

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
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THE KELMARSH TRUST

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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

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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.

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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.

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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.

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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

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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	<u>8,220,000</u>	<u>-</u>	<u>14,500,000</u>	<u>22,720,000</u>	<u>22,350,000</u>
		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		<u>570,615</u>	<u>6,000</u>	<u>-</u>	<u>576,615</u>	<u>228,525</u>
		733,178	6,000	-	739,178	371,968
CREDITORS						
Amounts falling due within one year	24	<u>(317,957)</u>	<u>(6,000)</u>	<u>-</u>	<u>(323,957)</u>	<u>(301,479)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>415,221</u>	<u>-</u>	<u>-</u>	<u>415,221</u>	<u>70,489</u>
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	<u>(59,475)</u>	<u>-</u>	<u>-</u>	<u>(59,475)</u>	<u>-</u>
NET ASSETS		<u>10,906,636</u>	<u>1,237,626</u>	<u>15,260,907</u>	<u>27,405,169</u>	<u>26,606,412</u>
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				<u>13,509,124</u>	<u>13,509,124</u>	<u>13,509,124</u>
TOTAL FUNDS		<u>10,906,636</u>	<u>1,237,626</u>	<u>15,260,907</u>	<u>27,405,169</u>	<u>26,606,412</u>

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	102,561	125,144
	<u>102,561</u>	<u>125,144</u>

6. EVENTS INCOME – GROUP AND COMPANY

	2021 £	2020 £
Events	20,821	272,204
	<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
	<hr/>	<hr/>	<hr/>	<hr/>
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.