



Maidenhair Tree (Ginkgo Biloba) – One of the first trees to be planted in the Arboretum around 1820

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 grant-making charitable trusts established separately by the late Douglas William Turner (“DWT”) and his son, the late Roger Douglas Turner (“RDT”); both had been successful industrialists with Wellington Tube Works Ltd. in Great Bridge. The two unincorporated trusts were linked to The Trust during 2024:

- The RD Turner Charitable Trust (“The Legacy Charity” 1154467-1) was settled on 21 December 1971 and its assets amounted to £30.1m (including £22.1m in Arley Estate) when it merged with The Trust on 31 December 2013.
- The Douglas Turner Trust (Charity 1154467-2) was settled on 27 January 1964, and its assets were accrued through lifetime gifts by DWT which increased in value to £16.7m when it merged with The Trust on 31 December 2015.

Under the terms of his Will RDT, who had owned the 1,600-acre Arley Estate in Worcestershire for 40 years until he died in 1999, passed it 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 the 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 (disclosed in ‘Key Financial Policies’ section) and to identify which assets were to be held as investments.

Following various strategic reviews since 2013, the Trustees resolved both to increase the amount of charitable grant-making and to improve the charitable impact of Arley Estate, whilst retaining its unique charm for public benefit, by providing for:

1. The general fund’s market securities, held as investments, to be professionally managed to maximise total return with capital drawdowns to supplement dividend income primarily for charitable grant-making but also for funding long-term capital investment projects in Arley Estate, whilst maintaining the portfolio’s long-term value in real terms.
2. Arley Arboretum, a leisure and educational resource for public benefit, to be held as own-use tangible fixed asset.
3. Arley House and The Grange to be held as own-use tangible fixed assets to generate additional income to support charitable activities relating to Arley Estate.
4. Other assets of Arley Estate to be held as investments.
5. Arley House & Gardens Limited, (“AHAG”) a wholly owned company, to manage the Estate’s trading activities including weddings and conferences at Arley House with accommodation at The Grange.

The Trustees have carefully considered the wishes expressed by RDT and how they may respect these while complying with principles of charity law. In line with this:

- the Trustees have agreed policies relating to the tenancies of properties within the Arley Estate to ensure the Trust’s assets are managed appropriately to best support the Trust’s charitable activities. The Trustees have carefully considered the application of charity law principles to the ongoing tenancies which were originally granted by RDT to his employees and have agreed that these arrangements are limited to the employee personally and cannot be transferred to those connected with the employee.
- grant assistance is given to support charitable activities undertaken by St Peter’s Church, Arley Memorial Hall and Arley Sports and Social Club within the normal award process.
- St Peter’s Church also benefits from any marriage ceremonies referred from AHAG’s wedding couples.

The Trustees recognise that, while the Trust’s focus is on its charitable activities, both grant making and direct provision, the Trust’s relationships with the tenants of Arley Estate, including farming, residential and commercial tenants are key to its success. The Trust encourages open communication via the Chief Executive to support these relationships.

Footnote: Charitable grant appeal guidelines are available from The Trust for potential applicants.

CONTENTS

	Page
Historical background	2
Reference and administrative information	4
Overview of the year	5
Our primary charitable aim, achievements and performance in 2025	6
Our secondary charitable aim, achievements and performance in 2025	7
Financial review	8
Investments	9
Managing strategic risk	10
Governance	11
Key financial policies	11
People	12
Public benefit	12
Fundraising activities	12
Linked charities	12
Plans for the future	12
Trustees’ responsibilities and disclosure of information to the auditors	13
Independent auditor’s report	14-15
Consolidated statement of financial activities	16
Balance sheets	17
Consolidated and charity cash flow statements	18
Notes to the financial statements	19-32



Aerial photograph of Arley House, St Peter’s Church & The Barbican Tower in the height of Autumn Colours.

REFERENCE AND ADMINISTRATIVE INFORMATION

Charitable Incorporated Organisation (CIO)

Charity number 1154467

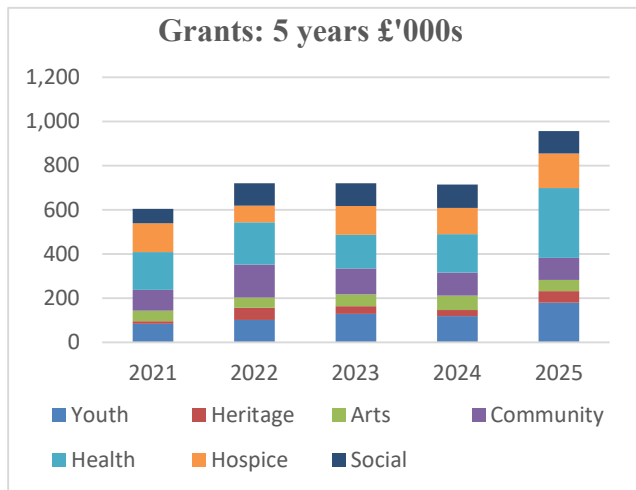
Trustees	Amanda McGeever (Chair) Ron Middleton (Vice Chair) Peter Millward Dawn Long Sharon Stotts Geoff Thomas	
Chief Executive	Mark Webb	mark@arleyestate.co.uk
Grants Officer	Simon Evans	sevans@turnertrust.co.uk
Principal Office	Arley House Lion Lane Upper Arley DY12 1SQ	Phone 01299 861368
Websites	Grants Arboretum Weddings, events and trading	www.turnertrust.co.uk www.arleyestate.co.uk
Auditors	Crowe U.K. LLP 4th Floor, St James House St James' Square Cheltenham Gloucestershire, GL50 3PR	
Investment Managers	Sarasin & Partners LLP 50 George Street London W1U 7DY	Rathbones Investment Management 30 Gresham Street London EC2V 7QN
Property Consultants	Halls Chartered Surveyors Gavel House 137 Franche Road Kidderminster DY11 5AP	Bronwin & Abbey Chartered Foresters and Surveyors Auction House King George's Way Pershore Worcestershire WR10 1 EY
Bankers	Barclays Bank PLC 2 nd Floor 54 High Street Worcester, WR1 2QQ	CCLA Investment Management 85 Queen Victoria Street London EC4V 4ET
Solicitors	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
IT consultants	Pinfields IT Unit 3, Ryelands Business Centre Ryland, Droitwich WR9 0PT	

OVERVIEW OF THE YEAR

Despite market volatility caused by US\$ weakness, President Trump’s tariff proposals and increased geopolitical risks, our investment portfolio generated a total return of 5.7% compared with some 10% in 2024 but sufficient for us to draw £1,307k in both dividends and capital. This was used to fund both a planned 34% increase in grants to £957k and extra costs and property investments at Arley Estate.

UK consumer confidence remained low during the year which affected both Arboretum visitor numbers and trading income. With many part-time and seasonal staff, the increased minimum wage and National Insurance costs have disproportionately affected our activities at Arley as they are heavily reliant on the availability of discretionary personal expenditure.

Grants to UK charities



The increase in grant-aid payments was much needed as many UK charity applicants have experienced financial stress from reduced donations and government funding along with their own higher employment costs.

Some two thirds of our grants by value were again awarded to our regularly supported charities principally to fund core costs. Local charities based in our area continued to receive priority over larger national charities. This year we also supported capital schemes with £50k capital grants to Worcester Snoezelen and The Myriad Centre towards the cost of large building projects.

We have now refocused our grant strategy towards a thematic approach in 2026 to provide a more measurable impact. Our 6 new themes are Young people in need, Adults in need, Hospices, Mental health support, Poverty and Environment and heritage.

Charitable activities at Arley Arboretum

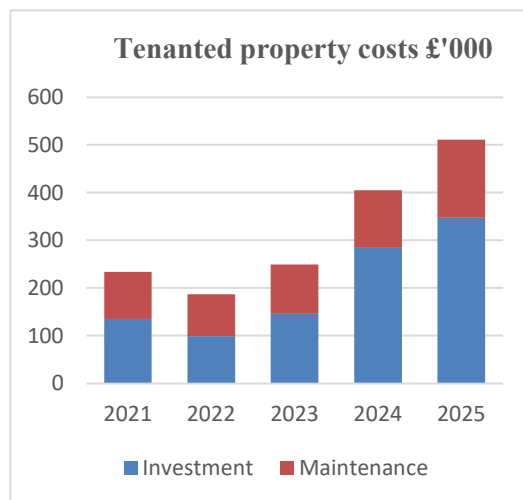
We are pleased that our educational offering continued to expand, with children from 3 new groups experiencing our outdoor learning space and adult groups enjoying Head Gardener tours. Visitor numbers were down 11% at 23,184, however income generated from these visitors increased by £25k. The year was again affected by storms at key times which have caused us to close the arboretum for public safety reasons, sadly with the loss of several trees. Climate change is becoming a real and constant threat to the specimen trees which are particularly vulnerable as many are up to two hundred years old and suffer in high winds and saturated ground.

The Board is aware of the need to maintain and develop this historic arboretum for the future, so we appointed Lear Associates, a specialist consultancy with expertise in historic gardens and arboreta, to undertake detailed mapping of the arboretum; their work has been delayed but their initial report is now due.

Arley Estate

Our focus over the past five years has been to resolve long-term issues raised in response to both tenants’ requests and the last quinquennial review and inspection undertaken by our land agents in December 2022. We made good progress last year with major investments at four vacant properties and significant improvements to five others, which cost over £250k.

Also, we invested in a new property maintenance system to schedule both planned maintenance and on-going repair requests from tenants. Overall, the expenditure on tenanted properties (excluding own-labour costs) amounted to £511k, a record level reflecting a need to comply with new regulations for energy conservation, damp and mould. A continuing constraint is the availability of suitably qualified contractors who have the skills and experience to work on old buildings in a conservation area.



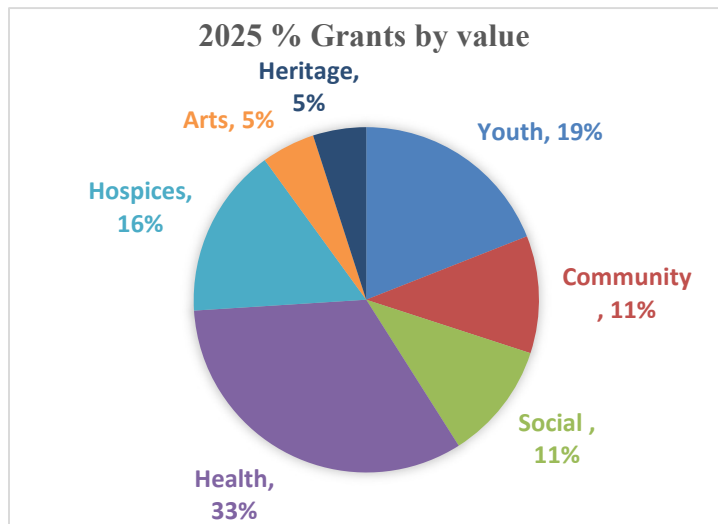
Trading activities

Arley House & Gardens Limited (“AHAG”) had an extremely challenging year with income down by 26% after a dramatic fall in demand for formal weddings as a consequence of the cost-of-living crisis. The problem was exacerbated by the increase in minimum wage and employers’ national insurance. As a consequence a loss of £58k was incurred in these financial statements compared with a profit of £10k in 2024. Nevertheless, the overall result was broadly in line with the five-year plan approved in 2024. In response to these challenges, the Board approved a revised budget supported by a new tactical marketing approach to attract more corporate income with less dependence on wedding income in the future.

OUR PRIMARY AIM: providing grants to UK registered charities

We focus on charities in the beneficial area of Birmingham, the Black Country, Worcestershire and Herefordshire, which support impaired health, hospices, community work, social support, children and some limited funds for both the arts and heritage and environmental projects. Many beneficiaries have been regularly supported for many years with unrestricted grants which can be used for core costs including salaries. Biennial due diligence is undertaken on these so-called ‘Regulars’ for a discussion with management about performance, outcomes, governance, and plans.

Achievements, impact and performance in 2025



During 2025 we awarded 184 grants totalling £957k, up from £714k, an average of £5,201 (2024: £3,945).

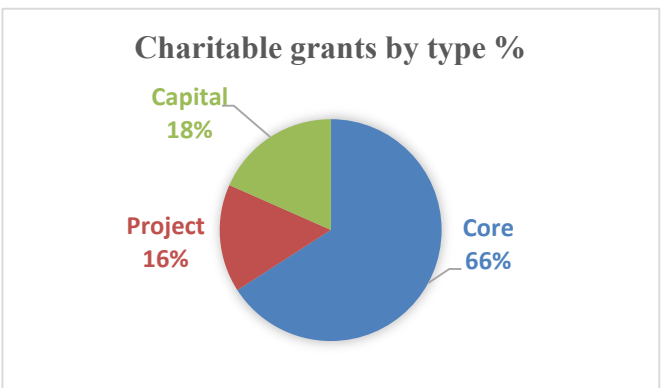
This year we supported more capital schemes with a £50k grant to Worcester Snoezelen expanding their multi-sensory therapy facilities for disabled people and £50k to The Myriad Centre towards the purchase of a new day centre building for young adults with profound and multiple learning difficulties.

The biggest increase in support was for impaired health, up 82% to £316k including the two capital grants above.

Grants to the youth sector increased by 51% to £180k including £15k to the Stonehouse Gang, a charity set up with help from Douglas Turner many years ago.

The nine hospices in our area benefited from a 31% increase in funding to £156k for their core costs.

We have prioritised ‘Regular’ and local charities because so many are still facing funding shortages following cuts in local government support as Councils face their own financial challenges. Whilst we have continued to support those national charities which have established a relationship with us, we have declined most new national applications unless there is a registered office (or “hub”) in our beneficial area which is not being met by other local charities.



Our biennial due diligence programme was extended again with 123 visits and due diligence reports up from 100 last year, with on-site visits for local Regulars, video conferencing where it was more efficient to do so or remote due diligence for less regular applicants. Due diligence reports have now been completed on 236 different charities. We expect the impact of any grant to be explained clearly in the application, whether it is for core costs or for a specific project. Impact reporting under the new thematic approach will be further improved in 2026 with recipient charities now being formally asked to report back on impact and outcomes. Some examples of feedback received in the year include:

- Worcester Snoezelen (£50k capital grant):** *“I wanted to let you know that today we have lift off! We are absolutely delighted that the build work has finally commenced due to the generosity of the Turner Trust. Thank you once again for the support we have had from Turner Trust. Without your support this would not have been possible”.*
- Engineering Development Trust (£4k project costs grant):** *“We are delighted that this will help young people develop skills and learn more about their potential STEM Futures. We know how valuable the regular support of Turner Trust has been in helping us work with schools and young people in the West Midlands and so many thanks for this continued support”.*
- Mary Stevens Hospice (£15k core costs grant):** *“The continued support of Turner Trust is truly amazing and continues to have a profoundly positive impact on our hospice and the people we care for.”*
- Birmingham Settlement (£8k core costs grant):** *“We are extremely grateful for your support as it allows us to continue to deliver much needed services to disadvantaged communities. Our work supports those most marginalised in society who face financial hardship, social isolation and other difficult circumstances. Your donation helps to ensure we can continue to deliver our services to the community”.*
- The Myriad Centre (£50k capital grant):** *“We would like to thank Turner Trust for your continued support, including the exceptional £50,000 contribution towards the purchase of our new centre this year”.*

OUR SECONDARY AIM: providing public access to Arley Estate including its Arboretum and gardens.

Arley Estate, located in Worcestershire’s Severn Valley, is a significant tourist attraction which can be accessed via Arley Station on the Severn Valley Railway or by road. There are many walks around the Estate including The Severn Way.

The 200-year-old Arboretum, an RHS partner garden, has some of the most magnificent exotic species in England and 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.



Wedding guests enjoying the fountain in the walled Italian Garden.

The Italian Garden, inspired by the renaissance gardens of the late 15th Century is an integral part of the Arboretum and 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, it is licenced for weddings and can be hired for private use.

Achievements and performance 2025



Children enjoying outdoor learning in one of our new groups.

Arboretum: visitor numbers of 23,184 were down from 26,122 in 2024 reflecting the impact of the high cost of living.

We welcomed 3 new groups, Nature Makers, Home Ed Hang Outs and Milkworks to expand our educational programme which is a key part of our future visitor strategy. We welcomed 499 children participating to learn about plants and living things as part of the ‘STEM’ curriculum at local schools for Key Stages 1 and 2. The early years nursery (age 3+) was welcomed to learn about the ‘world around’.

Guided walks around the Arboretum were well attended by external groups who were keen to learn about our specimen trees, their history and the impact of climate change.

Turnover increased by £22k (10%) in the Garden Tearoom. It is a destination of choice for homemade cakes, hot food and locally sourced ice cream which complements its surroundings and is a real testament to our hard-working team. The cost base, specifically the huge increase in the cost of employment in the hospitality sector, remains a challenge and will form part of an operational review in 2026.

ARLEY HOUSE & GARDENS LIMITED (‘AHAG’)

AHAG turnover fell £107k delivering 16 weddings in 2025 compared to 28 in 2024 as the cost of living crisis continues to affect the hospitality and wedding market. Wedding industry reports have highlighted numerous challenges for the sector with a particular trend towards sub-£10k weddings and twilight weddings, rather than a full-day event, to reduce cost. The Events team is closely monitoring the market and is introducing bespoke packages to meet the changing demands.

The Grange guest house has continued to increase its presence on ‘booking.com’. Accommodation income of £81k was in line with 2024 despite the reduced number of weddings. 50% of income is now externally generated thereby reducing reliance on wedding guests for occupancy.



Newly wedded couple walking back to Arley House after their Italian Gardens ceremony.

The Board has implemented a tactical marketing plan to boost income from new revenue streams. The business will concentrate on three main revenue streams: weddings, accommodation and corporate/private venue hire.

FINANCIAL REVIEW

General Fund

The general fund holds our market securities and is focussed on our primary aim of supporting UK charities.

Market securities performed well although both dividends and gains were lower than in 2024. Grants increased by 34% as part of a revised strategy to give greater support to charities.

General Fund	2025 £'000	2024 £'000	
Investment income (<i>net of fees</i>)	423	531	Reduced dividend income following move to global portfolio
Charitable grants	(955)	(712)	Strategic decision to increase grant giving
Charitable costs	(64)	(71)	
Other income/(costs)	-	130	Partial reimbursement of 2024 Authorised Push Payment cost
Operating (deficit)	(596)	(122)	Expected deficit following increase in grant payments
Investment gains	1,198	2,309	Positive global equity markets
Net income	602	2,187	
Transfers (to) Arley Fund	(387)	(1,129)	Property refurbishment and £400k AHAG share capital in 2024
Movement in funds	215	1,058	

Arley Fund (designated)

This fund holds the Arley Estate properties both for investment and own-use and supports our secondary aim of providing access for recreation and education at Arley Arboretum together with our trading activities.

The local property market was subdued so tenanted properties were held at 2024 values but the amortisation and depreciation of own-use properties together with increased property repair costs caused a deficit in 2025. The trading company faced very challenging trading conditions and recorded its first loss within the consolidated statements.

Arley Fund	2025 £'000	2024 £'000	
Estate property (deficit)/surplus	(77)	50	Increased repair costs, investment in in-house maintenance team. Amortisation of own-use properties due to sector downturn
Trading contribution	(58)	10	Fall in sales pipeline in 2023 and 2024 impacted delivery in 2025
Charitable (deficit)	(440)	(363)	Cost inflation only partially reflected in prices
Operating (deficit)	(575)	(303)	
Investment gains	-	303	Arley Property values increased following refurbishments
Tangible asset revaluation	(276)	25	Fall in value of own-use properties linked to hospitality sector
Transfers from General Fund	387	1,129	Funding property refurbishment and AHAG share capital in 2024
Movement in funds	(464)	1,154	

INVESTMENTS

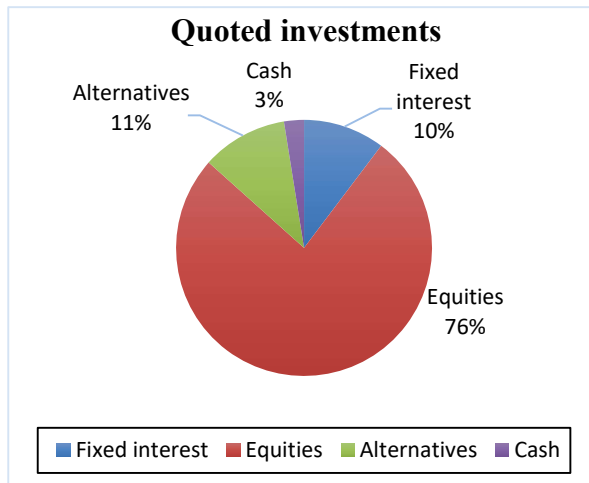
Investments include both quoted market securities and a portfolio of investment properties at Arley Estate.

QUOTED SECURITIES

Following the equalisation of holdings between Sarasin and Rathbones in 2023 a single global benchmark was used with a target return of CPI+4% and a neutral asset allocation of 70% equities, 15% bonds and 15% alternatives.

At 31 December 2025, equities were overweight at 76% with both bonds and alternatives underweight at 10% and 11% respectively and the balance held in cash.

During the year, and following positive returns in the investment portfolio, £720k capital was drawn down of which £387k was transferred to the Arley Fund for investment into the Estate. Despite these withdrawals the year-end value was £30,544k, an uplift from £30,229k in 2024.



Investment performance: 2025 was another strong year for equity markets with positive portfolio returns despite the so called ‘Liberation Day’ US tariff proposals, heightened geopolitical risks and US\$ weakness. Global market performance was again concentrated in certain areas such as a relatively small number of artificial intelligence technology companies and other growth stocks, where prices rose sharply. Like many active fund managers with a so called ‘quality style’, our two managers significantly under-performed when compared to the index. Net investment gains were £1,198k (2024: £2,309k).

Income on the portfolio decreased to £587k (2024: £693k) as expected with the global mandate and total return approach. The positive total return of 5.7% for Sarasin and 5.7% for Rathbones compared with positive returns of 12.2% and 7.6% respectively in 2024.

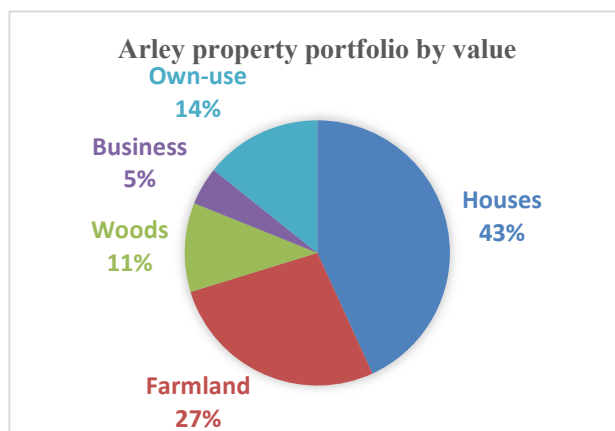
FREEHOLD PROPERTIES AT ARLEY

Arley Estate includes the following:

Investment properties: a tenanted portfolio includes 54 residential houses, 4 farms, a pub, post office, art studio, and bed & breakfast business together with managed woodland.

Own-use properties include the Arboretum (a charitable asset), and two properties held for commercial purposes which are leased by the trading subsidiary:

- Arley House provides both our own office and our wedding and conference venue.
- The Grange provides bespoke accommodation.



Professional valuation:

In 2022, Halls, Chartered Surveyors, conducted a quinquennial valuation of the component 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. The 2025 Trustees’ valuation was done with advice from Halls; it reflects the 2025 enhancement costs (see below) but no other changes to values as the local property market remains subdued.

Valuation as allocated in the financial statements in £'000	2025	2024
Tenanted properties and woodland within Investments	32,217	31,870
Own-use properties (including Arboretum) within Tangible Fixed Assets	4,245	4,627
Total	36,462	36,497

Enhancements from additional investment at tenanted properties

The professional valuation in 2022 included a condition report of each property in the portfolio and a prioritised action plan was developed to address the issues arising, which included improved energy conservation. However, the constraints placed upon old properties in the Arley conservation area have precluded the use of modern technologies such as heat pumps. Despite these frustrations, we made good progress last year with major improvements at four vacant properties and significant improvements to five others. The aggregate new investments in tenanted properties amounted to £347k (2024 £284k).

MANAGING STRATEGIC RISK

The risk profile of the Trust has evolved since the Covid pandemic, and the key risks have been summarised as follows:

Category	Strategic Risk	How risk is managed
Market correction	US equity values (particularly AI) are high and vulnerable to market corrections & competition.	Investments under-weight to MSCI index in technology; markets historically recover from shocks within 2 years.
Grant impact	Core cost grant could support a failing charity; Grants too low as % of investment returns.	Due diligence provides extensive data for decisions. Strategy supports higher grants & thematic grant-giving.
Energy performance	Government paper on energy performance is a major challenge in a conservation area.	Extensive capital expenditure on properties to improve energy performance within legal & practical constraints.
Housing maintenance	Condition of rental properties could fall below our minimum standards.	2022 independent condition report largely implemented, maintenance triaged by priority and tenants consent.
Extreme weather	High winds & storm damage - specimen trees; Flooded properties from exceptional rainfall.	Regular clearance of water courses and use of sandbags. Specialist mapping inspection of trees in 2025.
Reputation	Adverse social media comments or unexpected dialogue with media organisations.	Monitoring of social media; new tenant communications & meetings to manage expectations
Cyber-fraud	Cyber-terrorism threatens internal systems; Authorised Push Payment (APP) frauds.	Robust IT security software installed and tested. Lower authorisation limits, staff training refreshed.

Market security risks are mitigated in the long term by:

- Using two experienced investment managers with globally spread portfolios but with differing investment strategies.
- Investing in quality securities traded on major global exchanges and avoiding high-risk derivative-based products.
- Holding six-monthly meetings with managers to review performance, strategic asset allocations and ranges.

Extreme weather is becoming a major threat to our specimen trees during the many winter storms. Regular inspections and preventative work is undertaken.

Estate hazard risks are managed by the Chief Executive who, as Safety Officer, reports to the Audit Committee. A comprehensive system of risk assessments is in operation prior to any work being undertaken on the Estate. All our employees are encouraged to identify emerging risks and propose appropriate training needs so that a broad range of skills are developed. The safety of our employees is hugely important; particular emphasis is given to working at height, mechanical handling, and chain saws. The use of safety equipment is a mandatory requirement. An independent review of the hazard risk framework was also undertaken.

Property risks protocols to mitigate our tenants’ health risks include gas safety inspections, carbon monoxide monitoring and advice on reducing the likelihood of damp and mould occurring. Specialist consultants are engaged to provide support for complex projects and contractors are approved based on experience with historic properties in a conservation area. Care is taken before doing any work involving the isolation or removal of asbestos which normally requires specialist expertise.

Visitors and safeguarding risks to which arboretum visitors are potentially exposed are carefully monitored, striking a reasonable balance between safety, conservation, and access. The trees are assessed regularly from a safety perspective, and the arboretum is closed during periods of high winds. Visitors to the Arboretum are required to take responsibility for their own safety; children and vulnerable adult visitors must be safeguarded and supervised by a responsible adult visitor.

Cyber security: user access controls, malware protection, patch management are in force; internet banking controls require multiple layers of access codes; all transactions also require segregation of duties between a loader and two approvers. Our internet security software was enhanced in 2024 following advice from our IT consultants and both management and Trustees are cognisant of the need to be vigilant in assessing risks of cyber-attack. Authorisation limits have been revised following an earlier APP fraud despite the associated operational inefficiency which arises.

Conflicts of interest and loyalty, principally associated with grant-giving, are reported and avoided at every meeting.

Complaints are welcomed and, wherever possible, addressed immediately so that issues can be resolved before they escalate.



Felled Beech Tree due to storm damage and fungus die back through the heart and base.

GOVERNANCE

The Charity Governance Code: We continue to comply with the Charity Governance Code so far as reasonably possible. New Trustees are appointed having regard to diversity of skills, experience and gender. However, we do not advertise trustee vacancies because of the need for high levels of knowledge and experience of charities, and we believe the current informal approach is more appropriate. There is no restriction on length of service or any specific term of office for the original Trustees in 2013; 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 and any printed material from training courses is retained for trustee review; any key points are shared at Board meetings.

The Trustees' code of conduct is based on a 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 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 and ensuring 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 of interest and conflicts of loyalty which could arise and how they should be managed.

Board meetings take place regularly 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.
- 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** considers all property related matters with the Chief Executive and receives advice on Estate matters from our Property Consultants.
- The **Remuneration Committee** reviews the performance of the Chief Executive and recommends pay increments for staff.

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 neither restrictions on the Trust's power to invest nor prohibitions on social, environmental ethical grounds beyond those adopted by the managers. Our objective is to generate a balanced total return based on relative benchmarks for key asset classes, which in 2025 included 70% equities, 15% bonds and 15% alternatives (excluding commercial property) to generate a long-term total return UK CPI + 4%, net of fees. Benchmarks were reviewed and slightly altered in 2026 to accommodate the differing strategies of the managers.

Investment policy for freehold properties: Investment returns are maximised within the constraints of long-term tenancy arrangements. Properties are maintained to minimum standards having regard to the wishes of sitting tenants.

Reserves Policy: Unrestricted funds total £67,494k (2024: £67,743k) are comprised of the General Fund of £30,678k (2024: £30,463k) and the Arley Fund of £36,816k (2024: £37,280k). The Arley fund can only be realised by disposing of either tangible fixed assets or investment properties in Arley Estate, and this designated fund is therefore excluded from free reserves. All investments held in the General Fund, totalling £30,544k (2024: £30,229k) are also excluded as they are held for the long term.

Free reserves are comprised of unrestricted funds which are 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. At 31 December 2025, reserves amounted to £134k (2024: £234k). Our policy is to hold reserves generally in the target range of £250k to £750k; although the reserves fell below target at 31 December 2025, £300k was drawn from the investment portfolio in early 2026 to restore them to within the target range.

KEY FINANCIAL POLICIES (CONTINUED)

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).

Charitable Use of Funds policy: The Trustees have formulated a policy embracing their power both to make charitable grants and to operate Arley Estate for public benefit having had due regard for Mr Roger Turner's expressed wishes:

- **Charitable Grant-making:** to support by means of grants to UK registered charities, within the main beneficial area of Birmingham, the Black Country boroughs, Worcestershire and Herefordshire, primarily for the benefit of charities supporting youth and children, community and elderly, impaired health, hospices and social support. Some limited support is also given to charities supporting the arts, the environment and heritage.
- **Arley Estate:** to maintain, to the extent practicable and necessary, (1) the amenities of the Estate for residents and visitors to the Arboretum to enjoy as an education and leisure resource on an affordable basis and (2) support for St Peter's Church, Arley Memorial Hall and Arley Sports and Social Club.
- **General:** To support such other general charitable purposes as the Trustees shall in their absolute discretion decide.

PEOPLE

The Trustees wish to record their appreciation for the loyalty and commitment of the whole team at Arley during the year. We have recently welcomed Kat Griffiths as Finance Manager and would like to thank Louise Cooper, the outgoing Senior Finance Administrator, for her 10 years of dedication and service. We wish to thank all 17 of our active volunteers who bring significant additional skills and experience and continue to support the work of the Arboretum with great enthusiasm.

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.

CHAIR OF TRUSTEES

Peter Millward completed his term of office on 21 March 2025, and the Trustees were delighted to welcome Amanda McGeever as Chair in his place from that date. Peter remains as a Trustee.

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.

LINKED CHARITIES

The RD Turner Charitable Trust and The Douglas Turner Trust ('the Linked Charities') are treated as forming part of The Trust for the purposes of the Charities Act 2011. Neither of the Linked Charities has any assets or liabilities to be aggregated within the financial statements of the reporting entity.

PLANS FOR THE FUTURE

Arley fund: we plan to:

- Extend the Arboretum tearoom to provide greater efficiency for staff.
- Reconfigure the Arboretum toilet block to provide improved facilities with enhanced disabled access.
- Renovate properties to comply, so far as reasonably practical, with minimum energy efficiency standards.
- Implement the requirements of the 'The Renters Rights Act 2025' following recent dialogue with tenants.
- Introduce a planned maintenance programme for tenanted properties

General fund: we plan to:

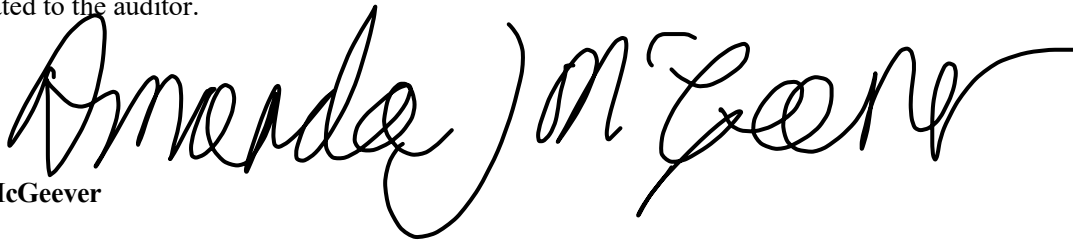
- Refocus the charitable grant-making policy to a thematic approach to improve impact.

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.



Amanda McGeever
Chair
6 March 2026



Arley Village from the banks of the River Severn taken just below the Harbour Inn.

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 2025 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated and Charity Cash Flow Statements 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 2025 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 13, 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. 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 within the timing of recognition of rental income and weddings and events income, and the override of controls by management. Our audit procedures to respond to these risks included designing audit procedures over rental income and weddings and events income, 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 (Financial Statements 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**

Statutory Auditor

4th Floor, St James House, St James' Square, Cheltenham, GL50 3PR

12 March 2026

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Unrestricted Funds	Note	2025			2024		
		Arley Fund £'000	General Fund £'000	Total £'000	Arley Fund £'000	General Fund £'000	Total £'000
<u>Income from:</u>							
Investments	3	637	587	1,224	622	693	1,315
Trading Activities	4	313	-	313	418	-	418
Charitable Activities	5	367	-	367	342	-	342
Other income	6	-	-	-	-	130	130
Total Income		1,317	587	1,904	1,382	823	2,205
<u>Expenditure from:</u>							
Raising Funds	7	714	164	878	572	162	734
Trading Activities	8	371	-	371	408	-	408
Charitable Activities	9	807	1,019	1,826	705	783	1,488
Total Expenditure		1,892	1,183	3,075	1,685	945	2,630
Operating (deficit)		(575)	(596)	(1,171)	(303)	(122)	(425)
Net investment gain	14	-	1,198	1,198	303	2,309	2,612
Net Income/(loss)		(575)	602	27	-	2,187	2,187
Revaluation of fixed assets	13	(276)	-	(276)	25	-	25
Transfers between funds	20	387	(387)	-	1,129	(1,129)	-
Net Movement in Funds		(464)	215	(249)	1,154	1,058	2,212
Total Funds at 1 January		37,280	30,463	67,743	36,126	29,405	65,531
Total Funds at 31 December		36,816	30,678	67,494	37,280	30,463	67,743

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, the Arboretum and the trading subsidiary, Arley House & Gardens Limited.

The notes on pages 19 to 32 form part of these financial statements.

BALANCE SHEETS AS AT 31 DECEMBER 2025

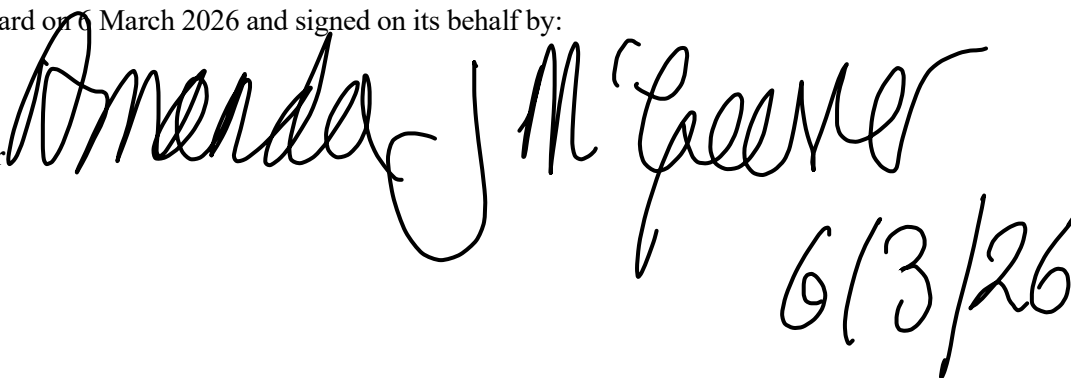
	Note	GROUP		CHARITY	
		2025 £'000	2024 £'000	2025 £'000	2024 £'000
Fixed assets					
Intangible assets	13	7	4	7	4
Tangible assets	13	4,424	4,836	4,424	4,836
Investments	14	62,761	62,099	63,161	62,499
Total		67,192	66,939	67,592	67,339
Current assets					
Stock	15	31	27	10	13
Debtors	16	154	330	147	327
Cash	17	348	684	178	363
		533	1,041	335	703
Creditors:					
Amounts due within one year	18	(231)	(237)	(206)	(206)
Net current assets		302	804	129	497
Net assets		67,494	67,743	67,721	67,836
Arley Fund	19&21	36,816	37,280	36,643	36,973
General Fund	19&21	30,678	30,463	31,078	30,863
Total Funds		67,494	67,743	67,721	67,836

The funds movement dealt with in the charity's financial statements was negative £248,000 (2024: positive £2,212,000).

The notes on pages 19 to 32 form part of these financial statements.

Approved by the Board on 6 March 2026 and signed on its behalf by:

Amanda McGeever
Chair



CONSOLIDATED AND CHARITY CASH FLOW STATEMENT

For the year ended 31 December 2025

	Note	GROUP		CHARITY	
		2025 £'000	2024 £'000	2025 £'000	2024 £'000
Cash (used in) operating activities	23	(1,402)	(1,089)	(1,251)	(985)
Cash flows from investing activities					
Dividend and interest income		587	693	587	693
Purchase of intangible/tangible fixed assets		(57)	(74)	(57)	(74)
Investment in subsidiary		-	-	-	(400)
Purchase of investments		(7,851)	(8,463)	(7,851)	(8,463)
Capital expenditure on investment properties		(347)	(284)	(347)	(284)
Investment cash drawn down		720	880	720	880
Proceeds from sale of investments		8,014	8,620	8,014	8,620
		<u>1,066</u>	<u>1,372</u>	<u>1,066</u>	<u>972</u>
Cash provided by investing activities		1,066	1,372	1,066	972
(Decrease)/Increase in cash and cash equivalents in the year		(336)	283	(185)	(13)
Cash and cash equivalents at the beginning of the year		684	401	363	376
		<u>684</u>	<u>401</u>	<u>363</u>	<u>376</u>
Total cash and cash equivalents at the end of the year		348	684	178	363
		<u><u>348</u></u>	<u><u>684</u></u>	<u><u>178</u></u>	<u><u>363</u></u>

The notes on pages 19 to 32 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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 financial statements have been prepared on the 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 financial statements 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 financial statements 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 financial statements 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 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.

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 FINANCIAL STATEMENTS (CONTINUED)

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

Revenue from sales of goods is recognised when all 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 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 the 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. If an 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, 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 for permanent staff. An accrual is provided for casual workers in line with government guidance.

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.

Financial investments in subsidiary undertakings are stated at cost less any provision for impairment. An impairment review is completed annually.

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 after 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

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

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 except for 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. Reimbursement assets are recognised in debtors when receipt is virtually certain, and its amount can be measured reliably.

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

Creditors and provisions are recognised where the Trust 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:

	2025 £'000	2024 £'000
Dividends on UK and overseas equities	393	472
Interest on fixed interest securities and deposits	194	221
Sub-total General Fund	587	693
Income - rental	615	564
- other	22	58
Sub-total Arley Fund	637	622
Total Investment Income	1,224	1,315

4 INCOME FROM TRADING

Accommodation	81	83
Weddings and events	218	327
Other income	14	8
Total income	313	418

5 CHARITABLE INCOME

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

6 OTHER INCOME

Other income of £nil (2024: General Fund other income of £130k was received as partial reimbursement of an Authorised Push Payment fraud in 2023).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 RAISING FUNDS EXPENDITURE

	2025			2024		
	Arley Fund £'000	General Fund £'000	Total 2025 £'000	Arley Fund £'000	General Fund £'000	Total 2024 £'000
Investment management charges	-	164	164	-	162	162
Repairs & property maintenance	167	-	167	121	-	121
Woodland maintenance	5	-	5	28	-	28
Depreciation & amortisation	115	-	115	107	-	107
Loss on revaluation (note 13)	75	-	75	-	-	-
Direct staff costs	129	-	129	82	-	82
Shared staff costs	35	-	35	32	-	32
Shared overheads	131	-	131	110	-	110
Governance	15	-	15	7	-	7
Professional charges	42	-	42	85	-	85
Total Raising Funds	714	164	878	572	162	734

8 TRADING EXPENDITURE

Direct expenses	130	-	130	219	-	219
Direct staff costs	158	-	158	110	-	110
Shared staff costs	38	-	38	38	-	38
Shared overheads	42	-	42	39	-	39
Governance	3	-	3	2	-	2
Total trading expenditure	371	-	371	408	-	408

9 CHARITABLE EXPENDITURE

Direct costs Arboretum & Estate	137	-	137	120	-	120
Direct staff costs	347	43	390	288	47	335
Shared staff costs	188	-	188	167	-	167
Shared overheads	103	10	113	102	8	110
Professional charges	15	4	19	20	10	30
Governance	15	7	22	6	6	12
Charitable grants	2	955	957	2	712	714
Total charitable expenditure	807	1,019	1,826	705	783	1,488

Shared costs of staff and overheads are analysed in note 12.

Governance includes audit fees of £20,000 (2024: £18,000) and professional fees of £13,500 (2024: £850).

10 CHARITABLE GRANTS ANALYSIS

	2025			2024		
	Number	% value	£'000	Number	% value	£'000
Young people	47	19%	180	40	17%	119
Community work	27	11%	100	32	14%	104
Social support	25	11%	102	28	15%	106
Impaired health	53	33%	316	48	24%	173
Hospices	9	16%	156	9	17%	119
The Arts	13	5%	51	18	9%	66
Environment & heritage	10	5%	52	6	4%	27
Total	184	100	957	181	100%	714

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 CHARITABLE GRANTS ANALYSIS (Continued)

75 charitable grants of £5,000 or more:

Name	£'000	Name	£'000
Acacia Family Support	5	Little Hearts Matter	5
ASPIE	7	Maggs Day Centre	5
Acorns Children's Hospice Trust	30	Mary Stevens Hospice	15
ARCOS	5	Martineau Gardens	5
Age UK Birmingham	5	Malvern Youth & Community Trust	5
Avoncroft Museum of Historic Buildings	5	Marches Family Network	5
B:Music	10	Myriad Centre (2 grants inc. £50k capital)	55
Better Understanding Dementia Sandwell	5	Megan Baker House	5
BID Services	5	National Churches Trust	10
Birmingham Boys & Girls Union	8	Nonentities Society	5
Birmingham Centre for Arts Therapies	5	NICE – Centre for Movement Disorders	8
Birmingham City Mission	8	Norton Hall Children and Family Centre	5
Birmingham PHAB Camps	5	Primrose Hospice	19
Birmingham Settlement	8	Parks for Play	5
Birmingham Botanical Gardens	15	Quinborne Community Association	5
Blackwell Advent. (2 grants inc. £12k capital)	17	REACT	5
Busoga Trust*	5	Redditch Night stop	5
Cerebral Palsy Midlands	10	Sandwell Homeless and Resettlement	5
Changing Faces	6	Sight Concern Worcestershire	5
City of Birmingham Symphony Orchestra	5	Sport 4 Life UK	6
Compton Care	20	St Basil's	10
Criminon	5	St Giles Hospice	10
Dorothy Parkes Centre	8	St Martin's Youth Centre	5
Edwards Trust	7	St Michael's Hospice	12
ESO (2006) Ltd	5	St Richard's Hospice	22
Farms for City Children	5	Stonehouse Gang	15
FoodCycle	5	Sudden Productions	5
Friends of Sick Children in Malawi*	5	The Haven Worcestershire	5
Good Shepherd Services	6	The Odell Trust	5
Hartlebury Castle Trust	5	The Relationship Therapy Centre	5
Headway Birmingham & Solihull	5	Village Water*	5
Headway Worcestershire	5	Walsall Society for the Blind	5
Hospice Charity Partnership	20	Where Next Association	5
James' Place Charity	5	Worcester Snoezelen (2 grants inc. £50k capital)	55
Kapella (was Relate Birmingham)	5	Wyre Forest & South Worcs. Night stop	6
Kemp Hospice	8	<i>Brought forward column 1</i>	294
Listening Books	6		
<i>Sub-total carried forward</i>	<u>294</u>	Total at least £5,000 (48 grants)	<u>647</u>

*International charities that have been supported historically and continue to be supported.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 STAFF COSTS

	2025	2024
	£'000	£'000
Wages and salaries	843	704
Social security costs	78	51
Pension costs	30	25
	<u>951</u>	<u>780</u>

The key management personnel of the charity comprise the Trustees, the Chief Executive, the Business Development & Engagement Manager, the HR Manager and the Grants Officer. The total employee benefits of the key management personnel of the charity were £224,428 (2024: £191,386). One employee had earnings which fell between £100,000 and £110,000 (2024: One employee had earnings which fell between £90,000 and £100,000).

There were 17 active volunteers (2024: 21) who provided ad-hoc support to projects in the Arboretum. The economic contribution of general volunteers is not recognised in the financial statements.

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

	2025	2024
Estate and property	3	3
Events	13	12
Arboretum	23	22
Management and administration	8	9
	<u>47</u>	<u>46</u>

12 SHARED COSTS (Arley Fund)

		2025			2024		
Cost sharing within Arley Estate is based on time spent:		Staff costs	Other costs	Total	Staff costs	Other costs	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Raising funds	Note 7	35	131	166	32	110	142
Trading	Note 8	38	42	80	38	39	77
Charitable	Note 9	188	103	291	167	102	269
		<u>261</u>	<u>276</u>	<u>537</u>	<u>237</u>	<u>251</u>	<u>488</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 FIXED ASSETS: GROUP AND CHARITY

Intangible fixed assets: The net book amount at 31 December 2025 was £6,630 (2024: £3,712)

Tangible fixed assets	Freehold land and buildings	Plant and equipment	Fixtures and fittings	Total
Cost or valuation	£'000	£'000	£'000	£'000
At 1 January 2025	4,866	399	407	5,672
Additions	18	8	30	56
Disposals	-	-	(2)	(2)
Revaluation - movement in reserve	(276)	-	-	(276)
- loss in year	(75)	-	-	(75)
At 31 December 2025	4,533	407	435	5,375
Depreciation				
At 1 January 2025	239	304	293	836
Charge for the year	49	28	38	115
Disposals	-	-	-	-
At 31 December 2025	288	332	331	951
Net book amount				
At 31 December 2025	4,245	75	104	4,424
At 31 December 2024	4,627	95	114	4,836

Freehold land and buildings were reduced in value by £400k at 31 December 2025 (2024: £nil) which included £49k annual depreciation, the £351k revaluation charge exceeded the revaluation reserve (reducing it to £nil), resulting in a balance of £75k loss on revaluation.

Freehold land and buildings which had an historical cost of £5,023,000 (2024: £5,023,000).

14 FIXED ASSET INVESTMENTS – CHARITY AND GROUP

	Freehold land and buildings	Quoted securities	Investment in subsidiary undertaking	2025
	£'000	£'000	£'000	Total
				£'000
At 1 January	31,870	30,229	400	62,499
Additions at cost	347	7,851	-	8,198
Disposal proceeds	-	(8,014)	-	(8,014)
Net investment gain	-	1,198	-	1,198
Cash drawdown	-	(720)	-	(720)
At 31 December (Charity)	32,217	30,544	400	63,161
Investment in subsidiary	-	-	(400)	(400)
At 31 December (Group)	32,217	30,544	-	62,761

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 FIXED ASSET INVESTMENTS – CHARITY AND GROUP (Continued)

Freehold land and buildings: an independent quinquennial valuation of freehold land and buildings was carried out by Halls, Chartered Surveyors, on 31 December 2022. The woodland was valued by Bronwin & Abbey, Chartered Foresters and Surveyors. The valuation of £36,248,000 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 2025, having taken informal advice from Halls, the Trustees valued the Estate on a similar basis at £36,462,000 (2024: £36,497,000). For accounting, the assets have been disclosed as follows:

		2025 £'000	2024 £'000
Own use tangible fixed assets	Note 13	4,245	4,627
Investments	Above	32,217	31,870
At 31 December		<u>36,462</u>	<u>36,497</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	2025	2024	2025	2024
	%	%	£'000	£'000
Fixed interest	10.3	11.6	3,138	3,513
UK listed equities	6.8	5.5	2,088	1,643
Overseas equities	69.5	70.4	21,231	21,289
Commercial property	-	1.7	-	513
Alternative investments	10.9	9.8	3,323	2,961
Cash	2.5	1.0	764	310
	<u>100.0</u>	<u>100.0</u>	<u>30,544</u>	<u>30,229</u>
Historical cost			<u>26,190</u>	<u>26,694</u>

Material investments: The Investment Policy states that no investments should exceed 5.0% of the value of the portfolio. At 31 December 2025 there were no such investments (2024: none).

Fixed asset investments – Charity

In addition to the above investments the charity has a £400,000 (2024: £400,000) investment in the entire share capital of Arley House & Gardens Ltd. following an equity subscription of £399,900 on 31 December 2024.

15 STOCK

	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Goods for resale	<u>31</u>	<u>27</u>	<u>10</u>	<u>13</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 DEBTORS

	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Trade debtors	62	47	57	44
Prepayments and accrued income	57	123	55	120
Other debtors	35	160	35	160
Amounts due from group undertaking	-	-		3
	<u>154</u>	<u>330</u>	<u>147</u>	<u>327</u>

Other debtors include £nil (2024: £98,000) related to amounts reimbursed from banks after the year-end in relation to an Authorised Push Payment fraud.

17 CASH

Cash at bank	348	684	178	363
	<u>348</u>	<u>684</u>	<u>178</u>	<u>363</u>

18 CREDITORS DUE WITHIN ONE YEAR

Trade creditors	47	43	45	40
Investment Management charges	43	41	43	41
Rents received in advance	53	48	53	48
Other taxes and social security	32	23	6	19
Other creditors	16	9	5	6
Accruals and deferred income	40	73	36	52
Amounts due to group undertaking	-	-	18	-
	<u>231</u>	<u>237</u>	<u>206</u>	<u>206</u>

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

Balance at 1 January	18	62	-	-
New deposits during the year	124	277	-	-
Deposits released during the year	(134)	(321)	-	-
	<u>8</u>	<u>18</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19 ANALYSIS OF GROUP ASSETS AND LIABILITIES WITHIN FUNDS

	2025			2024		
	Arley Fund £'000	General Fund £'000	Total Funds £'000	Arley Fund £'000	General Fund £'000	Total Funds £'000
Intangible Assets	7	-	7	4	-	4
Tangible Assets	4,424	-	4,424	4,836	-	4,836
Investments	32,217	30,544	62,761	31,870	30,229	62,099
Fixed Assets	36,648	30,544	67,192	36,710	30,229	66,939
Stock	31	-	31	27	-	27
Debtors	127	27	154	115	215	330
Cash	198	150	348	624	60	684
Creditors	(188)	(43)	(231)	(196)	(41)	(237)
Net Current Assets	168	134	302	570	234	804
Total Funds	36,816	30,678	67,494	37,280	30,463	67,743

20 FUNDS ANALYSIS – GROUP

	1 January 2025 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Gains / (Losses) £'000	31 December 2025 £'000
/						
Operational funds	37,004	1,317	(1,892)	387	-	36,816
Revaluation reserve	276	-	-	-	(276)	-
Arley Fund	37,280	1,317	(1,892)	387	(276)	36,816
General Fund	30,463	587	(1,183)	(387)	1,198	30,678
Total Funds	67,743	1,904	(3,075)	-	922	67,494
	1 January 2024 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Gains / (Losses) £'000	31 December 2024 £'000
Operational funds	35,875	1,382	(1,685)	1,129	303	37,004
Revaluation reserve	251	-	-	-	25	276
Total Arley Fund	36,126	1,382	(1,685)	1,129	328	37,280
General Fund	29,405	823	(945)	(1,129)	2,309	30,463
Total Funds	65,531	2,205	(2,630)	-	2,637	67,743

Transfers between funds is cash transferred to finance major projects at Arley Estate and in relation to shared costs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21 ANALYSIS OF CHARITY ASSETS AND LIABILITIES WITHIN FUNDS

	2025			2024		
	Arley Fund £'000	General Fund £'000	Total Funds £'000	Arley Fund £'000	General Fund £'000	Total Funds £'000
Intangible Assets	7	-	7	4	-	4
Tangible Assets	4,424	-	4,424	4,836	-	4,836
Investments	32,217	30,944	63,161	31,870	30,629	62,499
Fixed Assets	36,648	30,944	67,592	36,710	30,629	67,339
Stock	10	-	10	13	-	13
Debtors	120	27	147	112	215	327
Cash	28	150	178	303	60	363
Creditors	(163)	(43)	(206)	(165)	(41)	(206)
Net Current Assets	(5)	134	129	263	234	497
Total Funds	36,643	31,078	67,721	36,973	30,863	67,836

22 FUNDS ANALYSIS – CHARITY

	1 January 2025 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Gains / (Losses) £'000	31 December 2025 £'000
/						
Operational funds	36,697	1,079	(1,520)	387	-	36,643
Revaluation reserve	276	-	-	-	(276)	-
Arley Fund	36,973	1,079	(1,520)	387	(276)	36,643
General Fund	30,863	587	(1,183)	(387)	1,198	31,078
Total Funds	67,836	1,666	(2,703)	-	922	67,721
	1 January 2024 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Gains / (Losses) £'000	31 December 2024 £'000
Operational funds	35,875	1,065	(1,275)	729	303	36,697
Revaluation reserve	251	-	-	-	25	276
Total Arley Fund	36,126	1,065	(1,275)	729	328	36,973
General Fund	29,405	823	(945)	(729)	2,309	30,863
Total Funds	65,531	1,888	(2,220)	-	2,637	67,836

Transfers between funds is cash transferred to finance major projects at Arley Estate and in relation to shared costs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET OPERATING CASH FLOW

	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Net movement in funds	(249)	2,212	(115)	2,305
Add back depreciation and amortisation	190	107	190	107
Movement on revaluation reserve	276	(25)	276	(25)
Deduct income shown in quoted investing activities	(587)	(693)	(587)	(693)
(Gain) on revaluation of investments	(1,198)	(2,612)	(1,198)	(2,612)
(Increase) in stock	(4)	(2)	3	(1)
Decrease / (increase) in debtors	176	(21)	180	(45)
(Decrease) in creditors	(6)	(55)	-	(21)
Net cash used in operating activities	(1,402)	(1,089)	(1,251)	(985)

24 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:

	2025 £'000	2024 £'000
Turnover	310	417
Direct costs	(289)	(329)
Overheads	(74)	(79)
(Loss) / profit included in Statement of Financial Activities on consolidation	(53)	9
Intra-group charge from the charity arising from internal leases, included in the company's own financial statements	(81)	(102)
(Loss) for the financial year	(134)	(93)
Retained in subsidiary	(134)	(93)
The assets and liabilities of the subsidiary were:		
Current assets	215	351
Current liabilities	(42)	(44)
Total net assets representing aggregate share capital and reserves	173	307

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 (£53,000) (2024: £9,000) investment (losses)/income comprising £81,000 (2024: £102,000) intra-group service charges and £nil (2024: £nil) gift aid income from the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25 FINANCIAL INSTRUMENTS

	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Financial assets				
Financial assets measured at fair value through profit or loss	30,544	30,229	30,544	30,229

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

26 COMMITMENTS RECEIVABLE UNDER OPERATING LEASES

At 31 December 2025 the Group and Charity had future minimum lease receipts under non-cancellable operating leases as follows:

	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Not later than one year	102	101	122	151
Later than one year and not later than five years	289	232	319	356
Later than five years	925	737	925	737
	<u>1,316</u>	<u>1,070</u>	<u>1,366</u>	<u>1,244</u>

27 CAPITAL COMMITMENTS

At 31 December 2025 the Group and Charity had capital commitments of £nil (2024: £158,000).

28 COMMITMENTS PAYABLE UNDER OPERATING LEASES

At 31 December 2025 the Group and Charity had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Not later than one year	6	6	6	6
Later than one year and not later than five years	8	9	8	9
Later than five years	-	-	-	-
	<u>14</u>	<u>15</u>	<u>14</u>	<u>15</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**29 RELATED PARTY TRANSACTIONS****(i) Transactions involving Trustees and connected parties**

No Trustees are remunerated. One Trustee is also a director of the trading subsidiary.

One Trustee is a private client partner of our solicitors, Ladders LLP. Payments totalling £3,500 (2024: £7,500) were made to Ladders LLP for legal advice on residential and agricultural leases on an arm's length basis and were provided by a separate independent team. £743 was outstanding at the end of the year.

Three Trustees purchased surplus IT equipment on an arm's length basis for £100 each.

(ii) Trustee expenses

The sum of £49 (2024: £534) was reimbursed to one (2024: two) Trustee(s) in respect of travel expenses.

(iii) Transactions with trading subsidiary

Costs (principally staff costs) recharged to the trading subsidiary amounted to £137,882 (2024: £148,296). Rent, service charge and catering income was received from the trading subsidiary amounting to £74,459 (2024: £101,922).

There are no other related party transactions to disclose.