on the assets concerned.
Deferred income includes deposits received for events held after the year end.

27. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR – COMPANY

	2023	2022
	£	£
Hire purchase (see note 30)	<u>1,284</u>	<u>6,421</u>
	<u>1,284</u>	<u>6,421</u>

Hire purchase creditors are secured on the assets concerned.

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

28. LOANS – GROUP

An analysis of the maturity of loan is given below:

	2023 £	2022 £
Amounts falling due within one year on demand:		
Loan from Miss CV Lancaster's 1994 Charitable Trust	<u>80,000</u>	<u>87,789</u>
	<u>80,000</u>	<u>87,789</u>

29. LOANS – COMPANY

An analysis of the maturity of loans is given below:

	2023 £	2022 £
Amount falling due within one year on demand:		
Loan from Miss CV Lancaster's 1994 Charitable Trust	<u>80,000</u>	<u>87,789</u>

30. LEASING AGREEMENTS – GROUP AND COMPANY

Minimum lease payments under hire purchase fall due as follows:

	2023 £	2022 £
Net obligations repayable:		
Within one year	5,137	5,138
Between one and five years	<u>1,284</u>	<u>6,421</u>
	<u>6,421</u>	<u>11,559</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

31. SECURED DEBTS – GROUP AND COMPANY

The following secured debts are included within creditors:

	2023	2022
	£	£
Hire purchase contracts	<u>6,421</u>	<u>11,559</u>

Hire purchase creditors are secured on the assets concerned.

32. MOVEMENT IN FUNDS

	At 1.4.22	Net movement in funds	Transfers between funds	A 31.3.23
	£	£	£	£
Unrestricted funds				
General fund	3,758,653	65,931	(146,473)	3,678,111
General fair value reserve	7,621,838	(340,000)	-	7,281,838
Designated fund - Hall & Gardens	175,290	(89,548)	(1,242)	84,500
Designated fund - Let Property	185,850	(121,715)	136,965	201,100
	<u>11,741,631</u>	<u>(485,332)</u>	<u>(10,750)</u>	<u>11,245,549</u>
Restricted funds				
Contribution to heating system	136,620	(10,750)	10,750	136,620
Obtaining museum accreditation	5,476	(1,368)	-	4,108
Heritage Lottery Fund	1,082,955	-	-	1,082,955
	<u>1,225,051</u>	<u>(12,118)</u>	<u>10,750</u>	<u>1,223,683</u>
Endowment funds				
Endowment fund	1,751,783	-	-	1,751,783
Endowment fair value reserve	13,359,124	200,000	-	13,559,124
	<u>15,110,907</u>	<u>200,000</u>	<u>-</u>	<u>15,310,907</u>
TOTAL FUNDS	<u>28,077,589</u>	<u>(297,450)</u>	<u>-</u>	<u>27,780,139</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

32. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,067,086	945,795	(55,360)	65,931
General fair value reserve	-	-	(340,000)	(340,000)
Designated fund - Hall & Gardens	-	89,548	-	(89,548)
Designated fund - Let Property	-	121,715	-	(121,715)
	<u>1,067,086</u>	<u>1,157,058</u>	<u>(395,360)</u>	<u>(485,332)</u>
Restricted funds				
Renewable heating incentive	4,909	4,909	-	-
Contribution to heating system	-	10,750	-	(10,750)
Obtaining museum accreditation	-	1,368	-	(1,368)
	<u>4,909</u>	<u>17,027</u>	<u>-</u>	<u>(12,118)</u>
Endowment funds				
Endowment fund	-	-	-	-
Endowment fair value reserve	-	-	200,000	200,000
	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>200,000</u>
TOTAL FUNDS	<u>1,071,995</u>	<u>1,174,085</u>	<u>(195,360)</u>	<u>(297,450)</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

33. MOVEMENT IN FUNDS – 31 MARCH 2022

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	A 31.3.22 £
Unrestricted funds				
General fund	3,907,869	211,924	(361,140)	3,758,653
General fair value reserve	6,998,767	623,071	-	7,621,838
Designated fund - Hall & Gardens	-	-	175,290	175,290
Designated fund - Let Property	-	-	185,850	185,850
	<u>10,906,636</u>	<u>834,995</u>	<u>-</u>	<u>11,741,631</u>
Restricted funds				
Contribution to heating system	147,370	(10,750)	-	136,620
Obtaining museum accreditation	7,301	(1,825)	-	5,476
Heritage Lottery Fund	<u>1,082,955</u>	<u>-</u>	<u>-</u>	<u>1,082,955</u>
	<u>1,237,626</u>	<u>(12,575)</u>	<u>-</u>	<u>1,225,051</u>
Endowment funds				
Endowment fund	1,751,783	-	-	1,751,783
Endowment fair value reserve	<u>13,509,124</u>	<u>(150,000)</u>	<u>-</u>	<u>13,359,124</u>
	<u>15,260,907</u>	<u>(150,000)</u>	<u>-</u>	<u>15,110,907</u>
TOTAL FUNDS	<u>27,405,169</u>	<u>672,420</u>	<u>-</u>	<u>28,077,589</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

33. MOVEMENT IN FUNDS – 31 MARCH 2022 - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	927,106	715,182	-	211,924
General fair value reserve	-	-	623,071	623,071
	<u>927,106</u>	<u>715,182</u>	<u>623,071</u>	<u>834,995</u>
Restricted funds				
Renewable heating incentive	10,631	10,631	-	-
Cultural recovery fund for heritage	274,700	274,700	-	-
Contribution to heating system	-	10,750	-	(10,750)
Obtaining museum accreditation	-	1,825	-	(1,825)
	<u>285,331</u>	<u>297,906</u>	<u>-</u>	<u>(12,575)</u>
Endowment funds				
Endowment fund	-	-	-	-
Endowment fair value reserve	-	-	(150,000)	(150,000)
	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>(150,000)</u>
TOTAL FUNDS	<u>1,212,437</u>	<u>1,013,088</u>	<u>473,071</u>	<u>672,420</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

34. MOVEMENT IN FUNDS

RESTRICTED FUNDS

Contribution to the heating system

In the year ended 31 March 2013, £215,000 was received as a contribution towards the heating system. At 1 April 2022, the balance was £147,370. During the year £10,750 was released to the Statement of Financial Activities as depreciation. The balance at 31 March 2023 was £136,620.

Heritage Lottery Fund

During the year no additional funds were received towards the "Heritage Lottery Fund" funded project. At 31 March 2023 the balance was £1,082,955.

Museum Accreditation

Monies received in order to obtain museum accreditation. During the year £1,368 was released to the Statement of Financial Activities as depreciation. At 31 March 2023 the balance of the fund was £4,108.

Renewable Heating Incentive

During the year £4,909 was received as a result of the energy generated through the renewable heating system. At 31 March 2023 the balance was £Nil, due to utilisation in the year.

DESIGNATED FUNDS

Hall and Gardens

During the year, a total of £89,548 (2022: £Nil) was spent on specific projects relating to scheduled works and improvements to the Hall and Gardens. Also, during the year unrestricted funds amounting to £1,242 were re-designated from (2022: £175,290 designated to) specific projects relating to scheduled works and improvements to the Hall and Gardens. At 31 March 2023, the balance of the fund was £84,500 (2022: £175,290).

Let Property

During the year, a total of £121,715 (2022: £Nil) was spent on relevant refurbishment work. Also, during the year unrestricted funds amounting to £136,965 (2022: £185,850) were designated to specific projects relating to the refurbishment of let properties, including work on the EPC requirements. At 31 March 2023, the balance of the fund was £201,100 (2022: £185,850).

35. PENSION COMMITMENTS

The charity has contributed to personal pension schemes in respect of certain employees. The total contributions paid in the year were £30,390 (2022: £31,453).

36. RELATED PARTY DISCLOSURES

Mr CL Greville-Heygate, Mr JD Lancaster and Mr R King are Trustees of Miss Lancaster's 1994 Charitable Trust. At the balance sheet date the charity owes Miss Lancaster's 1994 Charitable Trust £80,000 (2022: £87,789). There is no fixed date for repayment and amounts are repayable on demand.

The Trust has taken advantage of the exemption under Section 33 of FRS102 not to disclose transactions with group companies.

THE KELMARSH TRUST

England & Wales - Charity number 295154

Accounts

REGISTERED COMPANY NUMBER: 01672106 (England and Wales)
REGISTERED CHARITY NUMBER: 295154

**REPORT OF THE TRUSTEES AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
FOR
THE KELMARSH TRUST**

Mark J Rees LLP Chartered Accountants
and Statutory Auditors
Granville Hall
Granville Road
Leicester
Leicestershire
LE1 7RU

THE KELMARSH TRUST

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

	Page
Report of the Trustees	1 to 12
Report of the Independent Auditors	13 to 15
Consolidated Statement of Financial Activities	16 to 17
Consolidated Balance Sheet	18 to 19
Company Balance Sheet	20 to 21
Consolidated Cash Flow Statement	22
Notes to the Cash Flow Statement	23
Notes to the Financial Statements	24 to 45

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

01672106 (England and Wales)

Registered Charity number

295154

Registered office

Kelmarsh Hall
Kelmarsh
Northampton
Northamptonshire
NN6 9LY

Trustees

Mr R G Flenley (Chairman)
Mr CL Greville- Heygate
Mr JD Lancaster
Mrs C Brocklehurst
Mr R King
Mr OC Brookshaw

Company Secretary

Mrs L A Denton

Senior Statutory Auditor

Mr P Bott FCA

Auditors

Mark J Rees LLP Chartered Accountants
and Statutory Auditors
Granville Hall
Granville Road
Leicester
Leicestershire
LE1 7RU

Bankers

HSBC
15 High Street
Market Harborough
Leicestershire
LE16 7NN

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

HCR Legal LLP
Elgin House
Billing Road
Northampton
NN1 5AU

Investment Managers

M & G Securities Limited
PO Box 9038
Chelmsford
CM99 2XF

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2022

The Trustees of The Kelmarsh Trust (“The Trust”), who are also Directors of the charitable company for the purposes of the Companies Act 2006, present their report and the financial statements of the charity and its subsidiary, Kelmarsh (Events) Limited (“Kelmarsh Events”), for the year ended 31 March 2022. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OVERVIEW

Although our financial year 2021-22 started with continuing uncertainty of operational constraints, affecting visitors and events, we were able to achieve a reasonably successful summer season for garden visitors and, after July 2021, with a positive return to weddings and some lesser corporate events. We have operated with a more streamlined management team, and made short term deferrals of some maintenance operations. We are particularly grateful for grant support which has helped us to keep going and putting us in a positive position for the new season of 2022-23.

OBJECTIVES AND ACTIVITIES

Main objectives and aims

The objects of the Trust are:

- 1.To preserve for the benefit of the nation monuments and buildings of national historic or architectural or artistic interest and importance and to protect and improve the amenities of such buildings and their surroundings;
- 2.To preserve for the benefit of the nation and as an adjunct to any such buildings as aforesaid pictures and other chattels of national historic or artistic interest;
- 3.To facilitate the access to and the study and appreciation of such buildings (and their surroundings) furniture, pictures and chattels as aforesaid by the general public

Significant activities and related information

Kelmarsh Hall is listed as Grade 1 in the statutory lists of buildings of architectural and historic interest and the adjoining land is also designated as Scheduled Ancient Monument (SAM) essential for the protection of the character and amenities of Kelmarsh Hall. The Gardens are also included in English Heritage’s Register of Parks and Gardens of Special Historic as Grade II*.

The Trust is responsible for the maintenance and preservation of Kelmarsh Hall and for promoting education about the Hall and the Kelmarsh Hall Estate and its natural history. It also manages an in-house farm and surrounding woodlands located on the Estate.

Kelmarsh Hall is considered key to the Trust and also takes first priority on funds. It is maintained in good order externally and internally in accordance with the agreed Management and Maintenance Plan which has been updated in line with the Quinquennial Buildings Inspection of February 2018 and with full regard to the Conservation Management Plan produced in 2014.

Beyond its importance as a heritage asset the estate is a traditional Northamptonshire mixed arable and pasture agricultural estate. The Estate is largely tenanted supporting farming families some of which are third generation tenants.

The Trustees employ professional farm and property management agents to oversee maintenance and ensure the best returns from farm and let property rents. Let properties are currently being improved to bring them up to the Government’s Energy and Performance Certificate (EPC) under a schedule of improvements commissioned in 2017. The Estate fortunately has a limited turnover of tenants but as properties, which are below the EPC guidelines become vacant, all necessary work is carried out.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2022

The income of the Trust arises from the following significant activities and sources:

- Donations and grants
- Visitor admissions
- Rents receivable
- Commercial trading operations (received via the Events company)
- Income from the windfarm
- Investment income

Public Benefit

The Trustees are aware of the of the guidance given by the Charity Commission regarding public benefit.

The vision of the Trust is to increase its charitable purpose for the benefit of the public and to work towards greater inclusion of the local community, supporting volunteering and other forms of participation, improving access by extending opening times and widening the diversity of our audiences. Our intention is to enhance the visitor experience and to improve the quality of our facilities so that the Heritage we care for is in a better condition. Our aim is to bring life to the Hall and gardens and wider estate as much more than a static museum, interpreting it as a multi-layered historic story providing greater educational opportunities.

Volunteers

The Trust encourages volunteers from all walks of life (mainly from the local community) to assist in as many activities as possible but particularly to support the Trust in visitor services (as tour guides), in gardening and garden maintenance and in research and cataloguing. Our volunteers support the paid staff in tasks such as visitor meet and greet, school visits, tearoom duties and archiving.

During the 2021 open season when there remained restrictions relating to the pandemic we consulted and took the decision not to invite our garden volunteers back and this also applied to our Hall stewards and archive volunteers, as the Hall was not open to the public. We did have several outside 'get-togethers' and can report that everyone is back for the 2022 season and we are all happy to be together again.

The Trustees are extremely grateful for the time and effort given to the Trust by its many dedicated volunteers.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2022

ACHIEVEMENTS AND PERFORMANCE

Maintenance, repair and preservation of the Hall and Estate Buildings

The programme of restoration and maintenance of the Hall and surrounding buildings is ongoing. Despite restrictive periods due to COVID, with grant funding support from the Culture Recovery Fund we were able to prioritise some of the essential repairs and maintenance scheduled in our Quinquennial Survey. These repairs included significant work to the historic Vinery in the Walled Garden and Orangery which overlooks part of our Scheduled Ancient Monument parkland. We have also upgraded our CCTV and outside lighting which, along with better security, provides safer access to and from the Hall for visitors and staff.

Chattels

During 2021 we reassessed some of our room displays, repositioning several of our chattels, carrying out repairs to two large picture frames, replacing two carpets and the Dining Room curtains. The original curtains have been conserved in line with the AIM collections development policy.

In partnership with OKA Interiors we completed the restoration of Nancy Lancaster's bedroom and bathroom both of which opened to visitors at Easter 2022.

Public Access to the Hall, Gardens and Estate

Whilst following Government guidelines and stringent Health & Safety rules we reopened the gardens, tearoom and shop to the public from Easter Sunday, the 4th April 2021 for four days a week. We saw a huge increase in visitors wanting to spend time in the open air and enjoy the gardens. We also opened a new walk around our lake encouraging dog owners to visit plus a Fairy Walk and children's area which saw a significant increase in family visits.

We had 9,693 visitors to the gardens, sold 214 garden season tickets and hosted 13 private group visits attracting a good cross section of the general public.

Whilst organisers were reluctant to put on large outdoor events, two of our loyal clients did return; Morris Minor Owners Club held a 'spares day' and Shambala hosted three camping weekends, both of which had good turnouts.

We hosted 28 weddings during the year. We also had 10 corporate events and 3 photoshoots. These events allowed a further 2,260 people to experience the Hall and Gardens.

Our one in-house event was the restoration of the Christmas Fair which was enjoyed by 1,702 visitors.

The feedback we received last season and continuing into this year has been amazingly positive. This could only be achieved by the support received from the Culture Recovery Fund and the commitment of the management team during a very challenging period.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2022

Kelmarsh Hall Gardens and Estate

During the year significant new planting in the gardens together with renewal of path surfaces and edging to improve accessibility.

Hedgerows were improved by laying sections and replanting some areas where there were gaps. Hedge cutting is in line with countryside care allowing for food for birds during the winter months and safe nesting in the spring. We have installed 2 tawny owl boxes and 3 barn owl boxes; also following an Osprey sighting we are in talks with the Osprey specialist at Rutland Water to reinstate our nesting tower. Bird feeding stations are in place all winter and bird ringing is carried out, including with the help of volunteers, to monitor species.

Trees were selected to grow on to replace hedgerow trees affected with ash dieback. Improvements to timber loading bays in one of our woodlands have been carried out and a programme of woodland improvement began.

Fundraising

Grants and funding are an important and essential part of the preservation of the wider estate, supporting the Trusts objectives. Given the limited income streams, we will continue to fundraise and seek support for larger capital projects, specifically those relating to work on Heritage Assets which have been deferred as a result of the pandemic.

We have received essential support from the Department for Digital, Culture, Media & Sport via the Culture Recovery Fund. This funding has supported our staff positions and contributed towards key overheads during a challenging period. As a result, we are now in a position to re-open fully with an improved offer from April 2022, welcoming back both volunteers and visitors to the Hall. This would not have been possible without the support of the Culture Recovery Fund.

Education

Whilst we could not host school visits due to the pandemic we did invite several pre-school groups to enjoy the outside space and the fairy walk within the woodland and surrounding areas of the Hall. This was met with appreciation and enjoyment for children, their parents and teachers. We continued to hold our fortnightly art classes and held two evening garden tours, all in line with safety guidelines.

A new choir was formed by the Kelmarsh community during 2021 and they practise every Monday evening in our learning suite. The choir has proved to be popular, attending and performing at several local events including the Christmas Fair.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2022

Plans for future periods

The Trustees are of the view that going forward, we are anticipating a considerably stronger season through 2022 and on into 2023. We have a very capable management team at the core, well supported by our close consultants and also by our returning teams of volunteers. We have a good order book of events and weddings. We still need to be appropriately cautious of, and reactive to, the sorts of uncertainties which have characterised the last two and a half years; and we are determined to press on with our key roles in preserving heritage and enhancing visitor access, understanding and enjoyment. We shall also start our internal processes to recognise wider responsibilities and potential as we work towards the target of Net Zero by 2050.

Development priorities for the Kelmarsh Trust

The Trustees and the Management Team are committed to preserving, improving and enhancing the Hall, Gardens and Estate, improving the EPC rating of the let properties, continuing the good relationship with our tenant farmers and working through the maintenance priority list. The following work is scheduled for 2022-23.

- Separation of Hall and North Pavilion heating, saving fuel costs
- The Hall and North Pavilion external woodwork will be painted
- The main drive resurfaced and park fencing repaired
- A new copse to celebrate the Queen's Platinum Jubilee will be planted
- A new exhibition on the first floor of the Hall
- Opening of two additional rooms on the first floor
- Opening of a new 'time-line' exhibition
- Further development, including the installation of a model railway in the HLF funded Laundry project

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL REVIEW

Against a backdrop of uncertainty and concern over the volatility of income streams, and the ability of the subsidiary events company to perform at a level required to support the continuing obligations of the Trust, it has been difficult to plan for every eventuality resulting from the pandemic.

Nevertheless, through sound financial management, planning and supervision, along with the support of grant funding and the commitment of key management, we have achieved a positive outcome for the year with an overall net increase in funds.

Throughout this period, we have taken a prudent and low risk approach to budgeting and risk management to ensure sustainability and future viability.

Financial performance and position

The total income for the year increased to £1,212,437 from £1,133,386 in the previous year which, after deducting expenditure of £1,013,088 (2021: £849,828) generated net incoming resources of £199,349 a reduction over the 2021 results of £283,558. These results include exceptional grant funding of £274,700 (2021: £445,290) relating to the pandemic, without this funding the Trust would have operated at a net loss of £75,351 this year (2021: £161,732 loss).

The Trust's subsidiary, Kelmarsh Events made a net profit of £126,161, an increase on the 2021 profit generated of £2,252. Annual profits from Kelmarsh Events are gift-aided to the Trust and these are incorporated in the above results on a line by line basis.

Total net assets of the Trust and Kelmarsh Events at 31 March 2022 increased by £672,420 from £27,405,169 to £28,077,589. This is mainly represented by fixed assets of £27,508,606 (2021: £27,049,423) as shown in the Balance Sheets on pages 18 to 21.

Investment performance

The income from listed investments achieved was £40,604 this is an increase on last year's income of £35,475 and was in line with expectations and objectives set.

There were no realised investment gains or losses during the year. The managed listed investments achieved unrealised investment gains of £53,071 for the year (2021: £145,199).

Investment properties were revalued in the year resulting in revaluation gains of £420,000. Last year's revaluation increase was £370,000 which solely related to investment properties.

Gross income from investment properties increased to £459,388 from £467,502 which after management and maintenance costs contributed net income for the year of £247,859, a reduction over last year's net income of £313,104 as a result of increased spending.

No additions or disposals of investment properties took place during the year.

Principal Funding Sources

The principal funding sources comprise rental income from the freehold investment properties and farm tenancies, admissions income, income from other investments including the portfolios of listed investments and in recent years additional grant funding.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2022

The income from these sources supports the primary aims and objectives of the Trust. These funding sources have faced a higher level of uncertainty in the past couple of years as a result of the pandemic with a loss of admissions and events income and challenges on rental incomes.

Investment Policy

Listed investments

We pursue a policy that provides a reasonable income for our current purposes and enhances income and capital growth over the longer term, thereby enabling us to meet our current and future objectives. It is the Trustees' policy to use the income derived from these investments and not to dispose of these assets which generate an income for the Trust.

A specialist UK investment manager oversees the listed investment portfolios. The Trustees require the investment manager to pay attention to the standard investment criteria, namely the suitability of the class of investment and the need for diversification insofar as it is appropriate to the circumstances of the Trust. Our approach to responsible investments, extends to the Environmental, Social and Governance (ESG) specifications adopted by the investment manager with specific exclusions.

The Trustees monitor these investments by receiving quarterly statements from the investment manager showing the movement in capital value and the income received from investments under management as well as an annual update from the investment manager.

Investment properties

The management of the investment properties is passed to external land agents who are required to maximise the income from these properties whilst ensuring they are maintained in a reasonable state of repair. It is the Trustees' policy not to dispose of these assets.

Several of the Trust's let properties are below the Energy Performance Certificate requirements. We are aware of this and have undertaken conditional surveys which are being acted upon in a prioritised programme as and when property vacancies occur in accordance with compliance so as to phase the works and minimise terminations.

Reserves Policy

The policy of the Trustees is to maintain a level of reserves which will provide a stable base for the Trust's continuing activities and enable the Trust to adjust to any significant change in resources through both known and unplanned events, whilst ensuring that excessive funds are not accumulated.

At 31 March 2022 the total funds held by the Trust are £28,077,589 (2021: £27,405,169). This includes endowment funds of £15,110,907 (2021: £15,260,907), restricted funds of £1,225,051 (2021: £1,237,626) and unrestricted funds of £11,741,631 (2021: £10,906,636) of which £361,140 has been designated for specific projects or purposes.

The total funds include £27,508,606 (2021: £27,049,423) which can only be realised by way of disposing of fixed assets (Page 18).

As a result of the pandemic and availability of specialist trades there has been an increase in identified works which have been planned and unfortunately deferred. We have therefore identified and designated funds amounting to £361,140 towards specific projects, including the ongoing EPC requirements on let properties and maintenance of Heritage Assets within the next 12-24 months.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2022

The amount of unrestricted reserves remaining after taking into account designated funds and those held in fixed assets amounts to £207,843 (2021: £355,746).

The nature of the assets of the Trust are such that high levels of expenditure can be incurred in both the short term and long term which necessitates having access to liquid funds to cover eventualities. We consider it reasonable to hold this level of reserves in order to meet operational commitments which equates to between three and six months unrestricted expenditure, in order to provide sufficient funds to finance expenditure on charitable activities and governance costs.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Kelmarsh Trust is a charitable company limited by guarantee which was incorporated on 15 October 1982. It is governed by its Memorandum and Articles of Association.

The members of the Trust are the Trustees who are named on page 1. They are also the directors of the Trust for company law purposes.

In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £1 per member.

Subsidiary Company

The Trust's wholly owned subsidiary, Kelmarsh Events is a trading company that organises commercial and corporate events held at Kelmarsh. Under a formal agreement the profits of this company are donated under Gift Aid arrangements to the Trust. Kelmarsh Events has its own Board of Directors and operates under a collaboration agreement with the Trust which is under review.

Organisational Structure and Decision Making

The Articles of Association provide for a minimum of three and, up to a maximum of, twelve trustees. The Trustees normally meet four times a year (more recently by Zoom) at which major decisions are made but visits also occur throughout the year. Decisions are then given to the General Manager for implementation.

The General Manager may make decisions on day-to-day matters but is in regular contact, at least weekly, with the Chairman whilst updating all trustees on significant matters. The Trustees also periodically walk around the Hall and Gardens during the year and make an annual tour of the Estate including woodlands, farms and properties.

In addition the trustees have established two committees both of which are chaired by a Trustee and which report to the Trustees.

- A Finance Committee, which meets four times a year. The main terms of reference of this committee are to prepare budgets, periodic accounts and cash flow statements for approval by the trustees and to ensure proper internal financial controls are in place.
- An Events Committee, which considers the opportunities, direction, risks and yields with existing and potential events' business.

Recruitment, Appointment, Induction and Training of Trustees

The Trustees continually consider the need for new trustees, both to allow for the natural rotation of Trustees' terms and to respond to any skills gaps or opportunities for candidates with particular skills to offer. The Trustees take account of Charity Commission guidelines and the Charity Governance Code in considering trustee recruitment and seek to have a proper diversity of trustees who will improve continually the Trust's governance as well as working towards the objectives and activities shown on page 3.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2022

Trustees are encouraged to introduce potential new Trustees, particularly those who live locally to the Hall and Gardens. If appropriate, candidates will be invited to attend a Trustees' meeting and formal interview. Following these procedures, the formal appointment of new trustees is made at a subsequent meeting.

The induction of new Trustees is provided by the existing Trustees and General Manager. They receive a Trustee manual and induction pack which includes constitution documents and current accounts and other financial information. Training is provided both to new and current Trustees as appropriate.

In accordance with the Articles of Association trustees serve for up to two terms of three years each. They are then not eligible for re-election within a period of one year.

At the date of this Report there are 6 Trustees offering a wide variety of expertise and skills.

Related Parties

Details of related parties, including Trustees, and transactions with them are set out in note 36 to the financial statements.

Staff Remuneration

The remuneration of key staff is regularly reviewed and agreed by the Trustees after, where appropriate, discussions with the General Manager.

Risk Management

The Trustees regularly identify and review the major risks to which the Trust could be exposed and procedures have been established to manage those risks. In particular the Trustees have adopted a risk management policy, which addresses the major governance, operational, financial, reputational, legal and regulatory risks which might impact upon the core purposes and key objectives of the Trust. This builds on and complements existing risk management procedures in many aspects of the Trust's work in such areas as financial management, health and safety, fire and security and disaster planning arrangements to protect both property and people.

More specifically there is a formal contract with the NFU to provide advice (including regular visits) on health and safety issues covering the Hall, Gardens and wider Estate. There are also maintenance/service contracts covering not only plant and machinery but also fire extinguishers, fire and intruder alarms. Where necessary staff are updated on these issues and reports made to the Trustees by the General Manager.

The Trustees are conscious of the need to keep up to date on Charity Commission and other legal and regulatory developments and changes in order to protect the Trust.

In order to formalise and document risk management matters there is a formal risk register which is reviewed regularly by the Management Team and on an annual basis by the Trustees.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of The Kelmarsh Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the group's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Report of the Trustees approved by order of the board of Trustees, as company directors, on 6 October 2022 and signed on behalf of the Trustees by:

RG Flenley - Chairman

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KELMARSH TRUST

Opinion

We have audited the financial statements of The Kelmarsh Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, Company Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KELMARSH TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and of the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 group's and parent charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISA's (UK).

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

We obtained an understanding of the legal and regulatory frameworks applicable to the group and to the parent charitable company and the sector in which it operates through our general commercial experience and existing knowledge of the charitable sector. We determined that the following laws and regulations were most significant: Charities SORP (FRS 102), FRS 102, Companies Act 2006 and the relevant tax compliance regulations in the UK. In addition, we concluded that there are certain laws and regulations that may have an impact in the determination of the amounts and disclosures in the financial statements such as health and safety and employee related matters.

We enquired of management concerning the group's and parent charitable company's policies and procedures relating to:

- The identification and compliance with laws and regulations
 - The detection and response to the risks of fraud
 - The internal controls within the charitable company to mitigate fraud risk and non compliance to laws and regulations
- We enquired of management, whether they were aware of any instance of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KELMARSH TRUST

We communicated relevant laws and regulations and potential areas of fraud to all audit team members including the potential for fraud in revenue recognition. We remained alert to any indications of fraud or non compliance with laws and regulations throughout the audit.

We have determined that the principal risk areas where material irregularities could occur were related to posting manual journal entries to manipulate financial performance, revenue recognition and significant one – off or unusual transactions.

Our audit procedures were designed to respond in particular to these identified risks (including non-compliance with laws and regulations and fraud).

Our audit procedures included but were not limited to:

- A review of stock lines to ensure the valuation of stock is at the lower of cost and net realisable value.
- A review of a sample of orders received in the year to ensure these were correctly recorded in revenue and detailed cut off testing around the year end to ensure revenue is correctly recognised.
- A review of a sample of grants received in the year to ensure they were correctly recorded in revenue and correctly recognised in line with the conditions attached to each grant.
- A review of laws and regulations the company is subject to, being specifically food and hygiene and health and safety, followed by compliance checks and discussion with management to ensure no instances of non-compliance.
- Addressing the risks of fraud through management override of controls by performing a journal entry test.

We did not identify any matters during the course of our work that indicated non compliance with laws and regulations or relating to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr P Bott FCA (Senior Statutory Auditor)
for and on behalf of Mark J Rees LLP Chartered Accountants, Statutory Auditor
Granville Hall
Granville Road
Leicester
Leicestershire
LE1 7RU

Date: 26 October 2022

THE KELMARSH TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2022 Total funds £	2021 Total funds £
INCOMING RESOURCES						
Voluntary Income	2	10,400	285,331	-	295,731	456,407
Charitable activities						
Preservation	4	87,157	-	-	87,157	50,614
Commercial trading operations	6	230,840	-	-	230,840	20,821
Investment income	3	500,002	-	-	500,002	502,983
Other income	5	98,707	-	-	98,707	102,561
Total		927,106	285,331	-	1,212,437	1,133,386
EXPENDITURE ON						
Raising funds						
Commercial trading activities		104,679	-	-	104,679	29,216
Investment management costs	7	179,029	32,500	-	211,529	154,398
Charitable activities						
Preservation	8	412,341	265,406	-	677,747	650,992
Governance costs	9	19,133	-	-	19,133	15,222
Total		715,182	297,906	-	1,013,088	849,828
Incoming resources less expenditure		211,924	(12,575)	-	199,349	283,558
Net gains/(losses) on investments	10	623,071	-	(150,000)	473,071	515,199
NET INCOME/(EXPENDITURE)		834,995	(12,575)	(150,000)	672,420	798,758
Transfers between funds		-	-	-	-	-
Net movement in funds		834,995	(12,575)	(150,000)	672,420	798,757
RECONCILIATION OF FUNDS						
Total funds brought forward		10,906,636	1,237,626	15,260,907	27,405,169	26,606,412
TOTAL FUNDS CARRIED FORWARD		11,741,631	1,225,051	15,110,907	28,077,589	27,405,169

The notes form part of these financial statements

THE KELMARSH TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

CONTINUING OPERATIONS

The consolidated Statement of Financial Activities includes all gains and losses recognised in the year and previous years. All incoming resources and resources expended derive from continuing activities.

The notes form part of these financial statements

THE KELMARSH TRUST

CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS						
Tangible assets	16	166,493	142,096	-	308,509	322,477
Heritage assets	17	1,322,045	1,082,955	760,907	3,165,907	3,165,907
Investments						
Listed investments	18	894,110	-	-	894,110	841,039
Investment properties	19	8,790,000	-	14,350,000	23,140,000	22,720,000
		11,172,648	1,225,051	15,110,907	27,508,606	27,049,423
CURRENT ASSETS						
Stocks	20	21,543	-	-	21,543	15,314
Debtors: amounts falling due within one year	22	147,134	-	-	147,134	147,249
Cash at bank and in hand		799,613	-	-	799,613	576,615
		968,290	-	-	968,290	739,178
CREDITORS						
Amounts falling due within one year	24	(392,886)	-	-	(392,886)	(323,957)
NET CURRENT ASSETS		575,404	-	-	575,404	415,221
TOTAL ASSETS LESS CURRENT LIABILITIES		11,748,052	1,225,051	15,110,907	28,084,010	27,464,644
CREDITORS						
Amounts falling due after more than one year	25	(6,421)	-	-	(6,421)	(59,475)
NET ASSETS		11,741,631	1,225,051	15,110,907	28,077,589	27,405,169
FUNDS						
Unrestricted general funds	32	3,758,653			3,758,653	3,907,869
Unrestricted fair value reserve		7,621,838			7,621,838	6,998,767
Designated funds		361,140			361,140	-
Restricted funds			1,225,051		1,225,051	1,237,626
Endowment funds				1,751,783	1,751,783	1,751,783
Endowment fair value reserve				13,359,124	13,359,124	13,509,124
TOTAL FUNDS		11,741,631	1,225,051	15,110,907	28,077,589	27,405,169

The notes form part of these financial statements

THE KELMARSH TRUST

CONSOLIDATED BALANCE SHEET (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 6 October 2022 and were signed on its behalf by:

Mr RG Flenley – Trustee

The notes form part of these financial statements

THE KELMARSH TRUST

COMPANY BALANCE SHEET 31 MARCH 2022

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS						
Tangible assets	16	166,493	142,096	-	308,589	322,477
Heritage assets	17	1,322,045	1,082,955	760,907	3,165,907	3,165,907
Investments	18	895,110	-	-	895,110	842,039
Investment properties	19	8,790,000	-	14,350,000	23,140,000	22,720,000
		11,173,648	1,225,051	15,110,907	27,509,606	27,050,423
CURRENT ASSETS						
Stocks	21	16,566	-	-	16,566	11,018
Debtors: amounts falling due within one year	23	274,189	-	-	274,189	134,099
Cash at bank and in hand		570,437	-	-	570,437	469,875
		861,192	-	-	861,192	614,992
CREDITORS						
Amounts falling due within one year	26	(293,638)	-	-	(293,638)	(255,537)
NET CURRENT ASSETS		567,554	-	-	567,554	359,455
TOTAL ASSETS LESS CURRENT LIABILITIES		11,741,202	1,225,051	15,110,907	28,077,160	27,398,319
CREDITORS						
Amounts falling due after more than one year	27	(6,421)	-	-	(6,421)	(11,559)
NET ASSETS		11,734,781	1,225,051	15,110,907	28,070,739	27,398,319

The notes form part of these financial statements

THE KELMARSH TRUST

COMPANY BALANCE SHEET (CONTINUED) 31 MARCH 2022

	Unrestricted funds £	Restricted funds £	Endowment funds £	2022 Total funds £	2021 Total funds £
FUNDS					
Unrestricted general fund	3,751,803	-	-	3,751,803	3,901,019
Unrestricted fair value reserve	7,621,838	-	-	7,621,838	6,998,767
Designated fund	361,140	-	-	361,140	-
Restricted fund	-	1,225,051	-	1,225,051	1,327,626
Endowment fund	-	-	1,751,783	1,751,783	1,751,783
Endowment fair value reserve	-	-	13,359,124	13,359,124	13,509,124
TOTAL FUNDS	11,734,781	1,225,051	15,110,907	28,070,739	27,398,319
Charitable company's surplus (deficit) for the financial year				672,420	798,757

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 6 October 2022 and were signed on its behalf by:

Mr RG Flenley – Trustee

The notes form part of these financial statements

THE KELMARSH TRUST

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	260,350	306,734
Interest element of hire purchase payments paid		(668)	(1,047)
Tax paid			
Finance costs paid		<u>(650)</u>	<u>(864)</u>
Net cash provided by/(used in) operating activities		<u>259,032</u>	<u>304,823</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(21,511)	(37,354)
Purchase of heritage assets		-	-
Sale of tangible fixed assets		-	5,462
Sale of fixed asset investments		-	-
Interest received		10	6
Dividends received		<u>40,604</u>	<u>35,475</u>
Net cash provided by investing activities		<u>19,103</u>	<u>3,589</u>
Cash flows from financing activities			
Capital repayments in year		(5,137)	(10,323)
Bounce back loan		<u>(50,000)</u>	<u>50,000</u>
Net cash provided by/(used in) financing activities		<u>(55,137)</u>	<u>39,677</u>
Change in cash and cash equivalents in the reporting period		222,998	348,090
Cash and cash equivalents at the beginning of the reporting period		<u>576,615</u>	<u>228,525</u>
Cash and cash equivalents at the end of the reporting period		<u>799,613</u>	<u>576,615</u>

The notes form part of these financial statements

THE KELMARSH TRUST

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

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

	2022 £	2021 £
Net income for the reporting period (as per the Statement of Financial Activities)	672,420	798,757
Adjustments for:		
Depreciation charges	35,399	36,196
Taxation		
Gain on investments	(473,071)	(515,199)
Profit on disposal of fixed assets	-	(2,605)
Interest received	(10)	(6)
Interest element of hire purchase and finance lease rental payments	668	1,047
Finance costs	650	864
Dividends received	(40,604)	(35,475)
(Increase)/decrease in stocks	(6,229)	(4,883)
(Increase)/decrease in debtors	115	(14,238)
Increase/(decrease) in creditors	<u>71,012</u>	<u>42,276</u>
Net cash provided by/(used in) operations	<u>260,350</u>	<u>306,734</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.21 £	Cash flow £	Other non-cash changes £	At 31.03.22 £
Net cash				
Cash at bank	<u>576,615</u>	<u>222,998</u>		<u>799,613</u>
	<u>576,615</u>	<u>222,998</u>		<u>799,613</u>
Debt				
Hire purchase	(16,696)	5,137	-	(11,559)
Loan – Miss Lancaster’s 1994 Charitable Trust	(86,420)	(1,369)	-	(87,789)
Bounce Back Loan	(50,000)	50,000	-	-
	<u>(153,116)</u>	<u>53,768</u>	<u>-</u>	<u>(99,348)</u>
Total	<u>423,499</u>	<u>276,766</u>	<u>-</u>	<u>700,265</u>

The notes form part of these financial statements

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the group and charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Status of company

The Trust is a company limited by guarantee and does not have any share capital (Company registered number 01672106, charity registered number 295154). The liability of the members is limited but shall not exceed £1.

Significant judgements and estimates

There were no areas in which the preparation of the financial statements required management to make significant judgements or estimates.

Basis of consolidation

The consolidated accounts incorporate the results for the year ended 31 March 2022 of the Trust and Kelmarsh Events, its wholly owned subsidiary, which have been included on a line by line basis. As permitted by Section 408 of the Companies Act 2006, the Trust has not presented its own income and expenditure account in addition to the consolidated income and expenditure account.

Income

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

The following specific policies are applied to particular categories of income:

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable.

Investment income from rents relating to investment property is included on an accruals basis. Rental income arising from the rental of the Hall is included on an accruals basis under preservation income. Listed investment income is included when receivable and interest receivable is accounted for on an accruals basis.

Grant income is credited in the period to which it relates. Grant income is included as incoming resources from charitable activities when these amount to a contract for services, but as voluntary income where they have been given with greater freedom of use.

Incoming resources from activities for generating funds and charitable trading activities are accounted for when earned and stated net of value added tax.

Expenditure

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

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES - continued

Expenditure - Continued

Costs of activities to generate funds comprise those costs directly attributable to investment management activities and the costs of Kelmarsh Events.

Investment management costs comprise those costs directly attributable to managing the fixed asset investment portfolio.

Charitable expenditure comprises those costs incurred by the Trust in the delivery of its objectives. It includes those costs which can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Trust and include the audit fees and cost linked to the strategic management of the charity.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, other costs are apportioned on the basis of the proportion of direct expenditure.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Drainage works	- 5% on reducing balance
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Office equipment	- 25% on reducing balance

All tangible fixed assets costing £1,000 or more are capitalised and included at cost.

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation decrease. All other impairment losses are recognised in the income statement.

Heritage assets

Freehold land and buildings included in heritage assets comprise Kelmarsh Hall which is listed as Grade 1 in the statutory lists of buildings of architectural and historic interest, together with adjoining land which is also essential for the protection of the character and amenities of Kelmarsh Hall. Heritage assets are included at cost, with the exception of freehold land and buildings transferred to the Trust by the Executors of Colonel CG Lancaster and by the Executors of Miss CV Lancaster, which are included at probate values at the dates of transfer. No depreciation is charged on these assets as they are considered to have an indefinitely long useful life. Expenditure on the conservation and preservation of Kelmarsh Hall is charged to unrestricted funds when it is incurred.

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES - continued

Fixed asset investments

Investment properties are shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a fair value reserve.

Listed investments quoted on a recognised stock exchange are stated at market value at the year end. Their original cost is shown as a note.

Freehold investment properties are valued at least every five years and included at market value at the date of valuation. Their original cost is shown as a note. All gains and losses on revaluations and disposals are taken to the Income and Expenditure account.

Other investments are shown at cost less amounts written off. All gains and losses on revaluations and disposals are taken to the Income and Expenditure account.

Stocks

Stocks comprise farm stocks and have been valued at the lower of cost and net realisable value. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted and designated funds can be used in accordance with the charitable objectives at the discretion of the trustees. They include a revaluation reserve representing the restatement of investment assets at market rates.

The permanent endowment fund is represented by freehold land and buildings and investment properties transferred to the charity by the Executors of Colonel CG Lancaster on the direction of Miss CV Lancaster, the benefactress at the commencement of The Kelmarsh Trust, less the value of the land lost in respect of the compulsory purchase by the Department of Transport of land relating to the A14 Link Road.

Restricted funds can only be used for particular restricted purposes within the objects of the Trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the statement of financial activities over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the Trust's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES - continued

Going concern

The COVID-19 pandemic had a significant impact on our operations over the past couple of years. With restrictions on tourism and hospitality venues, weddings and other events in place across the country now released, sales have started to return to normal levels during the year. In accordance with the government guidance, we re-commenced our events activities in Summer 2021.

The Trustees have undertaken a number of measures to mitigate costs and reduce expenditure, taking advantage of the Government's Job Retention scheme and other Government support available, including the Bounce Back Loan.

The Trustees therefore continue to adopt the going concern basis in preparing the consolidated financial statements.

2. VOLUNTARY INCOME – GROUP AND COMPANY

	Unrestricted funds	Restricted funds	Endowment funds	2022 Total funds	2021 Total funds
	£	£	£	£	£
Donations	10,400	-	-	10,400	-
Grants	-	285,331	-	285,331	456,407
	<u>10,400</u>	<u>285,331</u>	<u>-</u>	<u>295,731</u>	<u>456,407</u>

Donations received, and included in the above, are as follows:

	2022 £	2021 £
Donations		
Miss CV Lancaster's 1994 Charitable Trust	10,000	-
Other	<u>400</u>	<u>1,425</u>
	<u>10,400</u>	<u>1,425</u>

Grants received, and included in the above, are as follows:

	2022 £	2021 £
Renewable Heating Incentive	10,631	11,117
Heritage Fund	-	102,400
Daventry District Council	-	35,000
Coronavirus Job Retention Scheme	-	44,290
Cultural Recovery Fund for Heritage	<u>274,700</u>	<u>263,600</u>
	<u>285,331</u>	<u>456,407</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

3. INVESTMENT INCOME – GROUP AND COMPANY

	Unrestricted funds £	Restricted funds £	Endowment funds £	2022 Total funds £	2021 Total funds £
Rent receivable	459,388	-	-	459,388	467,502
Listed investment income	40,604	-	-	40,604	35,475
Interest receivable	10	-	-	10	6
	<u>500,002</u>	<u>-</u>	<u>-</u>	<u>500,002</u>	<u>502,983</u>

4. INCOME FROM CHARITABLE ACTIVITIES – GROUP AND COMPANY

	2022 Preservation £	2021 Preservation £
Rent receivable	30,700	29,600
Visitor admissions, teas and sundry sales	37,962	1,089
Livestock and farm sales	1,516	2,796
Agricultural grants and subsidies	15,255	15,372
Wayleaves and compensation	1,724	1,757
	<u>87,157</u>	<u>50,614</u>

5. OTHER INCOME – GROUP AND COMPANY

	2022 £	2021 £
Windfarm rent, compensation and contribution to costs	98,707	102,561
	<u>98,707</u>	<u>102,561</u>

6. KELMARSH EVENTS INCOME – GROUP AND COMPANY

	2022 £	2021 £
Kelmarsh Events	230,840	20,821
	<u>230,840</u>	<u>20,821</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

7. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds £	Restricted funds £	Endowment funds £	2022 Total funds £	2021 Total funds £
Agents letting fees	67,156	-	-	67,156	55,778
Repairs, maintenance and let property project costs	111,873	32,500	-	144,373	98,620
	<u>179,029</u>	<u>32,500</u>	<u>-</u>	<u>211,529</u>	<u>154,398</u>

8. CHARITABLE ACTIVITIES COSTS

	2022 £	2021 £
Preservation	677,747	650,992
Governance costs (see note 9)	<u>19,133</u>	<u>15,222</u>
	<u>696,880</u>	<u>666,214</u>

9. GOVERNANCE COSTS

	2022 £	2021 £
Travelling and Trustees expenses	4,421	907
Auditors' remuneration (charity only)	14,062	13,951
Legal and professional	-	-
Interest payable and similar charges	<u>650</u>	<u>364</u>
	<u>19,133</u>	<u>15,222</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

10. NET GAINS/(LOSSES) ON INVESTMENTS

	2022	2021
	£	£
Gains/(losses) on revaluation of investments	53,071	145,199
Gains on revaluation of investment properties	<u>420,000</u>	<u>370,000</u>
	<u>473,071</u>	<u>515,199</u>

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Auditors' remuneration (Group)	18,132	17,872
Depreciation - owned assets	34,091	34,452
Depreciation - assets on hire purchase contracts and finance leases	1,308	1,744
Surplus on disposal of fixed assets	-	(2,605)
Hire purchase interest and finance lease charges	<u>668</u>	<u>1,047</u>

12. TRUSTEES' REMUNERATION, BENEFITS AND EXPENSES

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Trustees' expenses

	2022	2021
	£	£
Trustees' expenses	<u>4,421</u>	<u>907</u>

The above consist of travel and subsistence expenses reimbursed for Trustees.

13. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	180,199	207,546
Social security costs	10,353	13,372
Other pension costs	<u>31,453</u>	<u>27,364</u>
	<u>222,005</u>	<u>248,282</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

13. STAFF COSTS- continued

The average number of employees during the year was 11 (2021: 9).

No employees received emoluments in excess of £60,000 in either year.

The charity currently employs casual seasonal staff as guides during the months the Hall and Gardens are open to visitors. Staff are also employed on a casual basis for the activities of Kelmarsh Events. The full-time equivalent is included in the staff numbers above.

The permanent staff are spread across a number of departments which reflect the diverse activities of a historic house and its estate.

Remuneration to key management personnel, including employer's national insurance and pension contributions, amounted to £60,476 (2021: £60,456).

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
INCOMING RESOURCES				
Voluntary income	35,000	421,407	-	456,407
Charitable activities				
Preservation	50,614	-	-	50,614
Commercial trading operations	20,821			20,821
Investment income	502,983	-	-	502,983
Other income	102,561	-	-	102,561
Total	711,979	421,407	-	1,133,386
EXPENDITURE ON				
Raising funds				
Other trading activities	29,216	-	-	29,216
Investment management costs	82,746	71,652	-	154,398
Charitable activities				
Preservation	296,055	354,937	-	15,222
Governance costs	7,222	8,000	-	283,558
Total	415,239	434,589	-	849,828
Incoming resources less expenditure	296,740	(13,182)	-	283,558
Net gains on investments	515,199	-	-	515,199
NET INCOME/(EXPENDITURE)	811,939	(13,182)	-	798,757
Transfers between funds	(21,498)	21,498	-	-
Net movement in funds	790,441	8,316	-	798,757
RECONCILIATION OF FUNDS				
Total funds brought forward	10,116,195	1,229,310	15,260,907	26,606,412
TOTAL FUNDS CARRIED FORWARD	10,906,636	1,237,626	15,260,907	27,405,169

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

15. NET INCOME FOR THE FINANCIAL YEAR

As permitted by Section 408 of the Companies Act 2006 the parent charity's Statement of Financial Activities has not been included in these financial statements. The parent charity's total incoming resources for the year were £1,107,758 (2021: £1,104,172) and total resources expended were £908,409 (2021: £820,612) resulting in net incoming resources for the year of £199,349 (2021: £283,558) which included a donation of £126,161 (2021: £2,252) from Kelmarsh Events. The consolidated net surplus for the year for the Trust was £672,420 (2021: £798,757) after other recognised gains and losses.

16. TANGIBLE FIXED ASSETS

	Drainage works £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2021	94,033	374,419	142,463
Additions	-	19,009	347
Disposals	-	-	-
At 31 March 2022	94,033	393,428	142,810
DEPRECIATION			
At 1 April 2021	53,773	179,033	116,805
Charge for year	2,013	19,035	6,415
Eliminated on disposal	-	-	-
At 31 March 2022	55,786	198,068	123,220
NET BOOK VALUE			
At 31 March 2022	38,247	195,360	19,590
At 31 March 2021	40,260	195,386	25,658

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

16. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Office equipment £	Totals £
COST			
At 1 April 2021	83,612	39,048	733,575
Additions	-	2,155	21,511
Disposals	-	-	-
At 31 March 2022	<u>83,612</u>	<u>41,203</u>	<u>755,086</u>
DEPRECIATION			
At 1 April 2021	34,134	27,353	411,098
Charge for year	4,869	3,067	35,399
Eliminated on disposal	-	-	-
At 31 March 2022	<u>39,003</u>	<u>30,420</u>	<u>446,497</u>
NET BOOK VALUE			
At 31 March 2022	<u>44,609</u>	<u>10,783</u>	<u>308,589</u>
At 31 March 2021	<u>49,478</u>	<u>11,695</u>	<u>322,477</u>

Fixed assets included in the above, which are held under hire purchase contracts, are as follows:

	Plant and machinery £	Totals £
COST		
At 1 April 2021	22,400	22,400
Disposals/Transfer to ownership	-	-
	<u>22,400</u>	<u>22,400</u>
DEPRECIATION		
At 1 April 2021	7,169	7,169
Charge for year	<u>1,308</u>	<u>1,308</u>
At 31 March 2022	<u>8,477</u>	<u>8,477</u>
NET BOOK VALUE		
At 31 March 2022	<u>13,923</u>	<u>13,923</u>
At 31 March 2021	15,231	15,231

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

17. HERITAGE ASSETS – GROUP AND COMPANY

	Total £
MARKET VALUE	
At 1 April 2021 and 31 March 2022	<u>3,165,907</u>
NET BOOK VALUE	
At 31 March 2022	<u>3,165,907</u>
At 31 March 2021	<u>3,165,907</u>

The Heritage assets consist of Kelmarsh Hall together with amenity lands, gardens and woodlands and Home Farm.

Freehold land and buildings are made up as follows;

	£
Transfer to the Trust during the year ended 31 March 1988 by the executors of Colonel CG Lancaster at probate value	760,907
Transfers to the Trust during the year ended 31 March 1997 by the executors of Miss CV Lancaster at probate value	310,000
Acquisitions at cost comprising improvements carried out in accordance with the Trust's development plan	735,211
Acquisitions at cost during 2017- 2019 relating to the Heritage Lottery Fund project	<u>1,359,789</u>
	<u>3,165,907</u>

The transactions relating to the heritage assets for this reporting period and for each of the previous four reporting periods are summarised as follows;

	2022 £	2021 £	2020 £	2019 £	2018 £
Cost brought forward	3,165,907	3,165,907	3,165,907	3,133,896	2,331,006
Additions	-	-	-	32,011	802,890
Donations	-	-	-	-	-
Cost carried forward	3,165,907	3,165,907	3,165,907	3,165,907	3,133,896
Charge for impairment	-	-	-	-	-
Disposals	-	-	-	-	-
Proceeds	-	-	-	-	-

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

18. FIXED ASSET INVESTMENTS - GROUP

	Listed investments £	Totals £
MARKET VALUE		
At 1 April 2021	841,039	841,039
Revaluations	<u>53,071</u>	<u>53,071</u>
At 31 March 2022	<u>894,110</u>	<u>894,110</u>
 NET BOOK VALUE		
At 31 March 2022	<u>894,110</u>	<u>894,110</u>
At 31 March 2021	<u>841,039</u>	<u>841,039</u>

There were no investment assets outside the UK.

The original cost of listed investments (all of which are quoted on a recognised stock exchange) was £1,440,642 before disposals of £670,400 during the years ended 31 March 2017 to 31 March 2022. They are held in portfolios managed by M & G Securities Limited.

COMPANY	Shares in group undertakings £	Listed investments £	Totals £
MARKET VALUE			
At 1 April 2021	1,000	841,039	842,039
Disposals	-	-	-
Unrealised gains /(losses)	<u>-</u>	<u>53,071</u>	<u>53,071</u>
At 31 March 2022	<u>1,000</u>	<u>894,110</u>	<u>895,110</u>
 NET BOOK VALUE			
At 31 March 2022	<u>1,000</u>	<u>894,110</u>	<u>895,110</u>
At 31 March 2021	<u>1,000</u>	<u>841,039</u>	<u>842,039</u>

There were no investment assets outside the UK.

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

18. FIXED ASSET INVESTMENTS - continued

The company's investments at the balance sheet date in the share capital of companies include the following:

Kelmarsh (Events) Limited

Nature of business: Organisation of events

Class of share:	% holding
£1 Ordinary	100

19. INVESTMENT PROPERTY – GROUP AND COMPANY

	£
FAIR VALUE	
At 1 April 2021	22,720,000
Additions	-
Revaluation	420,000
	<u>23,140,000</u>
At 31 March 2022	<u>23,140,000</u>
NET BOOK VALUE	
At 31 March 2022	<u>23,140,000</u>
At 31 March 2021	<u>22,720,000</u>

Freehold investment properties were valued at 31 March 2022 by Howkins & Harrison, Chartered Surveyors and Valuers. The basis of valuation for residential properties was at fair value with an appropriate discount to take account of the likelihood of gaining vacant possession within a period of time, and for farm properties on an investment basis ignoring sitting tenants' bids which would be at higher levels.

The original cost of freehold investment properties was £2,100,945 (2021: £2,100,945). This is made up as follows:

	£
Transfers to the Trust during the year ended 31 March 1988 by the executors of Colonel CG Lancaster, at probate value	1,090,876
Less: land lost upon compulsory purchase by the Department of Transport relating to the A14 Link Road	<u>(100,000)</u>
	990,876
Transfers to the Trust during the year ended 31 March 1997 by the executors of Miss CV Lancaster, at probate value	1,048,450
Other acquisitions at cost	<u>61,619</u>
	<u>2,100,945</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

20. STOCKS - GROUP

	2022	2021
	£	£
Farm Stocks	16,566	11,018
Other stocks	4,977	4,296
	<u>21,543</u>	<u>15,314</u>

21. STOCKS – COMPANY

	2022	2021
	£	£
Farm stocks	<u>16,566</u>	<u>11,018</u>

22. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – GROUP

	2022	2021
	£	£
Trade debtors	27,416	12,797
VAT	13,387	27,441
Prepayments	<u>106,331</u>	<u>107,011</u>
	<u>147,134</u>	<u>147,249</u>

23. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – COMPANY

	2022	2021
	£	£
Trade debtors	9,241	2,857
Amounts owed by group undertakings	146,642	-
VAT	13,387	26,969
Prepayments	<u>104,919</u>	<u>104,273</u>
	<u>274,189</u>	<u>134,099</u>

24. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – GROUP

	2022	2021
	£	£
Hire purchase (see note 30)	5,138	5,137
Trade creditors	119,388	38,514
Social security and other taxes	4,267	3,213
Other creditors	9,006	4,587
Other loans (see note 28)	87,789	88,504
VAT	-	-
Accruals and deferred income	<u>167,298</u>	<u>184,002</u>
	<u>392,886</u>	<u>323,957</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS – continued FOR THE YEAR ENDED 31 MARCH 2022

24. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – GROUP – continued

Hire purchase creditors are secured on the assets concerned.
Deferred income includes deposits received for events held after the year end.

25. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR – GROUP

	2022	2021
	£	£
Hire purchase (see note 30)	6,421	11,559
Other loans (see note 28)	-	47,916
	<u>6,421</u>	<u>59,475</u>

26. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – COMPANY

	2022	2021
	£	£
Hire purchase (see note 30)	5,138	5,137
Trade creditors	118,165	38,300
Amounts owed to group undertakings	-	16,124
Social security and other taxes	4,268	3,213
Other creditors	3,757	3,757
Other loans (see note 29)	87,789	86,420
VAT	-	-
Accruals and deferred income	<u>74,521</u>	<u>102,585</u>
	<u>293,638</u>	<u>255,536</u>

Hire purchase creditors are secured on the assets concerned.
Deferred income includes deposits received for events held after the year end.

27. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR – COMPANY

	2022	2021
	£	£
Hire purchase (see note 30)	<u>6,421</u>	<u>11,559</u>
	<u>6,421</u>	<u>11,559</u>

Hire purchase creditors are secured on the assets concerned.

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

28. LOANS – GROUP

An analysis of the maturity of loan is given below:

	2022 £	2021 £
Amounts falling due within one year on demand:		
Loan from Miss CV Lancaster's 1994 Charitable Trust	87,789	86,420
Bounce Back Loan	-	2,084
	<u>87,789</u>	<u>88,504</u>
	2022 £	2021 £
Amounts falling due after more than one year:		
Bounce Back Loan	-	47,916

29. LOANS – COMPANY

An analysis of the maturity of loans is given below:

	2022 £	2021 £
Amount falling due within one year on demand:		
Loan from Miss CV Lancaster's 1994 Charitable Trust	<u>87,789</u>	<u>86,420</u>

30. LEASING AGREEMENTS – GROUP AND COMPANY

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Net obligations repayable:		
Within one year	5,138	5,137
Between one and five years	<u>6,421</u>	<u>11,559</u>
	<u>11,559</u>	<u>16,696</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

31. SECURED DEBTS – GROUP AND COMPANY

The following secured debts are included within creditors:

	2022 £	2021 £
Hire purchase contracts	<u>11,559</u>	<u>16,697</u>

Hire purchase creditors are secured on the assets concerned.

32. MOVEMENT IN FUNDS

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
Unrestricted funds				
General fund	3,907,869	211,924	(361,140)	3,758,653
General fair value reserve	6,998,767	623,071	-	7,621,838
Designated fund – Hall & Gardens	-	-	175,290	175,290
Designated fund – Let Property	-	-	185,850	185,850
	<u>10,906,636</u>	<u>834,995</u>	<u>-</u>	<u>11,741,631</u>
Restricted funds				
Contribution to heating system	147,370	(10,750)	-	136,620
Obtaining museum accreditation	7,301	(1,825)	-	5,476
Heritage Lottery Fund	1,082,955	-	-	1,082,955
	<u>1,237,626</u>	<u>(12,575)</u>	<u>-</u>	<u>1,225,051</u>
Endowment funds				
Permanent endowment fund	1,751,783	-	-	1,751,783
Endowment fair value reserve	13,509,124	(150,000)	-	13,359,124
	<u>15,260,907</u>	<u>(150,000)</u>	<u>-</u>	<u>15,110,907</u>
TOTAL FUNDS	<u>27,405,169</u>	<u>672,420</u>	<u>-</u>	<u>28,077,589</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

32. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	927,106	715,182	-	211,924
General fair value reserve	-	-	623,071	623,071
	<u>927,106</u>	<u>715,182</u>	<u>623,071</u>	<u>834,995</u>
Restricted funds				
Renewable heating incentive	10,631	10,631	-	-
Heritage fund	-	-	-	-
Coronavirus job retention scheme	-	-	-	-
Cultural recovery fund for heritage	274,700	274,700	-	-
Contribution to heating system	-	10,750	-	(10,750)
Obtaining museum accreditation	-	1,825	-	(1,825)
	<u>285,331</u>	<u>297,906</u>	<u>-</u>	<u>(12,575)</u>
Endowment funds				
Permanent endowment fund	-	-	-	-
Endowment fair value reserve	-	-	(150,000)	(150,000)
	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>(150,000)</u>
TOTAL FUNDS	<u><u>1,212,437</u></u>	<u><u>1,013,088</u></u>	<u><u>473,071</u></u>	<u><u>672,420</u></u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

33. MOVEMENT IN FUNDS – 31 MARCH 2021

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General fund	3,487,428	441,939	(21,498)	3,907,869
General fair value reserve	<u>6,628,767</u>	<u>370,000</u>	<u>-</u>	<u>6,998,767</u>
	<u>10,116,195</u>	<u>811,939</u>	<u>(21,498)</u>	<u>10,906,636</u>
Restricted funds				
Contribution to heating system	136,622	(10,750)	21,498	147,370
Obtaining museum accreditation	9,733	(2,432)	-	7,301
Heritage Lottery Fund	<u>1,082,955</u>	<u>-</u>	<u>-</u>	<u>1,082,955</u>
	<u>1,229,310</u>	<u>(13,182)</u>	<u>21,498</u>	<u>1,237,626</u>
Endowment funds				
Permanent endowment fund	1,751,783	-	-	1,751,783
Endowment fair value reserve	<u>13,509,124</u>	<u>-</u>	<u>-</u>	<u>13,509,124</u>
TOTAL FUNDS	<u><u>26,606,412</u></u>	<u><u>798,757</u></u>	<u><u>-</u></u>	<u><u>27,405,169</u></u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

33. MOVEMENT IN FUNDS – 31 MARCH 2021 - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	711,979	(415,239)	145,199	441,939
General fair value reserve	-	-	370,000	370,000
	<u>711,979</u>	<u>(415,239)</u>	<u>515,199</u>	<u>811,939</u>
Restricted funds				
Heritage fund	102,400	(102,400)	-	-
Coronavirus job retention scheme	44,290	(44,290)	-	-
Cultural recovery fund for heritage	263,600	(263,600)	-	-
Contribution to heating system	-	(10,750)	-	(10,750)
Obtaining museum accreditation	-	(2,432)	-	(2,432)
	<u>421,407</u>	<u>(434,589)</u>	<u>-</u>	<u>(13,182)</u>
Endowment funds				
Permanent endowment fund	-	-	-	-
Endowment fair value reserve	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS	<u><u>1,133,386</u></u>	<u><u>(849,828)</u></u>	<u><u>515,199</u></u>	<u><u>798,757</u></u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

34. MOVEMENT IN FUNDS

RESTRICTED FUNDS

Contribution to the heating system

In the year ended 31 March 2013, £215,000 was received as a contribution towards the heating system. At 1 April 2021, the balance was £147,370. During the year £10,750 was released to the Statement of Financial Activities as depreciation. The balance at 31 March 2022 was £136,620.

Heritage Lottery Fund

During the year no additional funds were received towards the “Heritage Lottery Fund” funded project. At 31 March 2022 the balance was £1,082,955.

Museum Accreditation

Monies received in order to obtain museum accreditation. During the year £1,825 was released to the Statement of Financial Activities as depreciation. At 31 March 2022 the balance of the fund was £5,476.

Renewable Heating Incentive

During the year £10,631 was received as a result of the energy generated through the renewable heating system. At 31 March 2022 the balance was £Nil, due to utilisation in the year.

Cultural Recovery Fund for Heritage

In the year £274,700 was received from the Department for Digital, Culture, Media & Sport through the Heritage Fund as a grant to support the day-to-day running costs of the charity due to the pandemic. The full amount received was utilised to cover expenditure during the year.

DESIGNATED FUNDS

Hall and Gardens

During the year, funds amounting to £175,290 of unrestricted funds were designated to specific projects relating to scheduled works and improvements to the Hall and Gardens. At 31 March 2022, the balance of the fund was £175,290.

Let Property

During the year, funds amounting to £185,850 were designated to specific projects relating to the refurbishment of let properties, including work on the EPC requirements. At 31 March 2022, the balance of the fund was £185,850.

35. PENSION COMMITMENTS

The charity has contributed to personal pension schemes in respect of certain employees. The total contributions paid in the year were £31,453 (2021: £27,364).

36. RELATED PARTY DISCLOSURES

Mr CL Greville-Heygate, Mr JD Lancaster and Mr R King are Trustees of Miss Lancaster’s 1994 Charitable Trust. At the balance sheet date the charity owes Miss Lancaster’s 1994 Charitable Trust £87,789 (2021: £86,420). There is no fixed date for repayment and amounts are repayable on demand.

The Trust has taken advantage of the exemption under Section 33 of FRS102 not to disclose transactions with group companies.

THE KELMARSH TRUST

England & Wales - Charity number 295154

Accounts

REGISTERED COMPANY NUMBER: 01672106 (England and Wales)
REGISTERED CHARITY NUMBER: 295154

**REPORT OF THE TRUSTEES AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
FOR
THE KELMARSH TRUST**

Mark J Rees LLP Chartered Accountants
and Statutory Auditors
Granville Hall
Granville Road
Leicester
Leicestershire
LE1 7RU

THE KELMARSH TRUST

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	Page
Report of the Trustees	1 to 14
Report of the Independent Auditors	15 to 17
Consolidated Statement of Financial Activities	18 to 19
Consolidated Balance Sheet	20 to 21
Company Balance Sheet	22 to 23
Consolidated Cash Flow Statement	24
Notes to the Cash Flow Statement	25
Notes to the Financial Statements	26 to 48

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

01672106 (England and Wales)

Registered Charity number

295154

Registered office

Kelmarsh Hall
Kelmarsh
Northampton
Northamptonshire
NN6 9LY

Trustees

Mr R G Flenley (Chairman)
Mr CL Greville- Heygate
Mr JD Lancaster
Mrs C Brocklehurst
Mr R King
Mr O Brookshaw

Company Secretary

Mrs L A Denton

Senior Statutory Auditor

Mr P Bott FCA

Auditors

Mark J Rees LLP Chartered Accountants
and Statutory Auditors
Granville Hall
Granville Road
Leicester
Leicestershire
LE1 7RU

Bankers

HSBC
15 High Street
Market Harborough
Leicestershire
LE16 7NN

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Hewitsons LLP
Elgin House
Billing Road
Northampton
NN1 5AU

Investment Managers

M & G Securities Limited
PO Box 9038
Chelmsford
CM99 2XF

General Manager

Mrs L A Denton

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Trustees, who are also directors of the company for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OVERVIEW

Despite the widespread and adverse effects of the covid pandemic through the whole of the financial year to March 2021 and beyond into the current year, Kelmarsh has not only survived but has emerged with its financial position comparatively unscathed, as this Report shows. Furthermore, the unaudited management accounts to 30 September 2021 show a substantially better position than was originally forecast by the Trustees; and they are confident that this will, in due course, be reflected in the full year accounts to March 2022.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The main objectives of the charity as set out in the Articles of Association are to preserve, for the benefit of the nation, buildings and chattels of national, historic or architectural importance, particularly the buildings and contents of Kelmarsh Hall, Northamptonshire, together with amenity and endowment lands, making them available for study and appreciation by the general public.

Kelmarsh Hall is listed as Grade 1 in the statutory lists of buildings of architectural and historic interest. Adjoining land is also designated as essential for the protection of the character and amenities of Kelmarsh Hall.

Kelmarsh Hall Gardens are also included on English Heritage's Register of Parks and Gardens of Special Historic Interest as Grade II*.

The Trust is responsible for the maintenance and preservation of Kelmarsh Hall, providing access to the general public by way of visitor admissions to the hall and gardens. And promoting education about the hall and estate and its natural history. It also manages an in-house farm and surrounding woodlands located on the estate.

Kelmarsh Hall is considered key to the Trust and takes first priority on funds. It will be maintained in good order externally and internally in accordance with the agreed Management and Maintenance Plan. Such plan has been updated (December 2018) in line with the Quinquennial Buildings Inspection (February 2018) and with full regard to the Conservation Management Plan (updated in 2014 and is reviewed on an annual basis).

Beyond its importance as a heritage asset, the Kelmarsh Hall Estate is a traditional Northamptonshire mixed arable and pasture agricultural estate covering a total of 3,363 acres (1,361 ha). The estate is largely tenanted with 86% of the land supporting seven farming families, some of which are third generation tenants. The estate has given a licence to the tenant farmers to hold seven winter shoots per year within the estate woodlands.

Investment income comprises rent from its freehold investment properties, income from its investment portfolios of managed funds and commercial activities which are carried out through its trading subsidiary Kelmarsh (Events) Limited.

The Trustees continue to employ farm and property management agents in the form of Howkins & Harrison (appointed July 2019) to oversee maintenance and ensure the best returns from farm rents and let property rentals. A recent survey of let properties has identified an urgent need to improve the let properties to bring them up to the Government's energy performance certificate (EPC) legislation. The Trustees are committed to make such improvements and a building survey of each property commissioned in 2017 informs a schedule of priorities. The estate has been fortunate over the past few years to have had a very limited turnover of let property tenants but as properties below the Government's EPC guidelines become vacant all necessary works will be carried out.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH 2021

Public benefit

The Trustees acknowledge the guidance given by the Charity Commission regarding public benefit. In the exceptional circumstances of the COVID-19 pandemic, it has not been possible to fully open to unrestricted public access during 2020/21.

The vision of Kelmarsh Trust is to increase its charitable purpose for the benefit of the public and work towards greater inclusion of the local community, supporting volunteering and other forms of participation, improving access by increasing the times when we are open and widening audiences. Our intention, as conditions allow, is to enhance the visitor experience and improve the quality of our facilities and to bring life to the Hall, Gardens and wider Estate as much more than a static museum, interpreting it as a multi-layered historic story.

EXCEPTIONAL CIRCUMSTANCES OF 2020-21 – COVID-19 PANDEMIC AND RESTRICTIONS

Although we became aware of the Coronavirus threat during February 2020, it was only at 24 March 2020 that we had official lockdown which – initially at least – meant that we were all in effect quarantined and partially isolated.

The Management team immediately put into place contingency and distancing measures; these have progressed with sensible relaxations in line with Government instructions and advice.

All weddings for the year (2020-21) were postponed due to the restrictions with a small number of cancellations. Similarly, all corporate and outdoor events for 2020-21 were cancelled including our large music festival which has become a significant contributor to Events business as well as an important event in the calendar.

After careful discussion with the Management team, the Trustees took the decision that in the interest of safety, we should not rush to re-open the gardens in the summer of 2020. Our gardens have relatively narrow pathways and even with a one way system and other provisions, social distancing would be more of an issue than on some of the larger National Trust properties. This is broadly in line with what we are seeing in other similar properties in the region. However with the help and support of the Management team we have been able to offer carefully limited numbers of spaced and distanced visit days for our volunteers (many of whom are very keen to stay in touch but would not be comfortable about returning as volunteers this season). We did manage a few small events including three camping weekends following slight relaxation in guidelines during the summer months.

We have been active in accessing potential grants and Government support opportunities including Government Retail Scheme Grants, Job Retention Scheme Grants and we have pursued local authority reliefs. We have also actively pursued Heritage Grant funding (HEF and CRF) support and have been extremely grateful for the support we have received. We have considered all options available to us to ensure we remain viable and can continue on a sustainable footing.

From April 2020 we implemented stricter control of expenditure, reduced staff numbers through the furlough scheme and assisted some staff to make alternative arrangements so that our core Management team, working from home by rotation, was cut to a minimum level. We also stalled all project work and all but emergency maintenance work in order to limit expenditure.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH 2021

ACHIEVEMENTS AND PERFORMANCE

Maintenance, repair and preservation of the Hall and Estate Buildings

The programme of restoration and maintenance of the Hall and surrounding buildings is ongoing. However, this has inevitably been partly curtailed by access limitations and budget uncertainty during 2020-2021. As part of the Trust's maintenance schedule, around 20% of the building's joinery is usually redecorated annually, thus all sections are redecorated over a five year period. The east elevation of the Hall and Pavilions were redecorated during 2017; and in 2019 the stable doors from the Tea Room into the Stable Yard were renovated and opened up to give more light and a pleasant outlook for visitors to the tea room. Additional minor joinery repairs were carried out using estate grown oak.

The Quinquennial Survey of heritage buildings at Kelmarsh was undertaken in February 2018. This now provides a template for essential maintenance works which have been prioritised in the 5 year programme and will now be re-examined in 2022.

Chattels

Using the baseline of our Museum Accreditation (2016-17) and staff training (2018) the Trust has continued to implement its Collections Development Policy.

The Care of Collections team caring for the books have also completed work in the Library and Chinese Room, which has been so beneficial to ensure the books are well cared for and recorded correctly in our collection.

Public Access to the Hall, Gardens and Estate

Due to the COVID-19 pandemic and the restrictions in place the Hall was unable to open during the normal visitor season (April- September 2020). There was no income derived from admissions during the year as a result of the closures. There were trial events held later in the season and we welcomed our volunteers to test our systems and processes ready for opening later in 2021.

The year to 31 March 2020 had seen 25 weddings hosted at Kelmarsh and an increase in corporate events during summer 2019. However, due to restrictions it was only possible to host 3 alternative weddings (of reduced capacity) during 2020-21.

All but a few events were cancelled or postponed, but with Grant funding support, the Trust was able to make plans for re-opening and maintaining the existing relations. With the ongoing restrictions and lockdowns through the 2020-21 season we were only able to put on a few small events which included camping weekends and smaller weddings within strict operating limits and capacities generating only limited income for the Trust.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH 2021

Kelmarsh Hall and Estate

The Trustees are fully committed to the conservation and maintenance of the Hall, its surrounding buildings and gardens offering full access to the general public. They are also committed to updating and maintaining the let properties and retaining the farm tenancies for maximum benefit to the Trust. However, due to the significant loss of trading income the Trustees took the decision to reduce spending on all areas reverting to a re-active maintenance schedule to preserve funds until the future roadmap was clearer.

The Kelmarsh team is working actively to renew and extend visitor interest for future seasons. This includes the addition of an exhibition on coal and coal mining together with a working model railway, constructed by the Corby Model Railway Society, of the obsolete Bampton Valley rail line, including the old Kelmarsh Railway Station. It was not possible to install this exhibition in 2020 or 2021, although there are good prospects for opening to the public in 2022.

The Trustees will continue to develop and implement restoration and conservation of the Hall's chattels including those shown in the Yellow Drawing Room and Nancy Lancaster's Bedroom and Bathroom. The Trustees are presently considering appropriate grant and funding applications, but will need to adjust timings and priorities in response to COVID-19 limitations. The Trustees are looking at a partnership with OKA to conserve and dress Nancy Lancaster's bedroom and bathroom, scheduled to open to visitors in Spring 2022.

Development priorities for the Kelmarsh Trust

- Priority 1: Increase the number and range of visitors to the site and improve the ways in which they engage with the heritage of Kelmarsh Hall and Gardens.
- Priority 2: Increase the financial sustainability of the Trust.
- Priority 3: Develop the organisation to ensure it can deliver the above.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH 2021

Fundraising

Grants and funding are an important income stream for The Kelmarsh Trust and increasingly so during times of uncertainty. We are grateful for the support we have received in the past from The Heritage Fund, Bernard Sunley Charitable Foundation, the Sylvia Waddilove Foundation, the Idlewild Trust, Heritage Conservation Trust, Daventry District Council and the Arts Council. Further Grant support has been received in the year from The Heritage Emergency Fund and DCMS through the Culture Recovery Fund.

The Trust will continue to fundraise, exploring new opportunities to maximise the potential of the estate whilst continuing to develop income streams, through its subsidiary company, Kelmarsh (Events) Limited, for weddings, corporate and outdoor events.

Trustees are aware of the Charity Commission guide to Trustee duties on fundraising. Grant funding will be sought to provide essential funds as appropriate including emergency funds relating to COVID-19.

Education

Following the severe interruptions of 2020-2021, the Trustees will continue to explore opportunities to enhance the potential educational aspects of the Hall, Gardens and Estate. The HLF Laundry project (2017-18) has enabled the Trust to increase visitor numbers with a high-quality visitor experience plus additional educational activities. The Trustees see this project as key to increasing visitor access and public benefit in the future.

The following is a list of educational activities which will recommence as and when conditions allow.

- A series of summer and winter lectures
- Painting/art courses
- Family History/Genealogy course
- University/Schools enhanced study collaboration
- Work experience for college students in tourism, events, business and history
- Work placements for undergraduates
- Research opportunities for BA and MA students from Northampton, Leicester and Birmingham City Universities
- A seven week series of mindfulness and social focused craft activities
- Summer Vacation wilderness woodland explorers sessions and toddlers fun days
- School visits with a specific curriculum focus on the lives of servants in the past and sciences including biodiversity and food origins in the gardens and woodlands
- Forest Schools in the Wilderness Woodlands

Activities to be reinstated in 2022 will include a range of new curriculum-linked primary school visits focused upon the history and lives of servants in the past, incorporating the HLF funded Servants' Quarters and Victorian Laundry exhibits with interactive, have-a-go sessions. A revised programme of Biodiversity and Growing, focused Science Days, as well as Forest Schools, will be run by a qualified practitioner. We have extended our range of under 11's backpacks and activities for free-flow family visits to the Hall and Gardens.

The Trust will continue to extend its education programme centred on the gardens and providing access to the wider estate and woodlands for students, wildlife and conservation groups.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH 2021

Volunteers

Prior to COVID-19 lockdown in March 2020 we had 93 volunteers supporting the Trust in visitor services (as tour guides), in gardening and garden maintenance and in collections research and cataloguing. These volunteers support the paid staff in tasks such as visitor meet and greet, assisting during school visits, tea room duties and archiving. The research and archive volunteers have prepared to launch an exhibition they have researched on coal and coal mining. The last family to live at Kelmarsh Hall, the Lancasters, had coal mines in Nottingham and Wales. The exhibition should go live in Spring 2022. Moving forward, the group will be looking at the textile collection and artwork stored on the upper floor. This will all be carried out with the relevant training to ensure that they are handled, stored and documented correctly.

Internal newsletters for volunteers and staff have been set up to aid communication and inform those involved of current developments and policy updates.

Estate, Woodlands and Home Farm

The parkland surrounding the Hall and Gardens is grazed by a herd of Pedigree British White cattle during the summer months. The herd consists of 11 suckler cows with 7 calves at foot, 10 heifers and a stock bull which was replaced in March 2020.

The Home Farm continues to be managed under Entry Level Stewardship, ensuring compliance and best practice to environmental standards. A total of 150m of traditional hedge laying was carried out on the Home Farm by estate staff in 2020, and more is planned for future seasons.

A Woodland Report was undertaken in January 2018 and whilst the report commends the health and management of the woods, a schedule has been drawn up to ensure the good work continues. Felling Licenses are in place for extensive thinning operations throughout the Estate Woodlands over the coming three years.

Wind Farm

The six wind turbines erected on the Trust's land continue to generate revenue for the Trust, being £102,561 for the year to 31 March 2021 (2020: £125,144). This valuable income supports conservation activities and education projects throughout the Hall and Gardens. The renewable energy is an important aspect along with the Trusts heat pump system contributing to a more sustainable and environmentally friendly way of operating. The Trust is committed to offsetting its environmental impact.

OUTLOOK INTO 2021-22

For many around the world, the financial year of 2020-21 has been "a year like no other" ; and for Kelmarsh it has been an exceptionally challenging time in the face of lockdowns and operational restrictions. However, by taking a cautious and carefully balanced approach, in minimising expenditure, tightening the management team, using home working and zoom capabilities to good effect, and particularly with the generously supportive grants, the Trust has come through in good form and with positive outlook for the current year of 2021-22. There are encouraging signs in this summer's garden visitor numbers, in the return of weddings from July 2021 and also for events and weddings bookings for 2022-23. We cannot predict how the pandemic and its effects may yet unfold over coming months; and we are certainly faced with some backlog of maintenance and operational catch-up; but the Trustees are cautiously optimistic for Kelmarsh in going forward .

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH 2021

FINANCIAL REVIEW

Financial performance and position

The total income for the year increased to £1,133,386 from £1,082,977 in the previous year which, after deducting expenditure of £849,828 (2020: £992,702) generated net incoming resources of £283,558 an improvement over the 2020 results of £90,275. Details are shown in the Statement of Financial Activities on page 18 and in the notes to the financial statements. These results include exceptional grant funding of £445,290 because of the pandemic, without this funding the Trust would have operated at a net loss of £161,732 this year.

Unrealised investment gains, which includes the movement on listed investments together with the annual investment property revaluations gave rise to an increase in value of £515,199, the previous year showed unrealised investment gains of £4,425,804 primarily because of the investment property valuation increases.

After taking into account the unrealised investment gains and tax charges there was an increase in net income of £798,757 for the year, 2020 saw an increase in net income of £4,478,100 as a result of the above revaluations..

The subsidiary undertaking, Kelmarsh (Events) Limited made a net profit of £2,252 a significant reduction on the 2020 profit generated of £174,269. Annual profits from Kelmarsh (Events) Limited are gift-aided to the Trust and these are incorporated in the above results.

Total net assets of the Trust and its subsidiary at 31 March 2021 increased by £798,757 from £26,606,412 to £27,405,169. This is mainly represented by fixed assets of £27,049,423 (2020: £26,535,923) as shown in the Balance Sheets on pages 20 to 23. This leaves reserves of £355,746 at 31 March 2021 which are unrestricted, reserves have increased from £70,489 in the previous year.

The year ended 31 March 2021 was heavily supported by Grant funding and a period of reduced expenditure as Trustees aim to mitigate the impact of the Pandemic on the available resources. The Trustees are aware of the significant obligations placed on them to ensure the aims and objectives are met whilst ensuring financial sustainability for future years. As a result of lower expenditure cash reserves have increased which will be required to help climb out of what was a very difficult year for the Trust to catch up on a significant amount of expenditure which has been deferred.

Principal funding sources

The Trust's main sources of funding continue to be the rental income generated from its freehold investment properties and income from the portfolios of listed investments. Income from which is re-invested by way of maintenance of the properties and supporting overheads. The Trust also receives income generated from public admissions to the Hall and Gardens and from the activities of the farm and surrounding woodlands. The Trust is heavily reliant on the funds generated by its events subsidiary trading company to enable it to finance its operations. As a result, the events business contribution has been particularly hard hit because of the pandemic.

Grant applications are generally made to fund specific projects. However additional Covid-19 related Grants amounting to £445,290 were received during the year. The previous year included Heritage Fund Grant income in relation to the Laundry project.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH 2021

Investment policy and objectives

Listed investments

The Trustees of the charity pursue a policy that provides a realistic income for its current purposes and enhances income and capital growth over the longer term, thereby enabling them to meet their current and future objectives in accordance with the purposes of the Trust. It is the Trustees' policy not to dispose of these assets which generate an income for the Trust.

The Trustees utilise specialist UK investment managers to oversee the listed investment portfolios selected by Trustees, the Trustees require the managers to pay attention to the standard investment criteria, namely the suitability of the class of investment and the need for diversification insofar as it is appropriate to the circumstances of the Trust.

The Trustees monitor these investments by receiving quarterly statements from the investment manager showing the movement in capital value and the income received from investments under management as well as an annual update from the investment manager.

Investment properties

The Trustees have delegated the management of the investment properties to external land agents who are required to maximise the income from these properties whilst ensuring they are maintained in a reasonable state of repair. It is the Trustees' policy not to dispose of these assets.

Several of the Trust's let properties are below the Energy Performance Certificate requirements. The Trustees are aware of this and have undertaken conditional surveys which will be acted upon in a prioritised programme as and when property vacancies occur in accordance with compliance so as to phase the works and minimise terminations.

Investment performance

The income from listed investments achieved was £35,475 this is a reduction on last year's income of £45,988 which was in line with expectations and objectives set.

There were no realised investment gains or losses during the year. The managed listed investments achieved unrealised investment gains £145,199 for the year, recovering some of last year's losses of £179,813.

Investment properties were revalued in the year resulting in revaluation gains of £370,000. Last year's revaluation increase was £4,605,617 which solely related to investment properties.

Gross income from investment properties increased to £467,502 from £415,482 which after management and maintenance costs contributed net income for the year of £313,104 an improvement over last year's net income of £239,439 as a result of increased occupancy and lower spending.

No additions or disposals of investment properties took place during the year.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH 2021

Reserves policy

The Trustees have reviewed the Charity's Reserves Policy, taking into account future income projections and expenditure estimates and plans in line with the Strategic Plan of the Trust. In particular the Trustees are aware of the necessity of having sufficient funds to meet operational expenditure along with the costs of unexpected repairs and non-routine works which are often urgent and costly. Estimates have been prepared for an on-going scheme of repair and restoration works which are expected to be necessary over the next five years.

The policy of the Trustees is therefore to maintain a level of reserves which will provide a stable base for the Trust's continuing activities and enable the Trust to adjust to any significant change in resources through both known and unplanned events, whilst ensuring that excessive funds are not accumulated.

At 31 March 2021 the total funds held by the Trust are £27,405,169 (2020: £26,606,412). This includes endowment funds of £15,260,907 (2020: £15,260,907), restricted funds of £1,237,626 (2020: £1,229,310) and unrestricted funds of £10,906,636 (2020: £10,116,195). Endowment funds are made up of heritage assets and revalued investment property.

The total funds include £27,049,423 (2020: £26,535,923) which can only be realised by way of disposing of fixed assets (Page 20).

The amount of unrestricted reserves remaining after taking into account those held in fixed assets amounts to £355,746 (2020: £70,489). The trust considers it reasonable to hold this level of reserves in order to meet operational commitments which equates with a range of between three and six months unrestricted expenditure, in order to provide sufficient funds to finance expenditure on charitable activities and governance costs.

The Trust also intends to utilise its reserves to meet ongoing Energy Performance Certificate (EPC) requirements for its investment properties and is committed to a schedule of preservation activities for the Hall over the next five years which require a higher level of reserves.

Wherever possible specific projects will be funded by grants from external sources and it is not the policy of the Trustees to raise these funds by selling income generating fixed assets.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Kelmarsh Trust is a charitable company limited by guarantee which was incorporated on 15 October 1982. It was established by and is governed by its Memorandum and Articles of Association (updated and adopted May 2017). The members of the company are the Trustees named on page 1. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member.

The directors of the company are also charity Trustees for the purposes of charity law and under the company's Articles are known as members of the Governing Body.

The Trustees will continue to work towards the objectives set out in the statement of objectives and aims in particular shown on page 3.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH 2021

Recruitment and appointment of new Trustees

The Trustees continually consider the need for new Trustees, both to allow for the natural rotation of Trustees' terms and to respond to any skills gaps or opportunities for candidates with particular experience or skills to offer. The board is especially keen to reflect charity, heritage, education and business skills amongst the Trustees. The board takes account of the Charity Commission guidelines and the Charity Governance Code in considering Trustee recruitment, and works with partner organisations and takes professional advice to develop knowledge and best practice relating to improve continually the Charity's governance.

A formal interview process is engaged to assess candidates for a range of expertise relevant to the Charity and who preferably live more local to the Hall and Gardens.

In accordance with the Articles of Association, Trustees serve membership for up to 2 terms of 3 years each. Members are not eligible for re-election for one year (para 9.7).

As at March 2021 the board has six Trustees, with a considerable range in their terms of service and skills. We are seeking to make further appointments during 2022-2023.

Organisational Structure

The Articles provide for a minimum of three and up to a maximum of twelve Trustees. The Trustees usually meet four times a year but additional meetings and visits also occur throughout the year. During the pandemic special arrangements were agreed and put in place for Trustee meetings to be held by Zoom. The decisions are then given to the General Manager for implementation.

The General Manager is in regular contact, at least weekly, with the Chairman whilst updating all Trustees on significant matters.

Under normal arrangements, Trustees walk around the Hall and Gardens several times each year and once a year make a tour of the estate including woodlands, farms and let properties.

The Trustees have established a Finance Committee which meets 4 times a year and consists of the General Manager, Chairman, Trust Accountant, Land Agent and two Trustees with a business background. The committee's main terms of reference are to prepare budgets and cash flow forecasts for approval by the Trustees, to ensure proper control is exercised over income, cash flow and expenditure and to report to the Trustees regularly so they have sufficient information to make their decisions.

The Trust has been and continues to work towards improving governance and organisational structures. This includes both exploring ways of developing the board of Trustees to ensure it has the individuals and skills to support succession and reviewing the staffing structure to ensure it is well-suited to the operational and strategic requirements of the Trust.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Trust has a wholly owned subsidiary undertaking, Kelmarsh (Events) Limited which is a trading company that organises commercial and corporate events held at Kelmarsh. Kelmarsh (Events) Limited is an entirely separate and self-funding entity which exists solely to support the charitable objectives of the Kelmarsh Trust each year. Unfortunately, the COVID-19 pandemic caused us to suspend the majority of commercial activities from March 2020.

The Trust has established an Events Sub-Committee which considers the opportunities, direction, risks and yields associated with existing and potential events business and reports accordingly to the regular main Trustee Meeting.

Induction and training of new Trustees

The induction and training of new Trustees is provided by the existing Trustees and General Manager as appropriate to the charity's objectives.

A Trustee Manual and induction pack which includes the Charity's constitution and up to date financial information is given to all new Trustees.

Related parties

Details of related parties and transactions with them are set out in note 36 to the financial statements.

Risk management

The Trustees identify and review the major risks to which the charity could be exposed. Procedures have been established to manage those risks. In particular the Trustees have adopted a Risk Management Policy which addresses the major governance, operational, financial, reputational, legal and regulatory risks which might impact upon the Trust's core purposes and key objectives. This builds on the existing risk management procedures in many aspects of the Trust's work in areas such as financial management, health and safety, fire and security and disaster planning arrangements to protect both property and people. The risks are documented in a risk register which is reviewed on an annual basis by Trustees.

With regard to Health & Safety the Trust has a contract with the NFU who provide a dedicated representative to whom the Trust has 24 hour access together with four visits per year to advise and update staff on health & safety regulations. Quarterly reviews cover all areas of the Estate including the Hall and adjacent outbuildings, Gardens and wider estate. An annual meeting is held with all members of staff and any changes are reported to Trustees by the General Manager.

We have a Tree Safety Policy and Emergency Plan which are reviewed annually.

We have maintenance agreements to cover fire extinguishers, fire and intruder alarms with annual inspections. We also have service agreements in place for annual maintenance and service of plant and machinery.

The Board of Trustees is conscious of the need to keep up to date on Charity Commission legal developments, recommendations and changes in order to maintain the welfare of the Charity.

THE KELMARSH TRUST

REPORT OF THE TRUSTEES AND DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of The Kelmarsh Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the group's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Report of the trustees report approved by order of the board of trustees, as the company directors, on 8 December 2021 and signed on the board's behalf by:

RG Flenley - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KELMARSH TRUST

Opinion

We have audited the financial statements of The Kelmarsh Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, Company Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KELMARSH TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and of the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 group's and parent charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISA's (UK).

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

We obtained an understanding of the legal and regulatory frameworks applicable to the group and to the parent charitable company and the sector in which it operates through our general commercial experience and existing knowledge of the charitable sector. We determined that the following laws and regulations were most significant: Charities SORP (FRS 102), FRS 102, Companies Act 2006 and the relevant tax compliance regulations in the UK. In addition, we concluded that there are certain laws and regulations that may have an impact in the determination of the amounts and disclosures in the financial statements such as health and safety and employee related matters.

We enquired of management concerning the group's and parent charitable company's policies and procedures relating to:

- The identification and compliance with laws and regulations
- The detection and response to the risks of fraud
- The internal controls within the charitable company to mitigate fraud risk and non compliance to laws and regulations

We enquired of management, whether they were aware of any instance of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KELMARSH TRUST

We communicated relevant laws and regulations and potential areas of fraud to all audit team members including the potential for fraud in revenue recognition. We remained alert to any indications of fraud or non compliance with laws and regulations throughout the audit.

We have determined that the principal risk areas where material irregularities could occur were related to posting manual journal entries to manipulate financial performance, revenue recognition and significant one – off or unusual transactions.

Our audit procedures were designed to respond in particular to these identified risks (including non-compliance with laws and regulations and fraud).

Our audit procedures included but were not limited to:

- A review of stock lines to ensure the valuation of stock is at the lower of cost and net realisable value.
- A review of a sample of orders received in the year to ensure these were correctly recorded in revenue and detailed cut off testing around the year end to ensure revenue is correctly recognised.
- A review of a sample of grants received in the year to ensure they were correctly recorded in revenue and correctly recognised in line with the conditions attached to each grant.
- A review of laws and regulations the company is subject to, being specifically food and hygiene and health and safety, followed by compliance checks and discussion with management to ensure no instances of non-compliance.
- Addressing the risks of fraud through management override of controls by performing a journal entry test.

We did not identify any matters during the course of our work that indicated non compliance with laws and regulations or relating to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr P Bott FCA (Senior Statutory Auditor)
for and on behalf of Mark J Rees LLP Chartered Accountants, Statutory Auditor
Granville Hall
Granville Road
Leicester
Leicestershire
LE1 7RU

Date: 9 December 2021

THE KELMARSH TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted fund £	Endowment funds £	2021 Total funds £	2020 Total funds £
INCOMING RESOURCES						
Voluntary income	2	35,000	421,407	-	456,407	119,136
Charitable activities						
Preservation	4	50,614	-	-	50,614	104,985
Commercial trading operations	6	20,821	-	-	20,821	272,204
Investment income	3	502,983	-	-	502,983	461,508
Other income	5	102,561	-	-	102,561	125,144
Total		711,979	421,407	-	1,133,386	1,082,977
EXPENDITURE ON						
Raising funds						
Commercial trading operations		29,216	-	-	29,216	97,935
Investment management costs	7	82,746	71,652	-	154,398	180,051
Charitable activities						
Preservation	8	296,055	354,937	-	650,992	686,578
Governance costs	9	7,222	8,000	-	15,222	28,138
Total		415,239	434,589	-	849,828	992,702
Incoming resources less expenditure		296,740	(13,182)	-	283,558	90,275
Taxation		-	-	-	-	(37,979)
Net gains on investments	10	515,199	-	-	515,199	4,425,804
NET INCOME/(EXPENDITURE)		811,939	(13,182)	-	798,757	4,478,100
Transfers between funds		(21,498)	21,498	-	-	-
Net movement in funds		790,441	8,316	-	798,757	4,478,100
RECONCILIATION OF FUNDS						
Total funds brought forward		10,116,195	1,229,310	15,260,907	26,606,412	22,128,312
TOTAL FUNDS CARRIED FORWARD		10,906,636	1,237,626	15,260,907	27,405,169	26,606,412

The notes form part of these financial statements

THE KELMARSH TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

CONTINUING OPERATIONS

The consolidated Statement of Financial Activities includes all gains and losses recognised in the year and previous years. All incoming resources and resources expended derive from continuing activities.

The notes form part of these financial statements

THE KELMARSH TRUST

CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS						
Tangible assets	16	167,806	154,671	-	322,477	324,176
Heritage assets	17	1,322,045	1,082,955	760,907	3,165,907	3,165,907
Investments						
Listed investments	18	841,039	-	-	841,039	695,840
Investment properties	19	8,220,000	-	14,500,000	22,720,000	22,350,000
		10,550,890	1,237,626	15,260,907	27,049,423	26,535,923
CURRENT ASSETS						
Stocks	20	15,314	-	-	15,314	10,432
Debtors: amounts falling due within one year	22	147,249	-	-	147,249	133,011
Cash at bank and in hand		570,615	6,000	-	576,615	228,525
		733,178	6,000	-	739,178	371,968
CREDITORS						
Amounts falling due within one year	24	(317,957)	(6,000)	-	(323,957)	(301,479)
NET CURRENT ASSETS/(LIABILITIES)		415,221	-	-	415,221	70,489
TOTAL ASSETS LESS CURRENT LIABILITIES		10,966,111	1,237,626	15,260,907	27,464,644	26,606,412
CREDITORS						
Amounts falling due after more than one year	25	(59,475)	-	-	(59,475)	-
NET ASSETS		10,906,636	1,237,626	15,260,907	27,405,169	26,606,412
FUNDS						
	32					
Unrestricted general fund		3,907,869			3,907,869	3,487,428
Unrestricted fair value reserve		6,998,767			6,998,767	6,628,767
Restricted fund			1,237,626		1,237,626	1,229,310
Endowment fund				1,751,783	1,751,783	1,751,783
Endowment fair value reserve				13,509,124	13,509,124	13,509,124
TOTAL FUNDS		10,906,636	1,237,626	15,260,907	27,405,169	26,606,412

The notes form part of these financial statements

THE KELMARSH TRUST

CONSOLIDATED BALANCE SHEET (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 8 December 2021 and were signed on its behalf by:

Mr RG Flenley – Trustee

The notes form part of these financial statements

THE KELMARSH TRUST

BALANCE SHEET 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted fund £	Endowment funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS						
Tangible assets	16	167,806	154,671	-	322,477	324,176
Heritage assets	17	1,322,045	1,082,955	760,907	3,165,907	3,165,907
Investments	18	842,039	-	-	842,039	696,840
Investment property	19	8,220,000	-	14,500,000	22,720,000	22,350,000
		10,551,890	1,237,626	15,260,907	27,050,423	26,536,923
CURRENT ASSETS						
Stocks	21	11,018	-	-	11,018	8,236
Debtors: amounts falling due within one year	23	134,099	-	-	134,099	129,197
Cash at bank and in hand		463,875	6,000	-	469,875	177,982
		608,992	-	-	614,992	315,415
CREDITORS						
Amounts falling due within one year	26	(249,537)	(6,000)	-	(255,537)	(252,775)
NET CURRENT ASSETS						
		359,455	-	-	359,455	62,640
TOTAL ASSETS LESS CURRENT LIABILITIES						
		10,899,786	1,237,626	15,260,907	27,398,319	26,599,563
CREDITORS						
Amounts falling due after more than one year	27	(11,559)	-	-	(11,559)	(252,775)
NET ASSETS						
		10,899,786	1,237,626	15,260,907	27,398,319	26,599,563

The notes form part of these financial statements

THE KELMARSH TRUST

BALANCE SHEET (CONTINUED) 31 MARCH 2021

	Unrestricted funds £	Restricted fund £	Endowment funds £	2021 Total funds £	2020 Total funds £
FUNDS					
Unrestricted general fund	3,901,019			3,901,019	3,480,579
Unrestricted fair value reserve	6,998,767			6,998,767	6,628,767
Restricted fund		1,237,626		1,237,626	1,229,310
Endowment fund			1,751,783	1,751,783	1,751,783
Endowment fair value reserve			13,509,124	13,509,124	13,509,124
TOTAL FUNDS	10,899,786	1,237,626	15,260,907	27,398,319	26,599,563
Charitable company's surplus (deficit) for the financial year				798,757	4,478,100

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 8 December 2021 and were signed on its behalf by:

Mr RG Flenley – Trustee

The notes form part of these financial statements

THE KELMARSH TRUST

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	306,734	37,576
Interest element of hire purchase payments paid		(1,047)	(536)
Tax paid			(37,978)
Finance costs paid		<u>(864)</u>	<u>(760)</u>
Net cash provided by/(used in) operating activities		<u>304,823</u>	<u>(1,698)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(37,354)	(29,380)
Purchase of heritage assets		-	-
Sale of tangible fixed assets		5,462	-
Sale of fixed asset investments		-	40,000
Interest received		6	38
Dividends received		<u>35,475</u>	<u>45,989</u>
Net cash provided by investing activities		<u>3,589</u>	<u>56,647</u>
Cash flows from financing activities			
Capital repayments in year		(10,323)	(5,423)
Bounce back loan		<u>50,000</u>	<u>-</u>
Net cash provided by/(used in) financing activities		<u>39,677</u>	<u>(5,423)</u>
Change in cash and cash equivalents in the reporting period		348,090	49,526
Cash and cash equivalents at the beginning of the reporting period		<u>228,525</u>	<u>178,999</u>
Cash and cash equivalents at the end of the reporting period		<u>576,615</u>	<u>228,525</u>

The notes form part of these financial statements

THE KELMARSH TRUST

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

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

	2021 £	2020 £
Net income for the reporting period (as per the Statement of Financial Activities)	798,757	4,478,100
Adjustments for:		
Depreciation charges	36,196	36,453
Taxation	-	37,979
Gain on investments	(515,199)	(4,425,804)
Profit on disposal of fixed assets	(2,605)	-
Interest received	(6)	(38)
Interest element of hire purchase and finance lease rental payments	1,047	536
Finance costs	864	760
Dividends received	(35,475)	(45,989)
(Increase)/decrease in stocks	(4,883)	9,251
(Increase)/decrease in debtors	(14,238)	25,096
Increase/(decrease) in creditors	<u>42,276</u>	<u>(78,768)</u>
Net cash provided by/(used in) operations	<u>306,734</u>	<u>37,576</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.20 £	Cash flow £	Other non-cash changes £	At 31.03.21 £
Net cash				
Cash at bank	<u>228,525</u>	<u>348,090</u>		<u>576,615</u>
	<u>228,525</u>	<u>348,090</u>		<u>576,615</u>
Debt				
Hire purchase	(5,423)	5,423	(16,696)	(16,696)
Loan – Miss Lancaster’s 1994 Charitable Trust	(85,140)	-	(1,280)	(86,420)
Bounce Back Loan	-	(50,000)	-	(50,000)
	<u>(90,563)</u>	<u>(44,577)</u>	<u>(17,976)</u>	<u>(153,116)</u>
Total	<u>137,962</u>	<u>303,513</u>	<u>(17,976)</u>	<u>423,499</u>

The notes form part of these financial statements

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the group and charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Status of company

The company is limited by guarantee and does not have any share capital (Company registered number 01672106, charity registered number 295154). The liability of the members is limited but shall not exceed £1.

Significant judgements and estimates

There were no areas in which the preparation of the financial statements required management to make significant judgements or estimates.

Basis of consolidation

The consolidated accounts incorporate the results for the year ended 31 March 2021 of the Trust and its wholly owned subsidiary undertaking which have been included on a line by line basis. As permitted by Section 408 of the Companies Act 2006, the Trust has not presented its own income and expenditure account in addition to the consolidated income and expenditure account.

Income

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

The following specific policies are applied to particular categories of income:

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable.

Investment income from rents is included on an accruals basis, listed investment income is included when receivable, interest receivable is accounted for on an accruals basis.

Grant income is credited in the period to which it relates. Grant income is included as incoming resources from charitable activities when these amount to a contract for services, but as voluntary income where they have been given with greater freedom of use.

Incoming resources from activities for generating funds and charitable trading activities are accounted for when earned and stated net of value added tax.

Expenditure

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

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES - continued

Expenditure - Continued

Costs of activities to generate funds comprise those costs directly attributable to investment management activities and the costs of the trading subsidiary Kelmarsh (Events) Limited.

Investment management costs comprise those costs directly attributable to managing the fixed asset investment portfolio.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its objectives. It includes those costs which can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and cost linked to the strategic management of the charity.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, other costs are apportioned on the basis of the proportion of direct expenditure.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Drainage works	- 5% on reducing balance
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Office equipment	- 25% on reducing balance

All tangible fixed assets costing £1,000 or more are capitalised and included at cost.

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation decrease. All other impairment losses are recognised in the income statement.

Heritage assets

Freehold land and buildings included in heritage assets comprise Kelmarsh Hall which is listed as Grade 1 in the statutory lists of buildings of architectural and historic interest, together with adjoining land which is also essential for the protection of the character and amenities of Kelmarsh Hall. Heritage assets are included at cost, with the exception of freehold land and buildings transferred to the charity by the Executors of Colonel CG Lancaster and by the executors of Miss CV Lancaster, which are included at probate values at the dates of transfer. No depreciation is charged on these assets as they are considered to have an indefinitely long useful life. Expenditure on the conservation and preservation of Kelmarsh Hall is charged to unrestricted funds when it is incurred.

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES - continued

Fixed asset investments

Investment properties are shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a fair value reserve.

Listed investments quoted on a recognised stock exchange are stated at market value at the year end. Their original cost is shown as a note.

Freehold investment properties are valued at least every five years and included at market value at the date of valuation. Their original cost is shown as a note. All gains and losses on revaluations and disposals are taken to the Income and Expenditure account.

Other investments are shown at cost less amounts written off. All gains and losses on revaluations and disposals are taken to the Income and Expenditure account.

Stocks

Stocks comprise farm stocks and have been valued at the lower of cost and net realisable value. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. They include a revaluation reserve representing the restatement of investment assets at market rates.

The permanent endowment fund is represented by freehold land and buildings and investment properties transferred to the charity by the Executors of Colonel CG Lancaster on the direction of Miss CV Lancaster, the benefactress at the commencement of The Kelmarsh Trust, less the value of the land lost in respect of the compulsory purchase by the Department of Transport of land relating to the A14 Link Road.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the statement of financial activities over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES - continued

Going concern

The COVID-19 pandemic had a significant impact on our operations. With restrictions on tourism and hospitality venues, weddings and other events in place across the country a significant fall in sales has occurred during the year. The management team maintained communication with our customers and pleasingly the majority have indicated that they plan to still hold the booked events now restrictions have eased. In accordance with the government guidance, we re-commenced our events activities in Summer 2021. Wedding bookings and visitors to the Hall and Gardens, are expected to be significantly increased in future seasons.

The Trustees have undertaken a number of measures to mitigate costs and reduce expenditure, taking advantage of the Government's Job Retention scheme and other Government support available, including the Bounce Back Loan. The Trustees therefore continue to adopt the going concern basis in preparing the consolidated financial statements.

2. VOLUNTARY INCOME – GROUP AND COMPANY

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total funds £	2020 Total funds £
Donations	-	-	-	-	1,425
Grants	<u>35,000</u>	<u>421,407</u>	<u>-</u>	<u>456,407</u>	<u>117,709</u>
	<u>35,000</u>	<u>421,407</u>	<u>-</u>	<u>456,407</u>	<u>119,136</u>

Donations received, included in the above, are as follows:

	2021 £	2020 £
Donations		
Miss CV Lancaster's 1994 Charitable Trust	-	-
Other	<u>-</u>	<u>1,425</u>
	<u>-</u>	<u>1,425</u>

Grants received, included in the above, are as follows:

	2021 £	2020 £
Renewable Heating Incentive	11,117	11,367
Heritage Fund	102,400	106,342
Daventry District Council	35,000	-
Coronavirus Job Retention Scheme	44,290	-
Cultural Recovery Fund for Heritage	<u>263,600</u>	<u>-</u>
	<u>456,407</u>	<u>117,709</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

3. INVESTMENT INCOME – GROUP AND COMPANY

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total funds £	2020 Total funds £
Rent receivable	467,502	-	-	467,502	415,482
Listed investment income	35,475	-	-	35,475	45,988
Interest receivable	<u>6</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>38</u>
	<u>502,983</u>	<u>-</u>	<u>-</u>	<u>502,983</u>	<u>461,508</u>

4. INCOME FROM CHARITABLE ACTIVITIES – GROUP AND COMPANY

	2021 Preservation £	2020 Preservation £
Rent receivable	29,600	30,995
Visitor admissions, teas and sundry sales	1,089	52,639
Livestock and farm sales	2,796	2,830
Agricultural grants and subsidies	15,372	16,801
Wayleaves and compensation	<u>1,757</u>	<u>1,720</u>
	<u>50,614</u>	<u>104,985</u>

5. OTHER INCOME – GROUP AND COMPANY

	2021 £	2020 £
Windfarm rent, compensation and Contribution to costs	<u>102,561</u>	<u>125,144</u>
	<u>102,561</u>	<u>125,144</u>

6. EVENTS INCOME – GROUP AND COMPANY

	2021 £	2020 £
Events	<u>20,821</u>	<u>272,204</u>
	<u>20,821</u>	<u>272,204</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

7. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total funds £	2020 Total funds £
Agents letting fees	55,778	-	-	55,778	60,608
Repairs, maintenance and let property project costs	26,968	71,652	-	98,620	115,435
Windfarm costs	-	-	-	-	4,008
	<u>82,746</u>	<u>71,652</u>	<u>-</u>	<u>154,398</u>	<u>180,051</u>

8. CHARITABLE ACTIVITIES COSTS

	2021 £	2020 £
Preservation	650,992	686,578
Governance costs (see note 9)	<u>15,222</u>	<u>28,138</u>
	<u>666,214</u>	<u>714,716</u>

9. SUPPORT COSTS

	2020 Governance costs £	2020 Governance costs £
Travelling and Trustees expenses	907	10,508
Auditors' remuneration (charity only)	13,951	12,994
Legal and professional	-	3,876
Interest payable and similar charges	<u>364</u>	<u>760</u>
	<u>15,222</u>	<u>28,138</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

10. NET GAINS/(LOSSES) ON INVESTMENTS

	2021	2020
	£	£
Gains/(losses) on revaluation of investments	145,199	(179,813)
Gains on revaluation of investment properties	370,000	4,605,617
	<u>515,199</u>	<u>4,425,804</u>

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Auditors' remuneration (Group)	17,872	16,459
Depreciation - owned assets	34,452	34,128
Depreciation - assets on hire purchase contracts and finance leases	1,744	2,325
Surplus on disposal of fixed assets	(2,605)	-
Hire purchase interest and finance lease charges	<u>1,047</u>	<u>536</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

	2021	2020
	£	£
Trustees' expenses	<u>907</u>	<u>5,899</u>

The above consist of travel and subsistence expenses reimbursed for Trustees.

13. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	207,546	238,317
Social security costs	13,372	17,981
Other pension costs	<u>27,364</u>	<u>27,964</u>
	<u>248,282</u>	<u>284,262</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

13. STAFF COSTS- continued

The average number of employees during the year was 9 (2020: 12).

No employees received emoluments in excess of £60,000 in either year.

The charity currently employs casual seasonal staff as guides during the months the Hall and Gardens are open to visitors. Staff are also employed on a casual basis for the activities of the trading subsidiary, Kelmarsh (Events) Limited. The full-time equivalent is included in the staff numbers above.

The permanent staff are spread across a number of departments which reflect the diverse activities of a historic house and its estate.

Remuneration to key management personnel, including employer's national insurance and pension contributions, amounted to £60,456 (2020: £61,288).

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2020

	2020			
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total Funds £
INCOMING RESOURCES				
Incoming resources from generated funds				
Voluntary income	12,794	106,342	-	119,136
Charitable activities				
Preservation	104,985	-	-	104,985
Commercial trading operations	272,204	-	-	272,204
Investment income	461,508	-	-	461,508
Other income	125,144	-	-	125,144
Total	976,635	106,342	-	1,082,977
EXPENDITURE ON				
Cost of generating funds				
Commercial trading operations	97,935	-	-	97,935
Investment management costs	180,051	-	-	180,051
Charitable activities				
Preservation	589,383	97,195	-	686,578
Governance costs	28,138	-	-	28,138
Total	895,507	97,195	-	992,702
Incoming resources less expenditure	81,128	9,147	-	90,275
Taxation	(37,979)	-	-	(37,979)
Net gains/(losses) on investments	1,056,224	-	3,369,580	4,425,804
NET INCOME/ (EXPENDITURE)	1,099,373	9,147	3,369,580	4,478,100
Transfers between funds	93,721	(93,721)	-	-
Net movement in funds	1,193,094	(84,574)	3,369,580	4,478,100

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2020- continued

	Unrestricted funds £	Restricted funds £	Endowment funds £	2020 Total Funds £
RECONCILIATION OF FUNDS				
Total funds brought forward	8,923,101	1,313,884	11,891,327	22,128,312
TOTAL FUNDS CARRIED FORWARD	<u><u>10,116,195</u></u>	<u><u>1,229,310</u></u>	<u><u>15,260,907</u></u>	<u><u>26,606,412</u></u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

15. NET INCOME FOR THE FINANCIAL YEAR

As permitted by Section 408 of the Companies Act 2006 the parent charity's Statement of Financial Activities has not been included in these financial statements. The parent charity's total incoming resources for the year were £1,104,172 (2020: £985,826) and total resources expended were £820,612 (2020: £932,746) resulting in net incoming resources for the year of £283,560 (2020: £53,080) which included a donation of £2,252 (2020: £174,269) from its wholly owned subsidiary undertaking Kelmarsh (Events) Limited. The consolidated net surplus for the year for the Charity was £798,757 (2020: 4,478,100) after other recognised gains and losses.

16. TANGIBLE FIXED ASSETS

	Drainage works £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2020	94,033	370,419	136,677
Additions	-	4,000	5,786
Disposals	-	-	-
At 31 March 2021	94,033	374,419	142,463
DEPRECIATION			
At 1 April 2020	51,654	159,815	109,932
Charge for year	2,119	19,218	6,873
Eliminated on disposal	-	-	-
At 31 March 2021	53,773	179,033	116,805
NET BOOK VALUE			
At 31 March 2021	40,260	195,386	25,658
At 31 March 2020	42,379	210,604	26,745

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

16. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Office equipment £	Totals £
COST			
At 1 April 2020	81,371	33,342	715,842
Additions	21,862	5,706	37,354
Disposals	<u>(19,621)</u>	<u>-</u>	<u>(19,621)</u>
At 31 March 2021	<u>83,612</u>	<u>39,048</u>	<u>733,575</u>
DEPRECIATION			
At 1 April 2020	45,619	24,646	391,666
Charge for year	5,279	2,707	36,196
Eliminated on disposal	<u>(16,764)</u>	<u>-</u>	<u>(16,764)</u>
At 31 March 2021	<u>34,134</u>	<u>27,353</u>	<u>411,098</u>
NET BOOK VALUE			
At 31 March 2021	<u>49,478</u>	<u>11,695</u>	<u>322,477</u>
At 31 March 2020	<u>35,752</u>	<u>8,696</u>	<u>324,176</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Totals £
COST		
At 1 April 2020	22,400	22,400
Disposals/Transfer to ownership	<u>-</u>	<u>-</u>
	<u>22,400</u>	<u>22,400</u>
DEPRECIATION		
At 1 April 2020	5,425	5,425
Charge for year	<u>1,744</u>	<u>1,744</u>
At 31 March 2021	<u>7,169</u>	<u>7,169</u>
NET BOOK VALUE		
At 31 March 2021	<u>15,231</u>	<u>15,231</u>
At 31 March 2020	16,975	16,975

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

17. HERITAGE ASSETS – GROUP AND COMPANY

	Total £
MARKET VALUE	
At 1 April 2020 and 31 March 2021	<u>3,165,907</u>
NET BOOK VALUE	
At 31 March 2021	<u>3,165,907</u>
At 31 March 2020	<u>3,165,907</u>

The Heritage property consists of Kelmarsh Hall together with amenity lands, gardens and woodlands and Home Farm.

Freehold land and buildings are made up as follows;

	£
Transfer to the company during the year ended 31 March 1988 by the executors of Colonel CG Lancaster at probate value	760,907
Transfers to the company during the year ended 31 March 1997 by the executors of Miss CV Lancaster at probate value	310,000
Acquisitions at cost comprising improvements carried out in accordance with the Trusts development plan	735,211
Acquisitions at cost during 2017- 2019 relating to the Heritage Lottery Fund project	<u>1,359,789</u>
	<u>3,165,907</u>

The transactions relating to the heritage assets for this reporting period and for each of the previous four reporting periods are summarised as follows;

	2021 £	2020 £	2019 £	2018 £	2017 £
Cost brought forward	3,165,907	3,165,907	3,133,896	2,331,006	1,806,118
Additions	-	-	32,011	802,890	524,888
Donations	-	-	-	-	-
Cost carried forward	3,165,907	3,165,907	3,165,907	3,133,896	2,331,006
Charge for impairment	-	-	-	-	-
Disposals	-	-	-	-	-
Proceeds	-	-	-	-	-

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

18. FIXED ASSET INVESTMENTS - GROUP

	Listed investments £	Totals £
MARKET VALUE		
At 1 April 2020	695,840	695,840
Revaluations	<u>145,199</u>	<u>145,199</u>
At 31 March 2021	<u>841,039</u>	<u>841,039</u>
 NET BOOK VALUE		
At 31 March 2021	<u>841,039</u>	<u>841,039</u>
At 31 March 2020	<u>695,840</u>	<u>695,840</u>

There were no investment assets outside the UK.

The original cost of listed investments (all of which are quoted on a recognised stock exchange) was £1,440,642 before disposals of £670,400 during the years ended 31 March 2017 to 31 March 2021. They are held in portfolios managed by M & G Securities Limited.

	Shares in group undertakings £	Listed investments £	Totals £
MARKET VALUE			
At 1 April 2020	1,000	695,840	696,840
Disposals	-	-	-
Unrealised gains /(losses)	<u>-</u>	<u>145,199</u>	<u>145,199</u>
At 31 March 2021	<u>1,000</u>	<u>841,039</u>	<u>842,039</u>
 NET BOOK VALUE			
At 31 March 2021	<u>1,000</u>	<u>841,039</u>	<u>842,039</u>
At 31 March 2020	<u>1,000</u>	<u>695,840</u>	<u>696,840</u>

There were no investment assets outside the UK.

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

18. FIXED ASSET INVESTMENTS - continued

The company's investments at the balance sheet date in the share capital of companies include the following:

Kelmarsh (Events) Limited

Nature of business: Organisation of events

Class of share:	% holding
£1 Ordinary	100

19. INVESTMENT PROPERTY – GROUP AND COMPANY

	£
FAIR VALUE	
At 1 April 2020	22,350,000
Additions	-
Revaluation	<u>370,000</u>
At 31 March 2021	<u>22,720,000</u>
NET BOOK VALUE	
At 31 March 2021	<u>22,720,000</u>
At 31 March 2020	<u>22,350,000</u>

Freehold investment properties were valued at 31 March 2021 by Howkins & Harrison, Chartered Surveyors and Valuers. The basis of valuation for residential properties was at fair value with an appropriate discount to take account of the likelihood of gaining vacant possession within a period of time, and for farm properties on an investment basis ignoring sitting tenants' bids which would be at higher levels.

The original cost of freehold investment properties was £2,100,945 (2020: £2,100,945). This is made up as follows:

	£
Transfers to the company during the year ended 31 March 1988 by the executors of Colonel CG Lancaster, at probate value	1,090,876
Less: land lost upon compulsory purchase by the Department of Transport relating to the A14 Link Road	<u>(100,000)</u>
	990,876
Transfers to the company during the year ended 31 March 1997 by the executors of Miss CV Lancaster, at probate value	1,048,450
Other acquisitions at cost	<u>61,619</u>
	<u>2,100,945</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

20. STOCKS - GROUP

	2021	2020
	£	£
Farm Stocks	11,018	8,236
Other stocks	4,296	2,196
	<u>15,314</u>	<u>10,432</u>

21. STOCKS - COMPANY

	2021	2020
	£	£
Farm stocks	<u>11,018</u>	<u>8,236</u>

22. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - GROUP

	2021	2020
	£	£
Trade debtors	12,797	15,492
VAT	27,441	6,847
Prepayments	<u>107,011</u>	<u>110,672</u>
	<u>147,249</u>	<u>133,011</u>

23. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - COMPANY

	2021	2020
	£	£
Trade debtors	2,857	15,742
VAT	26,969	3,380
Prepayments	<u>104,273</u>	<u>110,075</u>
	<u>134,099</u>	<u>129,197</u>

24. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - GROUP

	2021	2020
	£	£
Hire purchase (see note 30)	5,137	5,423
Trade creditors	38,514	76,977
Social security and other taxes	3,213	4,830
Other creditors	4,587	4,976
Other loans (see note 28)	88,504	85,140
Accruals and deferred income	<u>184,002</u>	<u>124,133</u>
	<u>323,957</u>	<u>301,479</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS – continued FOR THE YEAR ENDED 31 MARCH 2021

24. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – GROUP – continued

Hire purchase creditors are secured on the assets concerned.
Deferred income includes deposits received for events held after the year end.

25. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR – GROUP

	2021	2020
	£	£
Hire purchase (see note 30)	11,559	-
Other loans (see note 28)	47,916	-
	<u>59,475</u>	<u>-</u>

26. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - COMPANY

	2021	2020
	£	£
Hire purchase (see note 30)	5,137	5,423
Trade creditors	38,300	75,759
Amounts owed to group undertakings	16,124	18,829
Social security and other taxes	3,213	4,830
Other creditors	3,757	4,475
Other loans (see note 29)	86,420	85,140
Accruals and deferred income	102,585	58,319
	<u>255,536</u>	<u>252,775</u>

Hire purchase creditors are secured on the assets concerned.
Deferred income includes deposits received for events held after the year end.

27. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR – COMPANY

	2021	2020
	£	£
Hire purchase (see note 30)	11,559	-
	<u>11,559</u>	<u>-</u>

Hire purchase creditors are secured on the assets concerned.

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

28. LOANS – GROUP

An analysis of the maturity of loan is given below:

	2021 £	2020 £
Amounts falling due within one year on demand:		
Loan from Miss CV Lancaster's 1994 Charitable Trust	86,420	85,140
Bounce Back Loan	<u>2,084</u>	<u>-</u>
	<u>88,504</u>	<u>85,140</u>
	2020 £	2019 £
Amounts falling due after more than one year:		
Bounce Back Loan	<u>47,916</u>	<u>-</u>

29. LOANS – COMPANY

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amount falling due within one year on demand:		
Loan from Miss CV Lancaster's 1994 Charitable Trust	<u>86,420</u>	<u>85,140</u>

30. LEASING AGREEMENTS – GROUP AND COMPANY

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Net obligations repayable:		
Within one year	5,137	5,423
Between one and five years	<u>11,559</u>	<u>-</u>
	<u>16,696</u>	<u>5,423</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

31. SECURED DEBTS – GROUP AND COMPANY

The following secured debts are included within creditors:

	2021 £	2020 £
Hire purchase contracts	<u>16,697</u>	<u>5,423</u>

Hire purchase creditors are secured on the assets concerned.

32. MOVEMENT IN FUNDS

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General fund	3,487,428	441,939	(21,498)	3,907,869
General fair value reserve	<u>6,628,767</u>	<u>370,000</u>	<u>-</u>	<u>6,998,767</u>
	<u>10,116,195</u>	<u>811,939</u>	<u>(21,498)</u>	<u>10,906,636</u>
Restricted funds				
Contribution to heating system	136,622	(10,750)	21,498	147,370
Obtaining museum accreditation	9,733	(2,432)	-	7,301
Heritage Lottery Fund	<u>1,082,955</u>	<u>-</u>	<u>-</u>	<u>1,082,955</u>
	<u>1,229,310</u>	<u>(13,182)</u>	<u>21,498</u>	<u>1,237,626</u>
Endowment funds				
Permanent endowment fund	1,751,783	-	-	1,751,783
Endowment fair value reserve	<u>13,509,124</u>	<u>-</u>	<u>-</u>	<u>13,509,124</u>
TOTAL FUNDS	<u><u>26,606,412</u></u>	<u><u>798,757</u></u>	<u><u>-</u></u>	<u><u>27,405,169</u></u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

32. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	711,979	(415,239)	145,199	441,939
General fair value reserve	-	-	370,000	370,000
	<u>711,979</u>	<u>(415,239)</u>	<u>515,199</u>	<u>811,939</u>
Restricted funds				
Renewable heating incentive	11,117	(11,117)	-	-
Heritage fund	102,400	(102,400)	-	-
Coronavirus job retention scheme	44,290	(44,290)	-	-
Cultural recovery fund for heritage	263,600	(263,600)	-	-
Contribution to heating system	-	(10,750)	-	(10,750)
Obtaining museum accreditation	-	(2,432)	-	(2,432)
	<u>421,407</u>	<u>(434,589)</u>	<u>-</u>	<u>(13,182)</u>
Endowment funds				
Permanent endowment fund	-	-	-	-
Endowment fair value reserve	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS	<u><u>1,133,386</u></u>	<u><u>(849,828)</u></u>	<u><u>515,199</u></u>	<u><u>798,757</u></u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

33. MOVEMENT IN FUNDS – 31 MARCH 2020

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
Unrestricted funds				
General fund	3,530,370	(136,664)	93,721	3,487,428
General fair value reserve	5,392,730	1,236,037	-	6,628,767
	<u>8,923,100</u>	<u>1,099,373</u>	<u>93,721</u>	<u>10,116,195</u>
Restricted funds				
Contribution to heating system	147,372	(10,750)	-	136,622
Obtaining museum accreditation	23,289	(3,243)	(10,313)	9,733
Heritage Lottery Fund	1,143,016	23,140	(83,201)	1,082,955
Philadelphus Garden	207	-	(207)	-
	<u>1,313,884</u>	<u>9,147</u>	<u>(93,721)</u>	<u>1,229,310</u>
Endowment funds				
Permanent endowment fund	1,751,783	-	-	1,751,783
Endowment fair value reserve	10,139,544	3,369,580	-	13,509,124
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>22,128,312</u>	<u>4,478,100</u>	<u>-</u>	<u>26,606,412</u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

33. MOVEMENT IN FUNDS – 31 MARCH 2020 - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	976,635	(933,486)	(179,813)	(136,664)
General fair value reserve	-	-	1,236,037	1,236,037
	<u>976,635</u>	<u>(933,486)</u>	<u>1,056,224</u>	<u>1,099,373</u>
Restricted funds				
Contribution to heating system	-	(10,750)	-	(10,750)
Obtaining museum accreditation	-	(3,243)	-	(3,243)
Heritage Lottery Fund	106,342	(83,202)	-	23,140
	<u>106,342</u>	<u>(97,195)</u>	<u>-</u>	<u>9,147</u>
Endowment funds				
Permanent endowment fund	-	-	-	-
Endowment fair value reserve	-	-	3,369,580	3,369,580
	<u>-</u>	<u>-</u>	<u>3,369,580</u>	<u>3,369,580</u>
TOTAL FUNDS	<u><u>1,082,977</u></u>	<u><u>(1,030,680)</u></u>	<u><u>4,425,804</u></u>	<u><u>4,478,100</u></u>

THE KELMARSH TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

34. MOVEMENT IN FUNDS -RESTRICTED FUNDS

Contribution to the heating system

In the year ended 31 March 2013, £215,000 was received as a contribution towards the heating system. At 1 April 2020, the balance was £136,622. During the year £10,750 was released to the Statement of Financial Activities as depreciation. The balance at 31 March 2021 was £147,370.

Heritage Lottery Fund

During the year no additional funds were received towards the "Heritage Lottery Fund" funded project. At 31 March 2021 the balance was £1,082,955.

Museum Accreditation

Monies received in order to obtain museum accreditation. At 31 March 2021 the balance of the fund was £7,301.

Renewable Heating Incentive

During the year £11,117 was received as a result of the energy generated through the renewable heating system. At 31 March 2021 the balance was £Nil, due to utilisation in the year.

Heritage Emergency Fund

During the year £108,400 was received from the Heritage Emergency Fund as a grant to support the day-to-day running costs of the charity due to the pandemic. The grant was fully utilised to cover expenditure incurred between June and September 2020. Part of the grant was allocated to work required on the website, which commenced during the year but was not completed until after the year end and therefore £6,000 has been included as deferred income, to be released to the Statement of Financial Activities as and when it is expensed.

Coronavirus Job Retention Scheme

During the year the charity received £44,290, as part of the Coronavirus Job Retention Scheme support, to assist with salary costs due to the pandemic. The full grant received was used to pay employees of the Trust.

Cultural Recovery Fund for Heritage

In the year £263,600 was received from the Department for Digital, Culture, Media & Sport through the Heritage Fund as a grant to support the day-to-day running costs of the charity due to the pandemic. The full amount received was utilised to cover expenditure during the year.

35. PENSION COMMITMENTS

The charity has contributed to personal pension schemes in respect of certain employees. The total contributions paid in the year were £27,364 (2020: £27,964).

36. RELATED PARTY DISCLOSURES

Mr CL Greville-Heygate, Mr JD Lancaster and Mr R King are Trustees of Miss Lancaster's 1994 Charitable Trust. At the balance sheet date the charity owes Miss Lancaster's 1994 Charitable Trust £86,420 (2020: £85,140). There is no fixed date for repayment and amounts are repayable on demand.

The company has taken advantage of the exemption under Section 33 of FRS102 not to disclose transactions with group companies.