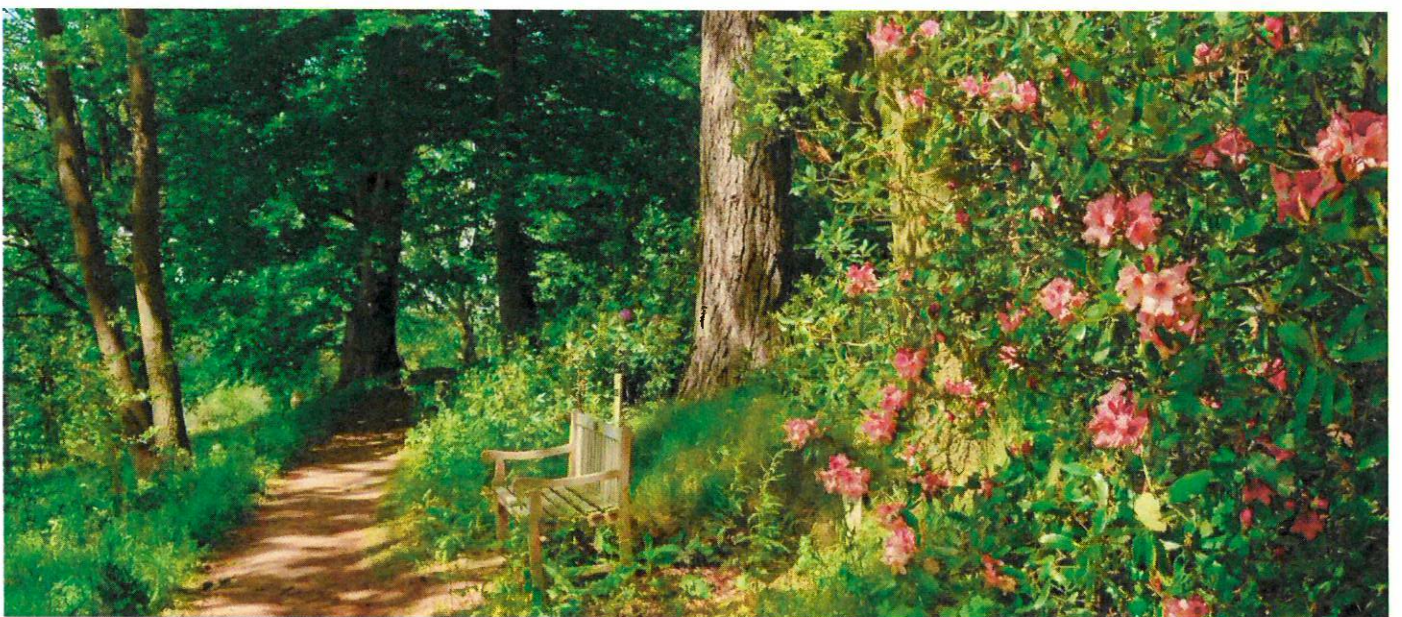


Annual Report 2021  
CIO 1154467





**HISTORICAL BACKGROUND**

The Roger & Douglas Turner Charitable Trust (“the Trust”), a Charitable Incorporated Organisation, was incorporated on 5 November 2013 and merged with two unincorporated charitable trusts established separately by the late Mr Douglas William Turner (“DWT”) and his son, the late Mr Roger Douglas Turner (“RDT”) as follows:

- The RD Turner Charitable Trust (“the legacy charity” 263556) was settled on 21 December 1971 when it merged with the Trust on 31 December 2013. On 12 October 2021 this charity was linked to the Trust.
- The Douglas Turner Trust (charity 227892) was settled on 27 January 1964 and it received gifts from DWT during its life. It merged with the Trust on 31 December 2015, and on 12 October 2021 this charity was linked to the Trust.

RDT owned Arley Estate for 40 years until he died in 1999. Under the terms of his Will, the Estate passed to the legacy charity “as an accretion and addition to the fund of the said charity and subject to and with the benefit of the powers provisions and other matters contained in the said trust”. He also “without seeking to impose any binding trust or obligation” expressed the hope that the Trustees “will use their best endeavours to ensure that:

1. The Arley Estate should continue so far as practicable in its current form;
2. They continue to employ where practicable as many as possible of the persons employed by me at my death in connection with the Arley Estate and allow them to continue occupying any accommodation on the same basis as that upon which they are occupying the same at my death;
3. They continue where practicable to allow as many as possible of the persons who at the date of my death have been previously employed by me in connection with the Arley Estate and who at that date are occupying accommodation either rent free or on favourable terms to continue occupying such accommodation on the same basis;
4. They continue to give such assistance as at present to St Peter’s Church, Arley Memorial Hall and Arley Sports and Social Club”

In 1999 Trustees consulted leading Counsel on various issues including RDT’s expressed wish that ‘the Arley Estate should continue so far as practicable in its current form’. They were advised that this neither made it a permanent endowment nor restricted Trustees’ powers of sale or disposition of land in relation to Arley Estate nor imposed a condition on the gift or a restriction on Arley Estate under Charity Law. Counsel advised Trustees to formulate a policy for the charitable use of funds and to identify which assets were to be held as investments.

Following a strategic review, the Trust merged with The Douglas Turner Trust in 2015; Trustees resolved both to increase the overall amount of donations to UK charities and to improve the return from Arley Estate, whilst retaining its unique charm for enjoyment and public benefit of residents and visitors, by providing that:

1. Arley Estate should be retained by the Trust for the foreseeable future;
2. Arley House should be run as a bespoke wedding and conference centre;
3. Arley Arboretum should be made available to a wide range of visitors to enhance public benefit;
4. Arley Gaol, The Boathouse and The Grange should be converted and used as appropriate accommodation;
5. Arley House & Gardens Limited, a wholly owned company, should manage the Estate’s trading activities;
6. The Trust’s charitable aims should over-ride the company’s trading activities in the event of conflict.

**POLICY:** The Trustees reaffirmed in 2019 the policy developed in 1999, subject to minor changes:

1. To support by means of donations other UK registered charities, primarily within the City of Birmingham, the four Black Country boroughs (Walsall, Wolverhampton, Sandwell and Dudley) and Worcestershire.
2. To maintain, to the extent practicable, the amenities of Upper Arley village for the benefit of:
  - (i) their present and future residents;
  - (ii) farming and other enterprises and pursuits in the villages and the surrounding areas;
  - (iii) St Peter’s Church and Arley Memorial Hall;
  - (iv) the community at large and visitors who come to the area primarily for the purpose of recreation;
  - (v) visitors to the Arboretum to enjoy it as an education and leisure resource on an affordable basis.
3. To support such other general charitable purposes in Upper Arley as the Trustees shall in their absolute discretion decide.
4. To regard Arley Arboretum and the office accommodation of Arley House as ‘own-use’ assets and to regard the remaining Estate properties as the Trust’s investments. These investments include those properties let to Arley House & Gardens Limited, which for accounting purposes are consolidated as tangible fixed assets to comply with SORP 2015.

**CONTENTS**

	<b>Page</b>
<b>Historical background</b>	<b>2</b>
<b>Reference and administrative information</b>	<b>4</b>
<b>Overview of the year</b>	<b>5</b>
<b>Our Charitable Aims</b>	<b>6</b>
<b>Achievements and performance in 2020</b>	<b>7</b>
<b>Financial review</b>	<b>8</b>
<b>Investments</b>	<b>9</b>
<b>Managing risk</b>	<b>10-11</b>
<b>Governance</b>	<b>12</b>
<b>Key financial policies</b>	<b>13</b>
<b>People</b>	<b>13</b>
<b>Public benefit</b>	<b>13</b>
<b>Fundraising activities</b>	<b>14</b>
<b>Plans for the future</b>	<b>14</b>
<b>Trustees' responsibilities and disclosure of information to the auditors</b>	<b>14</b>
<b>Independent auditor's report</b>	<b>15-16</b>
<b>Consolidated statement of financial activities</b>	<b>17</b>
<b>Balance sheets</b>	<b>18</b>
<b>Consolidated and cash flow statements</b>	<b>19</b>
<b>Notes to the accounts</b>	<b>20-31</b>

**REFERENCE AND ADMINISTRATIVE INFORMATION**

**Charitable Incorporated Organisation (CIO)**

**Charity number 1154467**

<b>Trustees</b>	Peter Millward (Chairman) Dawn Long Amanda McGeever Ron Middleton (Vice Chairman) Sharon Stotts Geoff Thomas	
<b>Chief Executive</b>	Mark Webb	<a href="mailto:mark@arleyestate.co.uk">mark@arleyestate.co.uk</a>
<b>Grants &amp; Compliance Officer</b>	Jenny Harris	<a href="mailto:jenny@turnertrust.co.uk">jenny@turnertrust.co.uk</a>
<b>Principal Office</b>	Arley House Lion Lane Upper Arley DY12 1SQ	Phone 01299 861368
<b>Websites</b>	Grants Arboretum Weddings, events and trading	<a href="http://www.turnertrust.co.uk">www.turnertrust.co.uk</a> <a href="http://www.arleyarboretum.co.uk">www.arleyarboretum.co.uk</a> <a href="http://www.arleyhouseandgardens.co.uk">www.arleyhouseandgardens.co.uk</a>
<b>Auditors</b>	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury B69 2DG	
<b>Investment Managers</b>	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU	Investec WIN 30 Gresham Street London EC2V 7QN
<b>Property Consultants</b>	Halls Gavel House 137 Franche Road Kidderminster DY11 5AP	Bronwin & Abbey Auction House King George's Way Pershore Worcs WR10 1 EY
<b>Bankers</b>	Handelsbanken 63 Market Street Stourbridge DY8 1AQ	CCLA 85 Queen Victoria Street London EC4V 4ET
<b>Solicitors</b>	Lodders Solicitors LLP 10 Elm Court, Arden St Stratford-upon-Avon CV37 6PA	Higgs and Sons 3 Waterfront Business Park Brierley Hill West Midlands DY5 1LX
<b>IT consultants</b>	Pinfields IT 60 Sugarbrooke Road Bromsgrove B60 3DN	

**OVERVIEW OF THE YEAR**

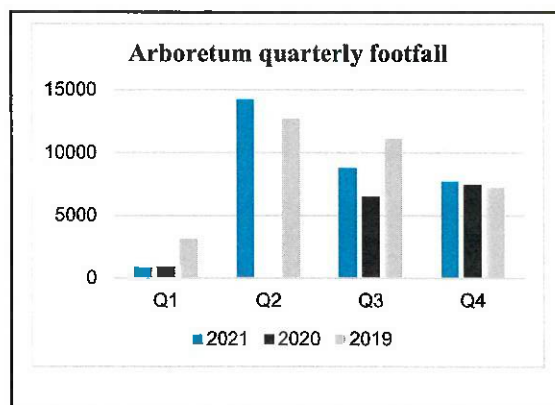
We entered 2021 during the second wave of Covid-19, followed by another national lockdown until 8 March, then a four-step roadmap as the vaccination programme became established, with all restrictions released by 21 June. The huge impact on the travel and hospitality sectors was well publicised, but there was also a significant impact on the operations of charities in our local area.

**Grant-aid to UK charities**

Applications for grants varied amongst the various sectors as activity levels were affected in different ways; the greatest increase in demand came for impaired health and social support charities. Overall our grant aid increased to £604,000, up from £515,000 in 2020 but below the pre-pandemic £711,000 awarded in 2019.

**Charitable activities at Arley Arboretum**

The impact at Arley was that the Arboretum was once again closed during the national lockdown and reopened on 29 March; the demand for admissions for outdoor activities in the second quarter (which included Easter) was even higher than in the record year of 2019. The enhanced on-line booking platform introduced in 2020 meant that we were able to provide a Covid-safe environment. In pursuit of our educational aims, a strategic partnership was formed during the year contact with The Black Pear Trust, which includes Upper Arley C of E School, to enable this Academy Trust to make use of the Arboretum for outdoor teaching and learning.



**Arley Capital Developments**

The five years to 2020 included three significant refurbishments of Estate buildings with the intention of leasing them to Arley House & Gardens Limited and generating trading income for the benefit of the charity, by converting:

- Arley House to a wedding and conference centre with office accommodation for the Trust on the upper floor,
- The Grange (a listed building) from uninhabitable flats to boutique bed and breakfast accommodation, and
- The Boathouse and Old Arley Gaol (previously derelict) to two self-catering holiday apartments.

These developments are now complete although, as noted below, trading was significantly disrupted in the first half.

**Trading activities at Arley House & Gardens Limited (“AHAG”)**

The Government lockdowns continued to have a big impact on wedding plans with numbers of guests severely reduced until the summer with a consequent adverse impact on occupancy at The Grange; following the release of restrictions 26 weddings were held, including many postponed from earlier dates. The sporadic international travel restrictions during the pandemic spurred a boom in demand for UK ‘staycations’ and AHAG benefitted with a very successful start to its new self-catering holiday-rental business at the Boathouse and old Arley Gaol. The Directors were delighted to be able to report £120,000 of profit to be distributed to the charity which included £69,000 received in Government support grants as a hospitality venue and furlough income for staff unable to work.

**Investment performance**

After the market turmoil in 2020, our securities portfolio had a strong year with gains of £2,849,000, up from £1,631,000 principally in global equities. The increase in demand for rural properties drove an exceptional gain in Arley property investment values of £1,791,000 compared with £598,000 in 2020.

**Outlook for 2022**

The Russian invasion of Ukraine at the end of February has shocked the world and our thoughts are on the tragic loss of life in that country. As the refugee crisis increases, the need for social, health and economic support could be huge; we plan to review our grant-giving priorities as events unfold and as local charities determine their response and need for emergency aid.



**OUR CHARITABLE AIMS**

**Our primary aim is to provide grants to UK registered charities** in the beneficial area of Birmingham, the Black Country and Worcestershire.

We focus on charities which support impaired health and the disabled, independent hospices, work in the community, social support and children and young people. We normally have some limited funds for both arts and heritage work.

The majority of our beneficiaries have been regularly supported for four years or more with annual grants for unrestricted funding which can be used for salaries and other core costs. Due diligence is undertaken on these so-called ‘Regulars’ most of which are visited roughly every two years for a discussion with management about charitable outcomes and plans for the future.

Charities seeking grants need to be of sufficient size and long enough established, with adequate management, governance and financial controls and a clear financial need in the context of the charity’s reserves and strategy. The expected impact of any grant needs to be clear and there needs to be evidence in respect of projects that they could not be funded from charities’ own reserves; very large national and international charities are generally not supported even if a project is being undertaken in the beneficial area.

Although predominantly a response-funding Trust, there is a limited amount of targeted funding available to support charitable activities in the village of Upper Arley.

**Our secondary aim is to maintain Arley Estate** for public benefit by providing access for recreation and education at Arley Arboretum and gardens.

The Estate, located in Worcestershire’s Severn Valley, is a significant tourist attraction in the County and can be accessed via Arley Station on the Severn Valley Railway as an alternative to access by road.



**The Italian Garden**

Inspired by the renaissance gardens of the late 15<sup>th</sup> Century the Italian Garden, which is an integral part of the Arboretum, features a spectacular fountain with 18 foot water jets, formal flower beds, box hedging, colonnades of silver lime trees and a dovecote.

Although normally for public benefit, this garden is licenced for weddings and events can be hired for private use via the trading company.

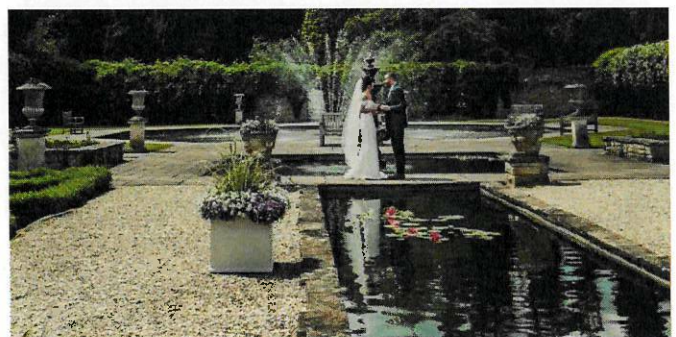
**Arboretum tea-room**

The garden tea room has become a destination of choice for our homemade cakes, hot food, drinks and locally sourced ice cream for our visitors.

The 200-year-old Arboretum, which has some of the most magnificent exotic species in England, provides a wonderful setting in every season.

Children are welcomed with many activities including an adventure play area, a living maze together with quests, scavenger hunts and seasonal events and encouragement to learn about the natural environment. Admission to the Arboretum is required via our online booking system on our website.

There are many walks around the Estate and The Severn Way passes the village and crosses the footbridge to join the North Worcestershire Path.



**ACHIEVEMENTS AND PERFORMANCE IN 2021**

**How we performed - grant aid to other UK charities**

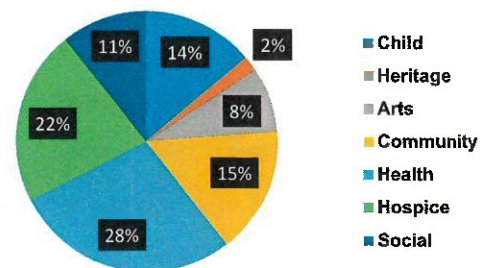
During 2021 we awarded 164 grants amounting to £604,000 compared with 126 grants of £515,000 in 2020, with an average grant of £3,683 (2020: £4,087), including 27 (2020: 29) grants of £5,000 or more, mainly to 'Regular' grant-aided charities.

We were pleased that in the latter part of 2021 our visits programme to our Regular charities (those which have been supported for at least four years) to review their governance, operations and public benefit, was allowed to continue. Earlier visits had to be organised by video conference where possible.

During the year we paid 11 grants of £10,000, seven to local hospices; the largest being to Acorn's Children's Hospice for £25,000. We also donated £15,000 to The Stonehouse Gang, £13,000 to The City Of Birmingham Symphony Orchestra and £10,000 each to Black Country Living Museum and Cerebral Palsy Midlands.

**Our impact** is usually not separately identifiable or measurable as it is inextricably linked to the overall charitable outcomes of our applicants. During the past 18 months however we targeted some charities where the impact was more tangible.

**Grants to UK charities by category**



**Extracts of charities' grant-aid feedback in 2021**

"Your very generous grant meant... we were able to send 300 disadvantaged children living in refuge in Birmingham on a cinema fun day"

"The Trusts support has now spanned over a decade and helped hundreds of people access safe water, sanitation, and hygiene - what an incredible partnership"

"It's thanks to your brilliant support that so many disadvantaged children were able to enjoy a week of mud and magic... Visiting the farm was probably one of the best weeks of my life"

**How we performed - Arley Estate**

Following almost 18 months of some kind of Covid restrictions we were pleased in the latter part of 2021 to recommence scheduled maintenance works across the Estate properties as opposed to carrying out emergency repairs only. This will continue in 2022 as we look to maintain full occupancy rates following the continued demand for properties in the village.

**Arley Arboretum**

After a restricted year in 2020 with 15,499 visitors and a restricted start to 2021 we enjoyed having a total of 31,769 visitors. Admission was only allowed by pre-booked on-line tickets with the emphasis changed away from attracting a large public footfall towards providing an open space for peace, respite and educational benefit. The trails have been redesigned to follow an educational theme for both younger and older children.

**Arboretum visitor feedback 2021**

"...a beautiful and well kept Arboretum with a stunning italian garden...a little gem of a place...so peaceful even when it's quite busy...lovely view of the Severn Valley and the steam trains passing..."

**Arley House & Gardens Limited ("AHAG")**

AHAG had another challenging year and a tale of 2 halves. Faced with the challenges of government lockdowns in the first half and then extremely busy in the second half as postponed weddings were squeezed into a shortened trading period and the UK holiday market boomed with overseas travel restrictions still in place. Turnover reached £441,000 returning a profit back to the Charity of £120,000 which is the best result since the trading subsidiary was formed and a testament to the hard work of the team. This effort was also recognised externally as the team won Events Team of the Year (West Midlands) at The Wedding Industry Awards



## FINANCIAL REVIEW

Total income increased from £1,553,000 to £2,021,000 following a busy second half of the year once government restrictions were eased. A decision to continue to support local charities at a time when they needed funds most resulted in a operating deficit which was more than offset by significant investment gains.

## General Fund

The General fund holds our market securities and is focussed on our primary aim of giving grant-aid to UK charities:

General Fund	2021 £'000	2020 £'000	
Investment income	502	515	Continuing move to ex-UK equities with lower yields
Charitable grants	(604)	(515)	Charitable grants increased as appeals restarted
Charitable costs	(67)	(68)	
Other income	-	10	Grant income
<b>Operating (deficit)</b>	<b>(169)</b>	<b>(58)</b>	
Investment gains	2,849	1,631	Equities recovered particularly in international markets
Transfers to Arley Fund	(47)	(1,475)	Completion of Arley development programme
<b>Movement in funds</b>	<b>2,633</b>	<b>98</b>	

## Arley Fund (designated)

The Arley fund holds the Arley Estate properties, for both investment and own-use, and supports our secondary aim of providing access for recreation and education at Arley Arboretum and gardens:

Arley Fund	2021 £'000	2020 £'000	
Estate property surplus	41	109	Increased repair costs with resumption of planned maintenance
Trading contribution	103	14	Increase in turnover post lockdowns
Other income	102	80	Government hospitality grants and furlough income
Charitable (deficit)	(212)	(202)	
<b>Operating surplus</b>	<b>34</b>	<b>1</b>	
Investment gains	1,791	598	Rural residential housing demand drove 10% increase in values
Tangible asset revaluation	215	10	Holiday Lets completed
Transfers from General Fund	47	1,475	Completion of Arley development programme
<b>Movement in funds</b>	<b>2,087</b>	<b>2,084</b>	



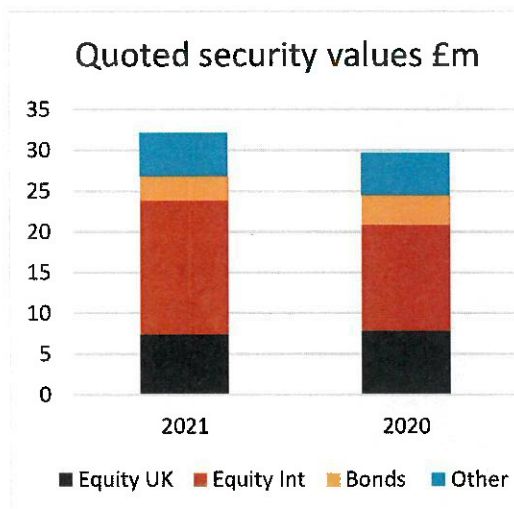
INVESTMENTS

Investments include both quoted securities and a tenanted portfolio of investment properties at Arley Estate.

QUOTED SECURITIES

As previously reported, an independent review of our investment strategy and manager performance took place in 2019 and the Board accepted the advice to retain both managers as their past performance had been strong. The consultants also recommended eventually moving the equity portion to one global benchmark, whilst accepting that we might prefer to adopt an intermediate position, retaining separate UK and ex-UK benchmarks for Investec but with Sarasin using an MSCI global index. This option was adopted by the Board in 2019 and, given the market uncertainties during the past two years, no further changes have since been made.

The neutral equity weighting for the houses is 70% with discretion given to the managers according to market conditions. The attractive market sentiment was reflected in a 4% increase in the overall equity content during 2021, entirely in ex-UK stocks. Conversely bond markets have been weak and our fixed-interest investments were reduced by 3% over the year. Furthermore our exposure to UK commercial property (included in other investments) was reduced to £594,000 reflecting the risk of cash being locked within funds during the period of ‘working-from-home’.



**Investment performance** in 2021 was dominated by recovery in traditional sectors as economies re-opened after the peak of the pandemic. By contrast 2020 had provided unexpected opportunities particularly for US technology stocks during lockdowns. The overall impact on our portfolio was an increased gain of £2,849,000 compared with £1,631,000 in 2020. However income fell slightly to £658,000 (2020 £661,000) but significantly below the £859,000 in 2019 reflecting both the UK dividend cuts and the move away from UK (and towards International) equities during the past two years.

**Post Balance Sheet Event:** At 9 March 2022 our market securities portfolio had fallen in value by £3,761,000 (12.6%) to £28,482,000 following the invasion of Ukraine which commenced on 24th February. Our investment managers believe there will be a short term period of high volatility but the medium to long term strategy is unchanged.

FREEHOLD PROPERTIES AT ARLEY

Arley Estate includes the following:

- **Investment properties:** a tenanted portfolio is principally comprised of 52 residential houses, 3 farms, woodland, a pub and a post office.
- **Own-use properties** including Arley Arboretum (a charitable asset) and various commercial properties:
  - Arley House provides both our wedding and conference facility via a lease to AHAG and our Estate office;
  - The Grange, the Gaol and adjoining Boathouse provide accommodation to support these facilities.

**Trustees’ valuation:** The Board valued the component property parts of Arley Estate, subject to the current occupation and tenancies in place but without making any adjustment for the ‘marriage value’ of the entire estate. Having had regard to Halls’ advice and to ONS data which demonstrated increasing demand for rural properties in the Wyre Forest area, the value of residential tenanted properties was increased by 10% (2020 4.5%). The outlook for ‘bare land’ prices in the agricultural sector is also in demand and land values on the Estate were increased by 5% (2020: nil). The valuation is split as follows:

Trustee valuation as allocated in the financial statements	2021	2020
Tenanted properties within Investments	26,918,000	24,992,000
Own-use properties within tangible fixed assets	5,556,000	5,297,000
<b>Total</b>	<b>£32,474,000</b>	<b>£30,289,000</b>

## MANAGING RISK

## Key risks in 2021

With experience of the pandemic, we have reviewed the Trust's risk profile and identified the following key risks:

Category	Strategic Risk	How risk is managed
<b>Covid-19</b>	Risks to health of staff and/or visitors from poor infection-control protocols	Workplace-screen controls; NHS app point, food served at tea room hatch with outside seating only
<b>Hospitality</b>	Sector subject to government restrictions on opening, capacities and activities	Staff cut back to the minimum to enable flexibility and training in new recommended practices
<b>Recession</b>	Bad debts and pricing pressures impact charitable and trading income streams	Overheads tightly controlled; arboretum staffing matched to pre-booked demand
<b>Climate change</b>	River bank erosion or flooded properties; Higher rainfall threat to visitor attractions	Flood defences for installation at the Boathouse; Car parking enhanced with mesh surface
<b>Reputation</b>	Adverse social media feedback going viral inadequate Arboretum visitor offering	Booking via internet enables improved management of expectations and footfall
<b>Cyber-fraud</b>	Cyber-terrorism threatens internal systems New computers nullify anti-virus software	IT service contract provides enhanced support; Trustees have dedicated i-pads & e-mail accounts

## Building resilience in global markets

Following external advice in 2019, the geographical weighting of equities was revised to make the portfolio more resilient to market corrections and improve longer-term total returns. We continue to review investment risks by:

- Using two investment houses with globally spread portfolios and differing investment strategies;
- Investing in good quality securities traded on major global exchanges;
- Avoiding high risks of capital losses from derivative-based hedge funds;
- Holding regular meetings with managers to review performance, strategic asset allocations and ranges;
- Engaging independent consultants to perform periodic reviews of our strategy and manager performance;

Specific continuing risks in our quoted investment portfolio include:

Category	Investment risk	How risk is managed
<b>Capital</b>	Recessionary market correction coupled with some permanent loss of capital	Securities researched by competent internal teams Selective use of funds in international markets
<b>Counterparty</b>	Cash: custodian failure Nominee client account exposure	Custodian arrangements reviewed periodically Due diligence re Beaufort Securities experience
<b>Market</b>	Liquidity risks - property or alternatives Equity and other market risks	Low-liquidity funds and retail generally avoided Multi-asset portfolio, globally spread

## Energy performance at Arley

The Trustees are conscious of the poor energy performance of the tenanted housing stock in Arley and wish to tackle this significant environmental challenge in a realistic timescale within the legal constraints applicable in a conservation area.

Many of the properties are in terraced blocks of solid-wall brick construction, housing long-term tenants who are entitled to peaceful enjoyment of this beautiful area. Nevertheless the most urgent need is to improve the insulation of these properties which can most easily be done as void periods arise. The village is not connected to the national gas grid so will not be able to take advantage of the possible conversion to mains-hydrogen gas heating in the medium term.

Advice is being obtained from professional energy consultants as to the most realistic and cost-effective way of resolving this challenge.



**MANAGING RISK (continued)**

**Operational risks**

In order to manage operational risks effectively we:

- Obtain independent professional support in managing major capital projects;
- Review financial, hazard and other operational risks at the Audit Committee;
- Manage potential conflicts, principally associated with grant-giving, at every meeting.

**Project risks** on large construction projects incorporate professional expertise to assist in the prudent management of those risks and these projects are led by established professional firms of contract designers and architects with a pre-agreed specification based on a planned turn-key outcome.

**Hazard risks** within Arley Estate including health & safety issues are managed by the Chief Executive who, as Safety Officer, is responsible via the Audit Committee to Trustees. There is a quarterly process in place for reviewing the major operational risks to which the Trust is exposed, and we have established systems and procedures to manage them.

**Health and safety at work:** a comprehensive system of risk assessments is in operation prior to any work being undertaken on the Estate. Employees are encouraged to identify emerging risks and appropriate training needs are regularly reviewed with staff members required to enhance their specific skills or knowledge. Trustees and the Chief Executive keep abreast of Health & Safety law to ensure that the Trust’s culture and behaviours receive the appropriate leadership. Periodic external audits of health and safety are undertaken, with appropriate action taken on recommendations.

**Visitors and safeguarding:** Particular attention is given to hazard risks affecting our stakeholders. Our procedures consider the risks to which visitors are potentially exposed, striking a reasonable compromise between safety, conservation and access. Visitors to the Arboretum are required to take personal responsibility for their own health and safety; children and vulnerable adult visitors must be safeguarded and supervised by a responsible adult visitor at all times.

	<b>Hazard risk</b>	<b>Mitigations and controls</b>
<b>Public visitors</b>	Food safety, Child safeguarding Emergencies	Daily monitoring against standards Responsibility rests with adult visitors Access for emergency vehicles enhanced
<b>Tenants</b>	Exposure: gas, electricity, asbestos, legionella	Inspections, minimum work standards carried out, with tenants encouraged to report any concerns to the Estate Office
<b>Employees</b>	Health & Safety at work, including: <ul style="list-style-type: none"> <li>• Working at height</li> <li>• Mechanical handling</li> <li>• Use of chain saws</li> </ul>	Safety-first culture, review of skills and ban on use of machinery or working in hazardous conditions unless appropriate training and competence levels achieved

These and other delegated risks are included in a risk register which is regularly reviewed by the Audit Committee to monitor actions to be taken by management.

**Legal compliance:** The risks associated with the Arley Estate are managed in accordance with applicable laws and obligations to tenants, visitors and employees.

**Cyber security:** firewalls, user access controls, malware protection and patch management have all been reviewed during the year and enhancements made as appropriate. Internet banking is used for payments to employees, suppliers and grant-aided charities; the system requires multiple layers of access codes; all transactions also require segregation of duties between a loader and two approvers.

**Managing potential conflicts of interest or loyalty:** a register of interests is reviewed at Trustee meetings and if any conflict could arise the conflicted Trustee is excluded from any decision. Following legal advice, one trustee was appointed to the Board of AHAG during the year but this interest is routinely noted and this trustee is excluded from voting as necessary. Accordingly the Board of AHAG is regarded as independent from the Trust.



## GOVERNANCE

## The Charity Governance Code

Our governance is kept under review to comply with the Governance Code so far as reasonably possible. New Trustees are appointed having regard to diversity of skills, experience, gender and age. However, we do not advertise trustee vacancies because of the need for high level of knowledge and experience of charities in the context of a relatively small Board and we believe the current informal approach is appropriate.

There is no restriction on length of service or any specific term of office for the original Trustees at the date of incorporation. However, all new Trustees are appointed for renewable three-year terms of office and the Chairman is appointed for between 5 and 8 years. Trustees are encouraged to undertake appropriate training.

The Board approved a Governance Manual during the year which included the following:

Constitution and related matters clarify the distinction between the roles of governance and management:

Governance	Management
Determining strategy and policy	Implementing strategic decisions
Appointing and overseeing Chief Executive	Appointing managers and staff
Determining governance framework	Supporting governance decisions
Setting the risk framework, overseeing exposure	Managing risk
Approving plans and budgets	Delivering plans and budgets
Monitoring performance	Measuring performance
Providing insight wisdom and judgement	Consulting the Board and Chairman

**Trustees' code of conduct:** This is based on the code issued by the Association of Chief Executives of Voluntary Organisations and Good Governance: A Code for the Voluntary and Community Sector from the National Council for Voluntary Organisations. Through their collective actions as a Board, trustees are responsible for the successful development of a strategy to further our objects, delivery of which, in respect of Arley Estate, is delegated to the Chief Executive. The code establishes the principles expected of Trustees and Management to fulfil these responsibilities by maintaining the highest standards of integrity and stewardship by ensuring that the Trust is effective, open and accountable with good working relationships.

**Declaration of interests:** The Trust aims to uphold the Charity Commission's guidelines which state that *'trustees are required to act reasonably and prudently in all matters relating to the charity and need always to bear in mind that their prime concern is the interests of the charity. They cannot let their personal views or prejudices affect their conduct as trustee'*. A register of interests is maintained and the policy includes examples of potential conflicts which could arise and how they should be managed.

## Board meetings and scheme of delegation

Board meetings take place quarterly to review the charity's activities and to consider grant appeals. To facilitate the decision-making process, we delegate governance as follows:

- The **Audit Committee** liaises with external auditors, promotes and safeguards high standards of financial reporting, internal control, risk management and legal compliance;
- The **Investment Committee** monitors the performance of the Investment Managers against agreed benchmarks and receives advice on Estate matters from our Property Consultants;
- The **Nominations Committee** ensures that Trustees of appropriate calibre and mix of skills are put forward for selection to the Board of Trustees;
- The **Grants Committee** previews all grant applications in detail and makes recommendations to the Board. We rotate membership at each meeting to reduce the risk of bias.
- The **Estates Committee** was formed in June 2021 to consider all property related matters in conjunction with the Chief Executive and property consultants, Halls.

Arley House & Gardens Limited has its own independent Board but Trustees retain oversight with one Trustee-Director and by means of formal reports and informal dialogue with its Chairman.

**KEY FINANCIAL POLICIES****Investment policy for quoted securities**

There are no restrictions on the Trust's power to invest and we do not currently prohibit any investments on social, environmental or ethical grounds beyond those adopted by the managers' internal procedures. Our investment objective is to generate a balanced total return from income and capital growth based on relative benchmarks for different asset classes with 70% in equities, 15% in bonds and 15% in alternatives (including property) to generate a total return over the long term of 3.5% above UK RPI, net of fees.

**Investment policy for freehold property**

Arley Estate properties continue to be held to maximise total investment returns. Many of the Estate properties are subject to long-term tenancy arrangements. It is intended to maintain and improve the properties and so far as possible refurbish them having regard to the constraints and wishes of sitting tenants. Management has developed minimum standards for tenancies, with the help of appropriate professional advice.

**Reserves Policy**

Although the whole of the accumulated fund is legally expendable and unrestricted, our policy is to maintain the capital base (primarily the quoted investments in the general fund) in real terms to support future grant awards. The designated Arley fund can only be realised by disposing of tangible fixed assets, principally Arley House and Arboretum, which are inextricably linked with the investment property portfolio of Arley Estate. All investments are therefore excluded from reserves which comprise that part of the Trust's unrestricted funds that is freely available to spend on any of the charity's purposes; they are unencumbered amounts represented by cash or other readily realisable assets less liabilities.

Our policy is to hold reserves generally in the target range of £250,000 to £750,000. At 31 December 2021, reserves amounted to £738,000 (2020: £601,000).

**Remuneration policy**

Our approach to remuneration ensures that we can attract and retain talented and motivated people who can achieve our mission and deliver our strategic goals. Our aim is to pay competitively in the not-for-profit sector within the context of affordability. In addition to linking pay to performance, and providing salary progression for those who deliver exceptional performance, we review internal relativity through a pay moderation process. In determining the Chief Executive's remuneration, we also periodically review external survey data from the Association of Chief Executives of Voluntary Organisations (ACEVO).

**PEOPLE**

Mr David Causer ceased to be Chief Executive of Arley Estate from 31 August 2021 and the Trustees thank him for his immense contribution to the Trust since joining the organisation in June 2014.

Mr Mark Webb, who was the Finance Director was appointed Chief Executive of the Trust during the year and the Trustees wish him every success in his new role.

The easing of Government restrictions arising from the global pandemic in the summer led to a huge increase in demand for weddings and other activities during the year and the Trustees wish to place on record their appreciation for the loyalty, hard work and commitment of the whole team at Arley during the year.

The Directors of Arley House & Gardens Limited are non-executive and unremunerated. We are grateful to them for their continued diligent stewardship of the company's activities, enabling Trustees to focus on the charitable activities of the Trust. We also wish to thank our 15 active volunteers who bring significant additional skills and experience and continue to support the work of the Arboretum with great enthusiasm.

**PUBLIC BENEFIT**

We have considered the Charities Act 2011 on public benefit, noting that the Act states that there is no presumption of benefit. We have also had due regard for Charity Commission Guidance on the subject, in the context of both our charitable activities at Arley Estate and our charitable grant giving.

**FUNDRAISING ACTIVITIES**

The Charity has no fundraising activities requiring disclosure under Section 162a Charities Act 2011.

**PLANS FOR THE FUTURE****What we planned a year ago, progress in 2021 and updated plans for 2022**

**Arley fund:** The primary focus for 2021 was to closely monitor the ever-changing situation and rules relating to the Covid-19 pandemic, with a view to managing the Estate and its respective tenanted properties, providing a safe experience for visitors and ensuring the Trading company maximised opportunities in a difficult hospitality sector. The extension to the Arboretum has been delayed during the disruption caused by the pandemic but will be reconsidered in the foreseeable future.

**General fund:** we plan to increase the level of grant-aid, funded partially by drawdowns from our investment portfolio.

**LINKED CHARITIES**

As of 12 October 2021, the Charity Commission directed that The R D Turner Charitable Trust and The Douglas Turner Trust ('the linked charities') have been treated as forming part of the charity called The Roger & Douglas Turner Charitable Trust ('the reporting charity') for the purposes of Part 4 (registration) and Part 8 (accounting) of the Charities Act 2011. This direction took effect for the whole of the year ended 31 December 2021.

The effect of linking charities for accountancy and registration purposes means that the charities are registered under a single registration number and the trustees are required to prepare a single set of accounts for the reporting charity and the linked charities, within which the individual funds of the linked charity or charities are reported as restricted funds. Neither of the linked charities, having merged with the reporting charity in earlier years, has any assets or liabilities to be aggregated within the balance sheet or statement of financial activities of the reporting charity.

**TRUSTEES' RESPONSIBILITIES AND DISCLOSURE OF INFORMATION TO AUDITORS**

The Charities Act 2011 requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Trust and of the surplus or deficit of the Trust for that period. In preparing those financial statements the Trustees are required to:-

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards and the Charities SORP, disclosing and explaining any departures in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Trust will continue in operation.

The Trustees are responsible for keeping accounting records which disclose, with reasonable accuracy, the financial position of the Trust at any time, and for ensuring that the financial statements comply with charity law. The Trustees are also responsible for safeguarding the Trust's assets, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.



**Peter J Millward**

**Chairman**  
**11 March 2022**



**Independent Auditor's Report to the Members of The Roger and Douglas Turner Charitable Trust****Opinion**

We have audited the financial statements of The Roger and Douglas Turner Charitable Trust ('the charity') and its subsidiary ('the group') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity and group's affairs as at 31 December 2021 and of the charity and group's 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 Charities Act 2011.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity and 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 charity's or 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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

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.

**Matters on which we are required to report by exception**

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

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

- adequate and proper accounting records have not been kept; 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 trustees' responsibilities statement set out on page 14, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for charity and group's operations were Charity Commission regulations, General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Environmental protection legislation, Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**Use of our report**

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

*Crowe U.K. LLP*

**Crowe U.K. LLP**  
Statutory Auditor

Black Country House, Rounds Green Road, Oldbury, B69 2DG

11 March 2022

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Unrestricted Funds	Note	2021			2020		
		Arley Fund £'000	General Fund £'000	Total £'000	Arley Fund £'000	General Fund £'000	Total £'000
<b><u>Income from:</u></b>							
Investments	3	539	658	1,197	568	661	1,229
Trading Activities	4	441	-	441	101	-	101
Charitable Activities	5	281	-	281	133	-	133
Other income	6	102	-	102	80	10	90
<b>Total Income</b>		<b>1,363</b>	<b>658</b>	<b>2,021</b>	<b>882</b>	<b>671</b>	<b>1,553</b>
<b><u>Expenditure from:</u></b>							
Raising Funds	7	498	156	654	459	146	605
Trading Activities	8	338	-	338	87	-	87
Charitable Activities	9	493	671	1,164	335	583	918
<b>Total Expenditure</b>		<b>1,329</b>	<b>827</b>	<b>2,156</b>	<b>881</b>	<b>729</b>	<b>1,610</b>
Operating Surplus/(Deficit)		34	(169)	(135)	1	(58)	(57)
Net investments gain	14	1,791	2,849	4,640	598	1,631	2,229
<b>Net Income</b>		<b>1,825</b>	<b>2,680</b>	<b>4,505</b>	<b>599</b>	<b>1,573</b>	<b>2,172</b>
Revaluation of fixed assets	13	215	-	215	10	-	10
Transfers between funds	20	47	(47)	-	1,475	(1,475)	-
<b>Net Movement in Funds</b>		<b>2,087</b>	<b>2,633</b>	<b>4,720</b>	<b>2,084</b>	<b>98</b>	<b>2,182</b>
<b>Total Funds at 1 January</b>		<b>30,755</b>	<b>30,348</b>	<b>61,103</b>	<b>28,671</b>	<b>30,250</b>	<b>58,921</b>
<b>Total Funds at 31 December</b>		<b>32,842</b>	<b>32,981</b>	<b>65,823</b>	<b>30,755</b>	<b>30,348</b>	<b>61,103</b>

The charity had no recognised gains or losses other than the net movements in funds for the year.

The Arley Fund is a designated fund which includes the net assets and operations of Arley Estate, Arboretum and the trading subsidiary, Arley House & Gardens Limited.

The notes on pages 20 to 31 form part of these financial statements.



BALANCE SHEETS AS AT 31 DECEMBER 2021

	Note	GROUP		CHARITY	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Fixed assets</b>					
Intangible assets	13	4	9	4	9
Tangible assets	13	5,796	5,571	5,796	5,571
Investments	14	59,161	54,739	59,161	54,739
<b>Total</b>		<b>64,961</b>	<b>60,319</b>	<b>64,961</b>	<b>60,319</b>
<b>Current assets</b>					
Stock	15	20	17	13	12
Debtors	16	196	223	249	188
Cash	17	1,071	968	833	898
		<b>1,287</b>	<b>1,208</b>	<b>1,095</b>	<b>1,098</b>
<b>Creditors</b>					
Amounts due within one year	18	(425)	(424)	(233)	(314)
<b>Net Current Assets</b>		<b>862</b>	<b>784</b>	<b>862</b>	<b>784</b>
<b>Net Assets</b>		<b>65,823</b>	<b>61,103</b>	<b>65,823</b>	<b>61,103</b>
Arley Fund	19	32,842	30,755	32,842	30,755
General Fund	19	32,981	30,348	32,981	30,348
<b>Total Funds</b>		<b>65,823</b>	<b>61,103</b>	<b>65,823</b>	<b>61,103</b>

The movement in funds dealt with in the financial statements of the charity was £4,720,000 (2020: £2,182,000).

The notes on pages 20 to 31 form part of these financial statements.

Approved by the Board on 11 March 2022 and signed on its behalf by:



**Peter J Millward**  
Chairman

**CONSOLIDATED AND CHARITY CASH FLOW STATEMENT**  
**For the year ended 31 December 2021**

	Note	GROUP		CHARITY	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Cash (used in) operating activities</b>	21	(672)	(620)	(960)	(667)
<b>Cash flows from investing activities</b>					
Dividend and Interest income		658	661	658	661
Distribution received under deed of covenant		-	-	120	2
Purchase of tangible fixed assets		(108)	(1,726)	(108)	(1,726)
Proceeds from sale of tangible fixed assets		7	5	7	5
Purchase of investments		(6,157)	(10,827)	(6,157)	(10,827)
Capital expenditure on investment properties		(135)	(50)	(135)	(50)
Investment cash drawn down		200	1,100	200	1,100
Proceeds from sale of investments		6,310	10,968	6,310	10,968
		<u>775</u>	<u>131</u>	<u>895</u>	<u>133</u>
<b>Cash provided by investing activities</b>					
Increase/(decrease) in cash and cash equivalents in the year		103	(489)	(65)	(534)
Cash and cash equivalents at the beginning of the year		968	1,457	898	1,432
<b>Total cash and cash equivalents at the end of the year</b>		<u>1,071</u>	<u>968</u>	<u>833</u>	<u>898</u>

The notes on pages 19 to 31 form part of these financial statements.

## NOTES TO THE ACCOUNTS

## 1 GENERAL INFORMATION

This Charitable Trust (hereinafter 'the Trust' or 'the Charity') is a Charitable Incorporated Organisation (CIO), registered with the Charities Commission in England and Wales, registration number 1154467. The charity is a public benefit entity; its principal office is at Arley House, Lion Lane, Upper Arley, Worcestershire, DY12 1SQ.

## 2 PRINCIPAL ACCOUNTING POLICIES

**Basis of preparation:** The accounts of have been prepared on an accruals basis under the historical cost convention, with items recognised at cost or transaction value unless otherwise stated in the relevant notes below, as amended for the revaluation of investments. They have been prepared in accordance with the current Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

**Assessment of going concern:** The Trustees consider, despite COVID-19, that there are no material uncertainties about the Trust's ability to continue as a going concern and the Financial Statements are drawn up on the Going Concern basis. This assumes that the Trust will continue in operational existence for the foreseeable future following stress testing numerous forecasts and scenarios. With respect to the next reporting year, the most significant areas of uncertainty that affect the income of the Trust and the carrying value of its assets are the level of investment return and the performance of investment markets. The willingness of the public both to purchase admission tickets to the Arboretum and to make bookings are areas of financial uncertainty which the Trustees have mitigated with an internet-based booking system to manage footfall more effectively. There is a further area of uncertainty in the trading subsidiary in respect of income from weddings and events during the UK government restrictions in respect of COVID-19 which Trustees have mitigated by reducing overhead costs and taking full advantage of government grants for hospitality venues and furlough schemes for staff.

**Basis of consolidation:** The Trust has one wholly owned subsidiary, Arley House & Gardens Limited, which is registered in England. Consolidated financial statements of the Group have been prepared on a line-by-line basis, with the results of the subsidiary included in the designated Arley Fund. As permitted, a separate income and expenditure account, dealing with the results of the Trust only, has not been presented.

**Fund Accounting:** The trust's constitution permits funds to be expended without restriction. The Trustees have included the operations of the Arley Estate, including the trading company, in a separate designated fund.

**Income recognition:** all income is recognised once the charity has entitlement, it is probable that the income will be received and the amount can be measured reliably.

**Donations and legacies** are recognised when the group has been notified the amount and the settlement date.

**Investment Income** is accounted for when receivable and the amount can be measured reliably by the Trust; dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment managers.

**Rental Income from Arley Estate properties** is recognised when it is receivable and it is probable that the Group will receive the amount due under the lease.

**Revenue** is recognised to the extent that it is probable that the economic benefits will flow to the Group. Revenue is measured as the fair value of the consideration received, excluding discounts, rebates, value-added tax and other sales taxes; the following criteria must also be met before revenue is recognised:



## NOTES TO THE ACCOUNTS (CONTINUED)

## 2 PRINCIPAL ACCOUNTING POLICIES (Continued)

*Revenue from sales of goods* is recognised when all of the following conditions are satisfied:

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction;
- the respective costs incurred or to be incurred can be measured reliably.

*Revenue from a contract to provide services* is recognised in the period in which the services are provided in accordance with the stage of completion of the contract but all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion the contract can be measured reliably;
- the cost incurred and the cost to complete the contract can be measured reliably;

*Expenditure* is recognised as soon as there is a legal or constructive obligation committing the Group to that expenditure, it is probable that settlement will be required and the amount can be measured reliably. Expenditure is accounted for on an accruals basis. Expenses including support costs are allocated or apportioned to the applicable expenditure headings.

*Grant awards* are accounted for as expenditure as soon as a valid expectation has been communicated to the recipient charity, unless the offer is conditional upon events outside the Trust's control and it is possible but not probable that an outflow of economic benefits will arise, in which case such amounts are recognised as contingent liabilities until the grant conditions are fulfilled.

*Irrecoverable VAT:* the Group is partially exempt for VAT purposes and holds a group registration certificate. VAT is charged against the expenditure heading for which it was incurred.

*Operating lease rentals* are charged on a straight-line basis over the period of the lease.

*Pension Costs:* The Trust contributes to a defined contribution 'money purchase' scheme on behalf of certain employees. Costs are charged to the Statement of Financial Activities.

*Holiday pay:* The holiday year is also the financial year and employees are required to take their holiday entitlement during the year; accordingly, there is normally no holiday pay accrual.

*Fixed assets:* Freehold land and buildings are recognised at valuation on an open market existing use basis. All other assets costing more than £100 are stated at historical cost less depreciation, which is charged on a straight-line basis down to expected residual value over the following estimated useful economic lives of 5 years for motor vehicles and equipment and 3-10 years for fixtures and fittings and 3-5 years for intangible assets.

*Financial investments in market securities* are basic financial instruments, initially recognised at transaction value and subsequently measured at fair value as at the year-end using the closing quoted market price. The statement of financial activities includes all the net gains and losses arising on revaluation and disposals.

*Financial investments in freehold land and buildings* are valued quinquennially on an open market existing use basis subject to current occupation and tenancies in place at that time by independent Chartered Surveyors. In intervening years the Trustees value them by reference to market reports and government indices having discussed the circumstances of Arley Estate with the independent chartered surveyors. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

*Realised gains and losses on investments* are taken to the Statement of Financial Activities as they arise. They are calculated as the difference between sales proceeds and their opening carrying value or their purchase value acquired subsequent to the first day of the financial year. Realised gains and losses are calculated as the difference between the fair value at the year-end and the carrying value.

*Government Grants* are credited to the consolidated statement of financial activities as the related expenditure is incurred.

## NOTES TO THE ACCOUNTS (CONTINUED)

## 2 PRINCIPAL ACCOUNTING POLICIES (Continued)

**Financial instruments:** Other than financial investments, the Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**Stocks** are stated at the lower of cost (based on the cost of purchase on a first in first-out basis) and net realisable value. At each reporting stocks are assessed for impairment; any losses are recognised immediately.

**Debtors:** Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Cash** with financial institutions is repayable without penalty on notice of not more than 24 hours.

**Creditors and provisions** are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be reliably estimated. They are normally recognised at their settlement amount after allowing for any discounts.

## 3 INCOME FROM INVESTMENTS:

	2021 £'000	2020 £'000
Dividends - UK and Overseas Equities	552	469
Interest - UK Fixed Interest Securities	106	192
<b>Sub-total General Fund</b>	<b>658</b>	<b>661</b>
Income – rental	522	542
- other	17	26
<b>Sub-total Arley Fund</b>	<b>539</b>	<b>568</b>
<b>Total Investment Income</b>	<b>1,197</b>	<b>1,229</b>

## 4 INCOME FROM TRADING

	2021 £'000	2020 £'000
Accommodation	113	-
Forestry	-	9
Weddings and events	296	60
Other income	32	32
<b>Total income</b>	<b>441</b>	<b>101</b>

## 5 CHARITABLE INCOME

This income arises from admissions and charges for events and refreshments at Arley Arboretum.

## 6 OTHER INCOME

This income arises from Governments Grants and Furlough payments £102,000 (2020: £80,000 (Arley Fund)) and a return of a restricted grant £nil (2020: £10,000 (General Fund))

## NOTES TO THE ACCOUNTS (CONTINUED)

## 7 RAISING FUNDS EXPENDITURE

	2021			2020		
	Arley Fund £'000	General Fund £'000	Total 2021 £'000	Arley Fund £'000	General Fund £'000	Total 2020 £'000
Investment management charges	-	156	156	-	146	146
Repairs & property maintenance	99	-	99	66	-	66
Depreciation & amortisation	101	-	101	86	-	86
Direct staff costs	54	-	54	53	-	53
Shared staff costs	112	-	112	140	-	140
Shared overheads	132	-	132	114	-	114
<b>Total Raising Funds</b>	<b>498</b>	<b>156</b>	<b>654</b>	<b>458</b>	<b>146</b>	<b>605</b>

## 8 TRADING EXPENDITURE

Direct expenses	142	-	142	29	-	29
Direct staff costs	58	-	58	38	-	38
Shared staff costs	49	-	49	1	-	1
Shared overheads	84	-	84	19	-	19
Governance	5	-	5	-	-	-
<b>Total trading expenditure</b>	<b>338</b>	<b>-</b>	<b>338</b>	<b>87</b>	<b>-</b>	<b>87</b>

## 9 CHARITABLE EXPENDITURE

Direct costs – Arboretum	63	-	63	37	-	37
Direct staff costs	164	48	212	121	37	158
Shared staff costs	166	-	166	80	-	80
Shared overheads	82	-	82	97	-	97
Professional charges	10	13	23	-	16	16
Governance	8	6	14	-	15	15
Charitable grants	-	604	604	-	515	515
<b>Total charitable expenditure</b>	<b>493</b>	<b>671</b>	<b>1,164</b>	<b>335</b>	<b>583</b>	<b>918</b>

Shared costs of staff and overheads are analysed in note 11.

Governance includes audit fees of £15,725 (2020: £15,350) and accountancy costs of £1,200 (2020: £nil).

## 10 CHARITABLE GRANTS ANALYSIS

	2021			2020		
	Number	% value	£'000	Number	% value	£'000
Young people	26	14%	84	21	15%	76
Community work	26	12%	70	28	17%	89
Social support	22	10%	65	10	6%	31
Impaired health	64	32%	194	49	30%	154
Hospices	9	22%	131	9	27%	138
The Arts	15	8%	49	6	3%	14
Environment & heritage	2	2%	11	3	2%	13
<b>Total</b>	<b>164</b>	<b>100%</b>	<b>604</b>	<b>126</b>	<b>100%</b>	<b>515</b>

## NOTES TO THE ACCOUNTS (CONTINUED)

## 10 CHARITABLE GRANTS ANALYSIS (Continued)

## Charitable grants of £5,000 or more:

Grant-aided charity name	Category		2021 £'000
R.E.A.C.T	Young people		5
Stonehouse Gang	Young people	*	15
Kids	Young people		5
Cotteridge Church Day Centre	Community work	*	8
Dorothy Parkes	Community work	*	6
Birmingham Settlement	Community work		5
Sport 4 Life UK	Community work	*	6
Listening Books	Impaired health		5
ASPIE	Impaired health	*	5
Cerebral Palsy Midlands	Impaired health	*	10
Better Understanding of Dementia	Impaired health		5
Myriad Centre	Impaired health	*	6
NICE	Impaired health	*	7
Acorns Children's Hospice Trust	Hospices	*	25
Birmingham St Mary's Hospice	Hospices	*	23
Compton Care	Hospices	*	20
Kemp House Trust	Hospices	*	5
Mary Stevens Hospice	Hospices	*	10
Primrose Hospice	Hospices	*	15
St Giles Hospice	Hospices	*	10
St Richards Hospice	Hospices	*	20
City of Birmingham Symphony Orchestra	Arts		13
ESO (2006) Limited	Arts		5
Birmingham City Mission	Social support	*	6
Sandwell Homeless and Resettlement	Social support		5
St. Anne's Hostel	Social support		6
Black Country Living Museum	Environment & heritage		10
<b>Total £5,000 or more (27 grants)</b>	Regular grant-aided charities	*	<b>261</b>

## 11 STAFF COSTS

	2021 £'000	2020 £'000
Wages and salaries	587	472
Social security costs	54	46
Pension costs	30	24
	<b>671</b>	<b>542</b>

The key management personnel of the charity comprise the trustees, the Chief Executive, Finance Director and the Trust Administrator. The total employee benefits of the key management personnel of the charity were £282,938 (2020: £207,328). There was 1 (2020: 1) employee whose earnings fell between £130,000 and £140,000 (2020: £120,000 and £130,000) and 1 employee whose earnings fell between £70,000 and £80,000. In 2021 The Trust paid £36,360 in lieu of notice and redundancy in respect of a former employee.

There were 15 active volunteers (2020: 18) who provided ad-hoc support to projects in the Arboretum. The economic contribution of general volunteers is not recognised in the accounts.



## NOTES TO THE ACCOUNTS (CONTINUED)

## 11 STAFF COSTS (Continued)

The average number of employees calculated on an average head count basis was:

	2021	2020
Estate and property	2	2
Arboretum	18	11
Management and administration	8	7
	<u>28</u>	<u>20</u>

## 12 SHARED COSTS (Arley Fund)

Cost sharing within Arley Estate is based on time spent:	2021			2020		
	Staff costs £'000	Other costs £'000	Total £'000	Staff costs £'000	Other costs £'000	Total £'000
Raising funds Note 7	112	132	244	140	114	254
Trading Note 8	49	89	138	1	19	20
Charitable Note 9	166	82	248	80	97	177
	<u>327</u>	<u>303</u>	<u>630</u>	<u>221</u>	<u>230</u>	<u>451</u>

## 13 FIXED ASSETS: GROUP AND CHARITY

**Intangible fixed assets:** During the year there were £nil additions to website development costs (2020: £1,000); Depreciation of £4,262 was charged. The net book amount at 31 December 2021 was £4,263 (2020: £8,525).

Tangible fixed assets	Freehold land and buildings £'000	Plant and equipment £'000	Fixtures and fittings £'000	Total £'000
<b>Cost or valuation</b>				
At 1 January 2021	5,349	356	326	6,031
Additions	81	10	17	108
Disposals	-	(13)	(1)	(14)
Revaluation	215	-	-	215
At 31 December 2021	<u>5,645</u>	<u>353</u>	<u>342</u>	<u>6,340</u>
<b>Depreciation</b>				
At 1 January 2021	52	227	181	460
Charge for the year	37	26	34	97
Elimination on disposals	-	(13)	-	(13)
At 31 December 2021	<u>89</u>	<u>240</u>	<u>215</u>	<u>544</u>
<b>Net book amount</b>				
At 31 December 2021	<u>5,556</u>	<u>113</u>	<u>127</u>	<u>5,796</u>
At 31 December 2020	<u>5,297</u>	<u>129</u>	<u>145</u>	<u>5,571</u>

Freehold land and buildings which had an historical cost of £5,023,000 (2020: £5,023,000)

## NOTES TO THE ACCOUNTS (CONTINUED)

## 14 FIXED ASSET INVESTMENTS - GROUP AND CHARITY

	2021	2020
	2021	2020
	£'000	£'000
At 1 January 2021	24,992	53,701
Additions at cost	135	10,877
Disposal proceeds	-	(10,968)
Net investment gains	1,791	2,229
Cash drawdown	-	(1,100)
	<u>26,918</u>	<u>54,739</u>
At 31 December 2021	<u>26,918</u>	<u>54,739</u>

**Freehold land and buildings:** an independent quinquennial valuation of freehold land and buildings was carried out by Halls, Chartered Surveyors, on 31 December 2017. The valuation of £25,929,000 was based on the freehold value of all component parts of the Arley Estate, on an open market existing use basis subject to current occupation and tenancies in place. At 31 December 2021, having taken informal advice from Halls, the trustees valued the Estate on a similar basis at £32,474,000. For accounting purposes, the assets have been disclosed as follows:

		2021	2020
		£'000	£'000
Own use tangible fixed assets	Note 13	5,556	5,297
Investments	Above	26,918	24,992
		<u>32,474</u>	<u>30,289</u>
At 31 December 2021		<u>32,474</u>	<u>30,289</u>

The historical cost of the Estate, represented by the probate value on the death of the late Mr R D Turner on 30 April 1999, was £8,841,000.

**Quoted securities portfolio**

	2021	2020
	£'000	£'000
Fixed interest	2,961	3,588
UK listed investments	7,389	7,778
Overseas investments	16,529	13,164
Commercial property	594	1,883
Alternative investments	4,076	2,748
Cash	694	586
	<u>32,243</u>	<u>29,747</u>
Historical cost	<u>22,459</u>	<u>22,459</u>

**Material investments:**

The Investment Policy states that no investments should exceed 5.0% of the value of the portfolio. At 31 December 2021 there were no such investments (2020: none).

**Fixed asset investments – Charity**

In addition to the above investments the charity has a £100 investment in the entire share capital of Arley House & Gardens Ltd.

## NOTES TO THE ACCOUNTS (CONTINUED)

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
<b>15 STOCK Goods for resale</b>	<b>20</b>	<b>17</b>	<b>13</b>	<b>12</b>
<b>16 DEBTORS</b>				
Trade debtors	71	81	51	31
Prepayments	28	76	84	71
Other debtors	97	66	75	86
Amounts due from group undertaking	-	-	39	-
	<b>196</b>	<b>223</b>	<b>249</b>	<b>188</b>
<b>17 CASH</b>				
Cash at Handelsbanken	779	676	541	606
CCLA COIF Charities Income account	292	292	292	292
	<b>1,071</b>	<b>968</b>	<b>833</b>	<b>898</b>
<b>18 CREDITORS DUE WITHIN ONE YEAR</b>				
Trade creditors	67	69	52	63
Investment Manager charges	41	37	41	37
Rents received in advance	49	44	49	44
Other taxes and social security	27	14	12	10
Amounts due to group undertaking	-	-	-	72
Other creditors	17	20	16	15
Accruals and deferred income	224	240	63	73
	<b>425</b>	<b>424</b>	<b>233</b>	<b>314</b>

Included within accruals and deferred income are wedding deposits held for weddings in future years of:

Balance at 1 January 2021	162	43	-	-
New deposits during the year	215	154	-	-
Deposits released during the year	(228)	(35)	-	-
Balance at 31 December 2021	<b>149</b>	<b>162</b>	<b>-</b>	<b>-</b>

## NOTES TO THE ACCOUNTS (CONTINUED)

## 19 ANALYSIS OF GROUP ASSETS AND LIABILITIES WITHIN FUNDS

	Arley Fund £'000	2021 General Fund £'000	Total Funds £'000	Arley Fund £'000	2020 General Fund £'000	Total Funds £'000
Intangible Assets	4	-	4	9	-	9
Tangible Assets	5,796	-	5,796	5,571	-	5,571
Investments	26,918	32,243	59,161	24,992	29,747	54,739
<b>Fixed Assets</b>	<b>32,718</b>	<b>32,243</b>	<b>64,961</b>	<b>30,572</b>	<b>29,747</b>	<b>60,319</b>
Stock	20	-	20	17	-	17
Debtors	123	59	182	170	53	223
Cash	351	720	1,071	378	590	968
Creditors	(370)	(41)	(411)	(382)	(42)	(424)
<b>Net Current Assets</b>	<b>124</b>	<b>738</b>	<b>862</b>	<b>183</b>	<b>601</b>	<b>784</b>
<b>Total Funds</b>	<b>32,842</b>	<b>32,981</b>	<b>65,823</b>	<b>30,755</b>	<b>30,348</b>	<b>61,103</b>

## 20 FUNDS ANALYSIS – GROUP

	1 January 2021 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Gains / (Losses) £'000	31 December 2021 £'000
Operational funds	30,426	1,363	(1,329)	47	1,791	32,298
Revaluation reserve	329	-	-	-	215	544
<b>Arley Fund</b>	<b>30,755</b>	<b>1,363</b>	<b>(1,329)</b>	<b>47</b>	<b>2,006</b>	<b>32,842</b>
<b>General Fund</b>	<b>30,348</b>	<b>658</b>	<b>(827)</b>	<b>(47)</b>	<b>2,849</b>	<b>32,981</b>
<b>Total Funds</b>	<b>61,103</b>	<b>2,021</b>	<b>(2,156)</b>	<b>-</b>	<b>4,855</b>	<b>65,823</b>
	1 January 2020 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Gains / (Losses) £'000	31 December 2020 £'000
Operational funds	28,352	882	(881)	1,475	598	30,426
Revaluation reserve	319	-	-	-	10	329
<b>Total Arley Fund</b>	<b>28,671</b>	<b>882</b>	<b>(881)</b>	<b>1,475</b>	<b>608</b>	<b>30,755</b>
<b>General Fund</b>	<b>30,250</b>	<b>671</b>	<b>(729)</b>	<b>(1,475)</b>	<b>1,631</b>	<b>30,348</b>
<b>Total Funds</b>	<b>58,921</b>	<b>1,553</b>	<b>(1,610)</b>	<b>-</b>	<b>2,239</b>	<b>61,103</b>

Transfers between funds is cash transferred to finance major projects at Arley Estate.



## NOTES TO THE ACCOUNTS (CONTINUED)

## 21 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET OPERATING CASH FLOW

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Net movement in funds	4,720	2,182	4,600	2,180
Add back depreciation and amortisation	101	86	101	86
Profit on disposal of tangible fixed assets	(5)	(3)	(5)	(3)
Movement on revaluation reserve	(215)	(10)	(215)	(10)
Deduct income shown in quoted investing activities	(658)	(661)	(658)	(661)
(Gain) / loss on revaluation of investments	(4,640)	(2,229)	(4,640)	(2,229)
Decrease / (increase) in stock	(3)	(1)	(1)	(5)
Decrease / (increase) in debtors	27	(37)	(61)	22
Increase / (decrease) in creditors	1	53	(81)	(47)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net cash used in operating activities</b>	<b>(672)</b>	<b>(620)</b>	<b>(960)</b>	<b>(667)</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## 22 RELATED PARTY TRANSACTIONS

**(i) Transactions involving Trustees and connected parties**

During both years the Trust awarded a small number of grants to charities that have a common or related trustee or director with one or more Trustees. One Trustee is a Director of the trading subsidiary. In accordance with the Trust's policy on conflicts of interest, the conflicted Trustees did not take part in the discussion. No Trustees are remunerated.

**(ii) Trustee expenses**

The sum of £404 (2020: £397) was reimbursed to one (2020: two) Trustees in respect of travel and other expenses and £nil (2020: £nil) was incurred on behalf of Trustees.

**(iii) Transactions with trading subsidiary**

Costs (principally staff costs) recharged to the trading subsidiary amounted to £118,938 (2020: £37,952). Rent and service charge income was received from the trading subsidiary amounting to £102,951 (2020: £41,290).

There are no other related party transactions to disclose.

## NOTES TO THE ACCOUNTS (CONTINUED)

## 23 INCOME EARNED FROM TRADING ACTIVITIES

The wholly-owned trading subsidiary, Arley House & Gardens Limited was incorporated in the United Kingdom (company number 09448082) and details of the trading results for the subsidiary alone are given below:

	2021 £'000	2020 £'000
Turnover	441	101
Direct costs	(200)	(67)
Other income	69	29
Overheads	(138)	(20)
	<u>172</u>	<u>43</u>
Profit included in Statement of Financial Activities on consolidation		
Intra-group charge from the charity arising from internal leases, included in the company's own accounts	(52)	(41)
	<u>120</u>	<u>2</u>
Profit for the financial year		
Amount distributed to the charity	(120)	(2)
	<u>-</u>	<u>-</u>
Retained in subsidiary	-	-
	<u>-</u>	<u>-</u>
The assets and liabilities of the subsidiary were:		
Current assets	268	142
Current liabilities	(268)	(142)
	<u>-</u>	<u>-</u>
Total net assets representing aggregate share capital and reserves	<u>-</u>	<u>-</u>

The Statement of Financial Activities of the Charity alone is not required to be published. It excludes the above trading turnover and costs but includes £172,000 investment income comprising £52,000 (2020: £41,000) intra-group service charges and £120,000 (2020: £2,000) gift aid income from the subsidiary.

## 24 FINANCIAL INSTRUMENTS

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	<u>32,243</u>	<u>29,747</u>	<u>32,243</u>	<u>29,747</u>

Financial assets measured at fair value through profit or loss comprise of fixed asset investments – quoted securities.

## NOTES TO THE ACCOUNTS (CONTINUED)

**25 COMMITMENTS RECEIVABLE UNDER OPERATING LEASES**

At 31 December 2021 the Group and Charity had future minimum lease receipts under non-cancellable operating leases as follows:

	<b>Group 2021 £'000</b>	<b>Group 2020 £'000</b>	<b>Charity 2021 £'000</b>	<b>Charity 2020 £'000</b>
Not later than one year	86	233	126	288
Later than one year and not later than five years	77	60	227	250
Later than five years	-	-	100	150
	<u>163</u>	<u>293</u>	<u>453</u>	<u>688</u>

**26 CAPITAL COMMITMENTS**

At 31 December 2021 the Group and Charity had capital commitments of £nil (2020: £nil).

**27 COMMITMENTS PAYABLE UNDER OPERATING LEASES**

At 31 December 2021 the Group and Charity had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2021 £'000</b>	<b>Group 2020 £'000</b>	<b>Charity 2021 £'000</b>	<b>Charity 2020 £'000</b>
Not later than one year	8	2	8	2
Later than one year and not later than five years	16	-	16	-
Later than five years	-	-	-	-
	<u>24</u>	<u>2</u>	<u>24</u>	<u>2</u>

**28 POST BALANCE SHEET EVENTS**

In late February 2022 the ongoing political unrest in Eastern Europe escalated to incorporate military action which had an immediate impact on global stock markets. On 9 March 2022 our market securities portfolio had fallen in value by £3,761,000 (12.6%) to £28,482,000. Our investment managers believe there will be a short term period of high volatility but the medium to long term strategy is unchanged.

