



Malvern Hills Trust

Finance Administration and Resources Committee

Thursday 21 September 2023 7.00 pm

**Lyttelton Well
Church Road
Malvern WR14 2AY**

Meeting of the Finance, Administration and Resources Committee
Lyttelton Rooms, Church Street, Malvern
Thursday 21 September 2023 at 7:00 pm

Members: Mr D Core, Mr M Davies, Mr D Fellows, Mrs L Hodgson, Mr C Penn, Prof J Raine, Mr D Watkins.

Eleanor Sunderland and Katherine Parkin from Azets will be in attendance for item 6

Agenda

1. Apologies for Absence
2. Chair's Communications
3. Declarations of Interest
4. Public comments
5. Final Management Accounts for year ending 31 March 2023 Paper A
6. Auditors' Key Issues discussion document (Confidential report) Paper B
7. To review Trustees' Annual Report and Accounts for year ending 31 March 2023 & recommend approval of those and the Letter of Representation to the Board Paper C
8. Reports for information
 - 8.1 Review of major projects (Including Land Management) Paper D
 - 8.2 GDPR - Review of data breach log
 - 8.3 Management accounts to 31 July 2023 Paper E
 - 8.4 Fund-raising, legacies and grants group Verbal Update
 - 8.5 Red flag items off risk schedule Verbal update
 - 8.6 Exercise of CEO's delegated expenditure powers Verbal update
 - 8.7 Property – Manor House refurbishment Verbal update
 - 8.8 Recruitment update Verbal update
9. Urgent business
10. Date and time of next meeting
14 December 2023
11. Confidential
Resolution to exclude the public for discussion of item 12 on the agenda on the grounds that publicity would be prejudicial to the public interest by reason of the exempt or confidential nature of the business to be transacted (information relating to an individual).

CONFIDENTIAL

12. Building Colwall lands Paper F

If you or anyone in your household has experienced any Covid symptoms in the last 7 days, please do NOT attend this meeting unless you have a negative lateral flow test result on the day of the meeting. Symptoms are commonly runny nose, sore throat, headache, fatigue and sneezing and not necessarily a cough, fever or loss of sense of taste or smell.

Seats will be placed socially distanced within the venue - please don't move the chairs closer to others unless you have checked that they are happy for you to do so.

Members of the public who wish to attend are asked to notify cindy@malvern hills.org.uk (or write to Mrs L Parish at the Trust's office), in advance of the meeting, giving their name, E-mail address and contact number.

Malvern Hills Trust
General fund income and expenditure versus budget for the year ended 31st March 2023

	Actual £	Budget £	Variance £
Income			
Levy	595,300	595,300	0
Grants	12,155	16,655	(4,500)
Car park takings	360,753	374,000	(13,247)
Donations	5,861	3,000	2,861
Rents and licences	17,184	16,350	834
Fairs and circuses	0	750	(750)
Ice cream concessions	2,438	3,000	(562)
Easements & wayleaves	25,474	5,000	20,474
AONB contributions	6,868	6,700	168
Sales of books, leaflets and maps	0	250	(250)
Admin charges and compensation	1,076	1,150	(74)
Sundry income	14,404	4,130	10,274
Investment income	9,518	200	9,318
Profit on disposal of fixed assets	1,050	20,000	(18,950)
Total income	1,052,083	1,046,485	5,598
Land management expenses			
Contract labour	12,343	14,200	1,857
Drainage	2,506	4,200	1,694
Vehicle and equipment expenses	26,204	23,100	(3,104)
Hire of plant and equipment	6,724	9,800	3,076
Tree work	21,894	26,000	4,107
Grass cutting	3,000	3,900	900
Purchase of materials and tools	14,247	15,000	753
Protective clothing	2,348	1,700	(648)
Field consultancies	4,559	4,900	341
Conservation volunteers	851	1,100	249
Water testing	576	500	(76)
Gardening	3,036	3,000	(36)
Management plan	200	0	(200)
Tracks and paths	1,056	6,000	4,944
Total land management expenses	99,544	113,400	13,856
Visitor services expenses			
Car park meter expenses	19,462	24,200	4,738
Car park passes	2,920	2,900	(20)
Car park repairs	3,194	8,000	4,806
Wardens' vehicle expenses	8,528	9,700	1,172
Wardens' uniform and tools	2,310	3,000	690
Wardens' phones	948	1,200	252
Wardens' other expenses	0	66	66
Total visitor services expenses	37,363	49,066	11,703
Communications and public engagement expenses			
Leaflets	385	2,400	2,015
Annual report	662	750	88
Newsletters	0	200	200
Campaigns	0	4,000	4,000
Signs, display and information boards	3,036	4,000	964
Events programme	0	2,000	2,000
Exhibitions	0	1,500	1,500
Other PR expenses	500	750	250
Fundraising expenses	230	200	(30)
Communications support and engagement	0	10,000	10,000
Total communications and public engagement expenses	4,812	25,800	20,988
Administration and governance expenses			
Rates	8,163	8,400	237
Buildings maintenance	8,315	13,000	4,685
Electricity and gas	9,075	9,100	25
Telephones	3,316	4,000	684
Depreciation	31,290	39,000	7,710
Livestock revaluation	(6,132)	0	6,132
Insurance	29,357	31,000	1,643
Office equipment	6,403	6,400	(3)
IT	12,504	14,500	1,996
Website	651	1,000	349
Legal and professional fees	34,165	47,443	13,278
Governance costs	1,527	4,060	2,533
Subscriptions	1,711	900	(811)
Bank and investment charges	2,507	4,750	2,243
Postage	2,559	1,700	(859)
Stationery, printing and recycling	2,941	3,820	879
Cleaning	4,331	5,100	769
Travelling expenses	597	4,500	3,903
Miscellaneous exps	1,048	1,800	752
Newspaper ads	912	510	(402)
Total administration and governance expenses	155,240	200,983	45,743
Staff costs			
Basic salaries	518,370	464,800	(53,570)
Employer's NI	48,165	42,100	(6,065)
Pension contributions	146,701	140,500	(6,201)
FRS 102 compensated absences provision movement	(5,029)	0	5,029
Group life assurance	2,725	3,000	275
Training - staff	2,877	10,000	7,123
Recruitment	1,461	2,000	539
Total staff costs	715,271	662,400	(52,871)
Surplus/(deficit) for the period before transfers	39,852	(5,164)	45,016
Transfers from other funds	23,196	17,762	5,434
Transfers to other funds	(52,290)	(17,890)	(34,400)
Surplus/(deficit) for the period after transfers	10,758	(5,292)	16,050
General fund brought forward	425,825	425,832	(7)
General fund carried forward	436,583	420,540	16,043

Malvern Hills Trust - Designated Funds Income and Expenditure for the year ended 31st March 2023

Amt (£)

Category	N/C	Unrestricted Gifts	CC Scheme costs des fund	CC Sch consultation des fund	Dog campaign des fund	Fundraising	Election exps des fund	Tree disease des fund	Ash Dieback fund	Boundary Comm advice fund	Car park repair fund	FAM replacement fund	CS North & Central	CS Southern	CS Castlemorton	HLS Chase End	HLS Old Hills	Grazing reserve	Basic Payment Scheme	Total	
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
01 - Income	4015 - Other grants	7,000					0	0	0	0			0	0	0	0	0			0	7,000
	4020 - Stewardship annual grants	0					0	0	0	0			80,772	18,568	(12,931)	3,537	5,641			0	95,588
	4025 - Stewardship capital grants	0					0	0	0	0			0	6,546	0	0	0			0	6,546
	4030 - Stewardship other grants	0					0	0	0	0			0	0	0	0	0			4,479	4,479
	4200 - Donations	60					0	0	0	0			0	0	0	0	0			0	60
	4250 - Legacies	500					0	0	0	0			0	0	0	0	0			0	500
	4310 - Land rentals	0					0	0	0	0			5,694	750	0	0	0			0	6,444
01 - Income Total		7,560	0	0	0	0	0	0	0	0	0	0	86,466	25,864	(12,931)	3,537	5,641	0	4,479	120,617	
02 - Land management expenses	5000 - Contract labour	(8,295)					0	0	0	0			(1,679)	(536)	0	0	(325)			0	(10,835)
	5025 - Hire of plant and equipment	(18)					0	0	0	0			0	0	0	0	0			0	(18)
	5035 - Treework	0					0	0	(34,558)	0			(800)	(4,999)	0	0	(9,700)			0	(50,057)
	5036 - Tree planting	(288)					0	0	0	0			0	0	0	0	0			0	(288)
	5040 - Grass cutting	0					0	0	0	0			(1,250)	(750)	0	0	(800)			0	(2,800)
	5045 - Purchase of materials	(272)					0	0	0	0			0	0	0	(1,000)	0			0	(1,272)
	5055 - Field consultancies	0					0	0	0	0			0	0	0	0	0			0	0
	5100 - Graziers	0					0	0	0	0			(62,400)	(15,000)	11,514	(2,443)	(1,608)			0	(69,937)
	5110 - Stewardship schemes direct costs	0					0	0	0	0			0	0	0	0	0			0	0
02 - Land management expenses total		(8,873)	0	0	0	0	0	0	(34,558)	0	0	0	(66,129)	(21,285)	11,514	(3,443)	(12,433)	0	0	0	(135,206)
04 - Administration costs	6075 - Legal fees	0					0	0	0	(11,397)			0	0	0	0	0			0	(11,397)
	6100 - Other professional fees	0					0	0	0	0			0	0	0	0	0			(350)	(350)
	6110 - Bank charges	0					0	0	0	0			0	0	0	0	0			0	0
04 - Administration costs Total		0	0	0	0	0	0	0	0	(11,397)	0	0	0	0	0	0	0	0	0	(350)	(11,747)
Surplus/(deficit) for the period before transfers		(1,313)	0	0	0	0	0	0	(34,558)	(11,397)	0	0	20,337	4,579	(1,417)	94	(6,792)	0	4,129	0	(26,336)
	4600 - Transfers from other funds	0					5,000	12,890	68,000	20,000	1,900	12,500	0	0	0	0	0			0	120,290
	8100 - Transfers to other funds	(68,034)					0	0	0	0			0	0	0	(341)	(550)			0	(68,925)
Surplus/(deficit) for the period after transfers		(69,347)	0	0	0	0	5,000	12,890	33,442	8,603	1,900	12,500	20,337	4,579	(1,417)	(247)	(7,342)	0	4,129	0	25,028
Designated funds brought forward		452,449	34,010	889	3,501	10,000	12,206	22,975	96,031	0	3,200	0	112,237	13,412	1,417	1,421	28,410	60,059	20,442	0	872,659
Designated funds carried forward		383,102	34,010	889	3,501	10,000	17,206	35,865	129,473	8,603	5,100	12,500	132,575	17,991	0	1,174	21,068	60,059	24,571	0	897,687

Malvern Hills Trust - Restricted Funds Income and Expenditure for the year ended 31st March 2023

Category	N/C	Capital Outlay	Parliamentar	Land	Lands	Restricted	Picnic bench	NIM book	Tree donation	Boost4biodiv	Community	Urban Tree	FIPL all saints	FIPL Foothill	Access for all	SDF fund	Total
		d'chg'd	y fund	Purchase fund	Maintenance fund	Gift fund	donations		scheme	ersity	woodland	Challenge fund	Donkey shed	wood	Connections	£	£
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
01 - Income	4015 - Other grants	0	0		0	2,000	0		0		0	11,257	19,456	2,409			35,122
	4200 - Donations	0	0		0	0	6,073		1,385		0	0	0	0			7,457
	4350 - Easements and application fees	0	20,000		0	0	0		0		0	0	0	0			20,000
	4500 - Income from investment portfolio	0	15,116	16,943	135	5,591	0		0		0	0	0	0			37,785
01 - Income Total		0	35,116	16,943	135	2,000	6,073	0	1,385	0	0	11,257	19,456	2,409	0	0	100,364
	5000 - Contract labour					0	0		0		0	0	(25,028)	(1,103)	0		(26,131)
	5020 - LM equipment purchases less than £500					0	0		0		0	0	0	0	(1,776)		(1,776)
	5035 - Treework					0	0		0		0	0	0	(1,300)	0		(1,300)
	5036 - Tree planting					0	0		(357)		0	0	0	0	0		(357)
	5045 - Purchase of materials					(665)	(1,719)		0		(34)	(97)	(585)	0	0		(3,099)
2 - Land management total		0	0	0	0	(665)	(1,719)	0	(357)	0	(34)	(97)	(25,613)	(2,403)	0	(1,776)	(32,663)
04 - Administration costs	6100 - Other professional fees	0	0	0	0	0	0		0		0	0	(1,630)	0			(1,630)
	6115 - Investment manager's charges	0	(4,412)	(7,150)	(97)	(1,632)	0		0		0	0	0	0			(13,291)
	6120 - Newspaper ads	0	0	0	0	0	0		0		0	(200)	0	0			(200)
	8000 - Depreciation - other land and buildings	(2,775)	0	0	0	0	0		0		0	0	0	0			(2,775)
	8005 - Depreciation - impt's to land and buildings	(57,093)	0	0	0	0	0		0		0	0	0	0			(57,093)
04 - Administration costs Total		(59,868)	(4,412)	(7,150)	(97)	(1,632)	0	0	0	0	0	(200)	(1,630)	0	0	0	(74,989)
Surplus/(deficit) for the period before transfers and investment gains		(59,868)	30,704	9,793	38	3,959	1,335	4,354	0	1,028	0	(34)	10,960	(7,787)	7	0	(7,288)
	8110 - Investment gains or losses		(25,540)	(71,706)	15,807	(9,188)											(90,627)
	4600 - Transfers from other funds	173,193	0		184,263	0	0	0	0		34	0	0	0			357,490
	8100 - Transfers to other funds	0	(13,613)	(357,456)	(5,337)	(2,550)			(805)			0	0				(379,761)
Surplus/(deficit) for the period after transfers		113,325	(8,449)	(419,369)	200,108	(10,566)	1,335	1,804	0	223	0	10,960	(7,787)	7	0	(1,776)	(120,185)
Restricted funds brought forward		1,491,437	493,839	933,249	0	193,585	6,830	2,800	2,901	821	1,389	0	(8,223)	0	500	0	453
Restricted funds carried forward		1,604,762	485,390	513,881	200,108	183,019	8,166	4,604	2,901	1,044	1,389	0	2,737	(7,787)	7	500	(1,776)

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Malvern Hills Trust Balance Sheet as at 31st March 2023

Fixed Assets

Heritage assets	1,346,835
Other land and buildings	213,753
Improvements to capital assets	43,659
LM vehicles & eq't	98,140
Office equipment	3,526
Investments	1,206,693

Current Assets

Livestock	31,452	2,912,606
Debtors, prepayments and accrued income	111,903	
Deposits and Cash	1,470,301	
VAT Liability	<u>5,029</u>	

1,618,685

Current Liabilities

Creditors : Short Term	183,561
Payroll Taxation	10,543
Wages	<u>3,520</u>

197,623

Current Assets less Current Liabilities:

1,421,062

Total Assets less Current Liabilities:

4,333,667

Long Term Liabilities	
FRS 102 pension liability	737,000

Total Assets less Total Liabilities:

3,596,667

Capital & Reserves

General fund	436,583
Designated funds	897,687
Restricted funds	2,999,397
FRS 102 pension	<u>(737,000)</u>

3,596,667

Trustees' Report and Financial statements for the year ended 31st March 2023

Pre audit report



Trustees' Report and Financial statements

For the year ended 31st March 2023

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Reference and administrative details

Charity number: 515804 (England and Wales)

Principal office: Manor House
Grange Road
Malvern
Worcestershire
WR14 3EY

Our advisors

Independent Auditor: Azets,
Epsilon House,
The Square,
Gloucester Business Park,
Gloucester GL3 4AD

Bankers: Lloyds Bank plc
48 Belle Vue Terrace
Malvern
Worcestershire
WR14 4QG

Investment Managers: RBC Brewin Dolphin
9 Colmore Row
Birmingham
B3 2BJ

Key management personnel – Senior Managers

Chief Executive Officer Duncan Bridges BSc (Hons)

Secretary to the Board Susan Satchell LI.B (Hons)

Conservation Manager Jonathan Bills MSc

Operations Manager Peter Kelsall BScFor, MICFor

Finance and Administration Manager Cheryl Gentry BSc ACA (to 31st May 2023)

Helen Barber (from 1st Feb to 10th March 2023)

Sarah Deacon BA (Hons) FCIPP MAAT AATQB
(from 30th May 2023)



Trustees

FAR – sits on Finance, Administration and Resources Committee

LM – sits on Land Management Committee

GC – sits on Governance Committee

SC – sits on Staffing Committee

** has served for more than 9 years*

Elected trustees

(Wards as at November 2019)

Priority Ward:	David Watkins <i>FAR</i>
Chase Ward:	Mary Turner <i>LM</i> (appointed 6 th May 2022)
Wells Ward:	Richard Fowler <i>LM</i> to November 2022, <i>SC</i> from November 2022
West Ward:	Charles Penn <i>FAR</i> . <i>SC</i> to November 2022
Dyson Perrins Ward:	Trevor Parsons <i>LM</i>
Malvern Link Ward:	Richard Bartholomew <i>FAR & GC</i> to November 2022. <i>LMC</i> from November 2022
Pickersleigh Ward:	David Core <i>FAR & GC</i>
Colwall Parish:	Helen Stace <i>LM, SC</i> to November 2022, <i>GC</i> from November 2022 *
	Stephen Braim <i>LM & GC</i>
Guarlford Parish:	David Fellows <i>FAR & GC</i>
Mathon Parish:	Christopher Rouse <i>LM</i> *

Nominated trustees

Malvern Hills District Council:	Mick Davies <i>FAR and SC</i> (Board Chair) John Michael <i>FAR</i> Cynthia Palmer <i>LM & SC</i> (Board Vice Chair) 5 vacancies.
Colwall Parish Council:	Paul Clayburn <i>LM & GC</i> from November 2022
Mathon Parish Council:	David Baldwin <i>LM & SC</i> *
Church Commissioners:	<i>Vacant</i>
Herefordshire Council:	Helen I'Anson <i>SC</i> Ellie Chowns <i>LM</i> (resigned 3/10/2022) 1 vacancy
Worcestershire County Council:	John Raine <i>FAR, SC & GC</i> * Lucy Hodgson <i>FAR</i>
Worcestershire County Council on behalf of the following parishes: -	
Castlemorton:	Chris Atkins <i>LM & GC</i>
Newland:	Duncan Westbury <i>LM</i> (appointed 14.12.2022)
Powick:	Michelle Alexander <i>LM</i> (appointed 12.04.2023)

Staff

Malvern Hills Trust employs 21 staff (17 full time equivalent) during the year. Details of staff numbers are given in note 11 to the financial statements.

There were two changes to the staff during the financial year 2022/23. Nick Cowling left the Field Staff team in January 2023, and Helen Barber joined as Financial and Administration Manager for a short period, from February 1st to March 10th.

After 1 April 2023, Katie McEvoy took up the vacancy in the Field Staff team on April 11th, Cheryl Gentry left on 31st May after 20 years with the Trust and Sarah Deacon joined as the new Finance and Administration Manager on 30th May 2023.

Two new staff joined as wardens in 2023, Angela Norton on 27th June and Michael Price on the 5th July, replacing Conor Wilmot and Ben Taylor.



Report of the trustees for the year ended 31st March 2023

The trustees are pleased to present their annual report together with the financial statements of the charity for the year ending 31st March 2023.

The Board of Trustees resolved to adopt the working name of 'Malvern Hills Trust' on 19th January 2017. This came into effect on 6th April 2017. This name is registered with the Charity Commission. The statutory name remains 'Malvern Hills Conservators'.

Malvern Hills Trust was set up by Act of Parliament in 1884 and is governed by The Malvern Hills Acts 1884, 1909, 1924, 1930 and 1995. It is an unincorporated charity registered with the Charity Commission for England and Wales, number 515804.

The financial statements comply with the Charities Act 2011, the Commissioners' Clauses Act 1847, the five Malvern Hills Acts and *Accounting and Reporting by Charities: Statement of Recommended Practice (SORP)* applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2019).

Our purposes and activities

Malvern Hills Trust was set up to protect the hills and commons under its jurisdiction, in particular to:

- Preserve the natural aspect,
- Protect and manage trees, shrubs, turf and other vegetation,
- Prevent unlawful digging and quarrying,
- Keep the land open, unenclosed and unbuilt on as open spaces for the recreation and enjoyment of the public.

Malvern Hills Trust is also obliged under national legislation to conserve and enhance biodiversity, and to protect Sites of Special Scientific Interest and Scheduled Monuments on its land.

In order to meet its purposes, each year Malvern Hills Trust carries out a programme of conservation and maintenance work as guided by the adopted Land Management Plan <https://www.malvernhills.org.uk/looking-after/land-management-plan/>. This includes tree and woodland care, implementation of livestock grazing programmes, mowing and path maintenance to facilitate access, habitat restoration, litter picking and other general maintenance work across approximately 1200 hectares (3000 acres) of multi-designated, nationally important landscape.

Malvern Hills Trust provides and maintains a number of car parks for the public to use for easy access to the charity's land. Where parking charges apply, visitors can buy either a day ticket at a meter or an annual parking permit.

In planning and delivering its activities, the trustees have referred to the Charity Commission's guidance on public benefit. The trustees confirm they have complied with their duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales.



Under section 29 of the Malvern Hills Act 1884, Malvern Hills Trust may acquire ‘for the purpose of preserving unenclosed and free from building any lands within 9 miles of Great Malvern Abbey (Priory) which (they) may regard as proper to be so preserved as part of or in connection with the range of the Malvern Hills or for the purpose of maintaining any common or commonable rights which may subsist over or affecting such lands’.

Potential land acquisitions are considered by the trustees, in accordance with the charity’s Land Acquisition Policy. The trustees will consider acquiring a piece of land where the acquisition is consistent with the powers specified above and where acquisition would further the objectives of the organisation. The criteria in the policy are:

- To own and protect the ridge of the Hills and the steep slopes on either side,
- To own and protect land on the lower slopes which contributes to the landscape and setting of the Hills and Commons,
- To maintain common or commonable rights,
- To keep land open for the recreation and enjoyment of the public,
- To conserve habitats or species which are nationally or regionally scarce and/or are typical of the local area,
- To conserve features of archaeological or geological interest/importance,
- To improve access to the existing land holding for management and
- To divert public pressure/damaging activities away from over-used or sensitive areas of the existing land holding.

Achievements and performance

The Malvern Hills are an iconic and much-loved landscape, receiving an estimated 1 million visits each year. Malvern Hills Trust works closely with many user groups and through its Recreation Advisory Panel seeks to understand their needs and minimise potential conflict between different users of the hills and commons.

Malvern Hills Trust has a responsibility to conserve the important features and special qualities of the hills and commons, including the geology, flora, fauna, landscape and archaeology. Keeping a balance between access and conservation is a major challenge for the charity. This is achieved through an active communications policy, using both local and social media and the charity’s website. The Trust also aims to run a series of free themed events each year for the public, to help inform their use and enjoyment of the Hills and covering all aspects of the charity’s conservation work. Unfortunately, during the COVID-19 pandemic, these did not take place but events have been restarted in 2023.

A 5-year Business Plan was adopted by the Board of Trustees in March 2022 and this is reviewed annually. In particular, budgets have had to be adapted to take account of increases in prices (particularly fuel and energy) since February 2022. The Business Plan sets out the strategic priorities and plans for the charity. <https://www.malvern hills.org.uk/looking-after/business-plan/>



Arrangements post COVID-19

The frequency of Board and Committee meetings has been altered post Covid. Details are given in the 'Structure, Governance and Management' section of this report.

Visitor numbers have continued to be higher than in the years before March 2020, although visitor numbers have decreased from their peak, a change that possibly reflects increased fuel prices. Management of visitors and their impact - litter collection, prevention and control of fires and impact on the physical features of the Hills, notably path erosion and habitat disturbance continue to be a challenge.

Volunteers

Before March 2020, Malvern Hills Trust received enormous support from the work of volunteers with activities such as wardening, litter picking, recording flora and fauna, habitat management, conservation, archiving and administrative support. This all but stopped during the height of the pandemic. Regular conservation volunteer working parties have resumed. The input from volunteers continues to be lower than pre pandemic levels and the Trust looks forward to recruiting more volunteer wardens and office volunteers.

The estimated volunteer contribution during the year was the equivalent of 307 working days (of 7.5 hours per day) spent on the hills and commons and 20 working days on office work. The contribution of all volunteers is gratefully acknowledged.

Use of Defra Stewardship Grants

In 2022/23 around 75 % of the charity's land was managed under the Department for the Environment, Food and Rural Affairs (Defra) Countryside Stewardship Scheme or Higher Level Stewardship Scheme. These schemes provide valuable funding for certain land management and conservation activities including grazing, which is the most effective way to maintain significant parts of the hills and commons. The grazing programme is complemented by a range of other management work carried out by staff, contractors and a dedicated team of volunteers.

Five separate agreements are held, and together they provide over £100,000 per annum toward MHT's conservation activities.

Key achievements

During the year, the Trust has successfully undertaken maintenance work and implemented the Land Management Plan across its 1200 hectare (3000 acre) estate which includes open hills, woodlands and suburban green spaces. Local wildlife and heritage have been cared for and over a million visitors coming from far and wide have enjoyed the land. As part of this work, staff have maintained over 70km of public rights of way and 22 car parks to help facilitate public access.



Other key achievements were:

- 9.8 ha of the foothills have been acquired by the Trust. Colwall Coppice and West Field totalling 4.9ha were kindly bequeathed by the late Mrs B Sealy. The Trust also purchased two parcels of woodland and pasture adjoining Evendine Lane totalling 4.9ha. Since acquisition, staff have been researching and surveying these sites to ensure a sound basis for future management.
- Meeting the challenges of managing budgets during a period of high inflation.
- The charity worked in partnership with two local organisations to restore Malvern's last remaining Victorian donkey shed – a key part of the town's history. The Trust is grateful for funding received from the AONB's Farming in Protected Landscapes (FIPL) grant scheme and from Malvern Civic Society. The revitalised donkey shed will feature interpretation boards so that passing walkers can learn about its part in the history of the Hills.
- Restoration of the historic water trough on Guarlford Road was successfully completed in July, with financial support from the Malvern Spa Association.
- A new project was started at All Saints Wood with the clearance of invasive laurel. Later in 2023, a Forest School site will be developed for the neighbouring Wyche Primary School with the assistance of a grant from the Malvern Hills AONB.
- Tree planting was carried out by volunteers and staff at various locations. Black poplars have been sourced and planted to increase genetic diversity in the local population. This work will expand our woodlands and orchards, and help to maintain the characteristic tree avenues. The Trust's efforts to maintain all the recently planted trees through the dry summer resulted in high survival rates.
- New interpretation and access signage was installed in the Community Woodland in Townsend Way, and at Black Hill.
- Work was started to restore the stone bowl and pedestal at St Ann's Well, with the financial support from the Cadbury Foundation and Malvern Spa Association.



Structure, Governance and Management

The Malvern Hills Trust is a body corporate set up under the Malvern Hills Act 1884, subsequently modified by the Acts of 1909, 1924, 1930 and 1995. It is a registered charity.

The Board of Trustees is the decision-making body. The governing legislation currently provides for 29 trustees who are appointed for a four-year term. Eleven trustees are directly elected under the Local Elections (Principal Areas) Rules by the residents of the wards (as at December 2022) and parishes listed below, who contribute to Malvern Hills Trust through a levy paid with their Council Tax. The Chief Executive Officer is the Electoral Returning Officer.

Electoral area	<u>Seats</u>
Priory Ward	1
Chase Ward	1
Wells Ward	1
West Ward	1
Dyson Perrins Ward	1
Malvern Link Ward	1
Pickersleigh Ward	1
Guarlford Parish	1
Colwall Parish	2
Mathon Parish	1

The remaining 18 trustees are nominated by the following bodies:

Herefordshire Council	2
Worcestershire County Council	2
Worcestershire County Council on behalf of the parishes of Castlemorton, Newland and Powick	3
Malvern Hills District Council	8
Colwall Parish Council	1
Mathon Parish Council	1
The Church Commissioners	1

Most of the current trustees took up their seats on 1st November 2019 (some trustees have been appointed since then to fill vacancies which have arisen) and will remain in place until 31 October 2023.

There were 7 vacancies (all for externally appointed trustees) at the time this report was approved.

Following appointment, trustees are asked to attend training to ensure that they understand their duties and responsibilities under the Malvern Hills Acts, their responsibilities as charity trustees and their duties under other legislation which affects the land which they manage. A short tour is also offered to view some of the key management sites and trustees are encouraged to attend land management site visits throughout the year.

Board and Committee meetings are open to the public and dates are published on the website. The Board now holds six scheduled Board meetings in January, March, May, July, September and November to make decisions and to receive reports from officers, committees and from representatives serving on outside bodies. There is also an opportunity for members



of the public to make statements. The number of scheduled committee meetings has been reduced but Special Meetings are held whenever required.

The annual meeting at which the financial statements are adopted and Auditor appointed was held in September 2022. A small number of levy payers objected to the reappointment of the Trusts Auditors which resulted in that meeting being adjourned. Following a tender process, Azets were appointed as Auditors by the levy payers at a reconvened meeting in December. This appointment resulted in a £4,000 increase in the audit fee payable by the Trust.

The Chair and Vice Chair are elected at the Board's annual meeting in November, at which committee members and representatives to serve on outside bodies are also appointed.

Chief Executive Officer

The Chief Executive Officer is responsible for the day-to-day management of the charity's affairs and for implementing strategies and policies agreed by the Board of Trustees.

Committees

There are four committees of the Board. Their functions are set out below. The Board of Trustees considers committee reports and adopts, declines or amends their recommendations at the following Board meeting.

Land Management Committee

This committee considers land management issues and strategy, including the statutory duty to maintain the natural aspect. This includes:

- Overseeing production of the Land Management Plan and monitoring progress against the plan,
- Recommending the annual land management budget to the Board and monitoring progress against the budget,
- Reviewing policies relating to the management of the charity's land holding,
- Consideration of some applications for easements and wayleaves and making recommendations to the Board thereon,
- Considering appropriate levels of access infrastructure, interpretation and information
- Reviewing funding agreements, licences etc relating to the management of the hills and commons.
- Considering and making recommendations to Board regarding policy and best practice relating to environmental and sustainable development practices, (such as management of ash in light of Ash Dieback disease).

Finance, Administration and Resources Committee

This committee has oversight of the following areas:

- Finance, including reviewing the adequacy of financial controls, annual financial statements, budgets and budget monitoring,
- Investments, including reviewing the Investment Manager's reports and performance,
- Overseeing production of the business plan and monitoring progress against the plan,
- Administration, including legal matters and review and enforcement of the byelaws,
- Rents and charges,



- Reviewing major contracts,
- Ensuring that Malvern Hills Trust has appropriate levels of insurance cover, and
- Fundraising.

The committee also has authority to approve unbudgeted expenditure within agreed limits.

Governance Committee

The Governance Committee has oversight of and advises the Board on the following areas:

- Ensuring the organisation complies with the Malvern Hills Acts, charity legislation and other relevant legislation relating to governance,
- Reviewing board and committee performance,
- Reviewing and monitoring compliance with the Governance Handbook, Standing Orders and the Code of Conduct,
- Ensuring that the charity has appropriate risk management systems in place and that risks are reviewed and updated annually, and
- Approving training for trustees.

Staffing Committee

The Committee makes recommendations to the Board of Trustees regarding:

- Staffing and office requirements,
- Policy matters relating to staff salaries and benefits,
- Budget allocation for personnel and health and safety,
- Policy matters relating to terms and conditions of employment/engagement for all staff and volunteers,
- Matters arising from Malvern Hills Trust's Disciplinary and Grievance procedures for staff,
- Health and safety and first aid matters in relation to staff, volunteers and members of the public, and
- Pension arrangements with the Finance Administration and Resources Committee.

The Committee also:

- Reviews all employment and human resources policies and procedures and ensures that Malvern Hills Trust acts as a good employer,
- Receives reports from the Chief Executive Officer on human resource matters and
- Ensures that Malvern Hills Trust has a Health and Safety Policy and Health and Safety management systems in relation to staff, volunteers and members of the public and that these are reviewed regularly, properly implemented and the Board of Trustees is kept fully informed.

Charity Governance Code

The Charity Governance Code was published in July 2017 and revised in 2020 as a reference document to help charities work towards effective governance and the right leadership structure. The Code sets out principles and recommended practice. All charities and their trustees are encouraged to meet the principles and outcomes of the Code by either applying the recommended practice or explaining what they have done instead or why they have not applied it.



As a charity governed by statute, including legislation which is now over 175 years old, it is not possible for the Trust to follow many of the recommendations for good practices set out in the Code but the Code has been used to formulate many of the proposals for modernisation of the Trust's constitution. During the past 18 months, the Trust has used the associated 'Governance Toolkit' as a means of assessing trustees' and Senior Staff's views on current governance arrangements with the aim of identifying and agreeing areas for improved governance.

Ward boundary changes

During the year, the Local Government Boundary Commission reviewed the warding arrangements for Malvern Hills District Council. Their recommendations resulted in the passing of the Malvern Hills (Electoral Changes) Order 2023 in January 2023. As a result of this, the revised Malvern Hills District Council Ward boundaries no longer reflect the wording in the Malvern Hills Acts. Malvern Hills District Council, which runs elections on the Trust's behalf have confirmed that they will be able to run the 2023 elections based on the old boundaries. This situation is not satisfactory and highlights the urgent need to modernise the Trust's governing legislation to keep pace with changes to public legislation over the years. The Trust requested that the Department of Levelling Up Housing and Communities make an Order to effect consequential amendments to the 1924 Malvern Hills Act, without success.

Modernisation of the Trust's constitution

Following a public consultation in 2019 on proposals to update the Trust's governing Acts through a s73 Charities Act 2011 scheme, the Trust was advised in 2020 by the Charity Commission and Department of Digital Culture Media and Sport (DCMS) that such "changes to the charity's governing documents would now be best handled via a private bill."

Before expending charity funds on a private bill, the Trust must obtain consent from the Charity Commission under s74 Charities Act 2011. The Board agreed to make an application which was lodged with the Commission in May 2023.



Financial Review

The financial results are set out on pages 23 to 52. There was a total net increase in funds of £1,419,595 (2021/22 increase of £280,963).

Net income before transfers on the unrestricted funds was an increase of £13,516 (2021/22 net income of £232,928). The net movement on the unrestricted funds after transfers and the FRS 102 pension adjustment was an increase of £1,539,786 (2021/22 inflow of £294,011).

In addition, there was a net outflow of funds on the restricted funds of £120,815 (note 22) (2021/22 net outflow £13,048).

Total reserves at the financial year end were £ 3,596,667 (2022 £2,177,072), of which £2,999,397 is restricted (and of which £1,346,835 is inalienable, see notes X and Y to the financial statements).

Principal sources of funds

Under powers in the Malvern Hills Acts, Malvern Hills Trust charges a levy to Council Tax payers in the Parishes of Malvern, Guarlford, West Malvern, Malvern Wells, Colwall and Mathon. The average band D levy payable in 2022/23 was £44.76 (an increase of £3.42 on the previous year). The total levy received by the charity¹ was £595,300 (2021/22 £566,950).

Malvern Hills Trust is very grateful to the levy payers' for this funding and recognises its importance in helping the Trust to maintain the hills and commons. Information for levy payers can be found on the website <https://www.malvernhills.org.uk/living-in/levy-payers/>

Revenue from car parks is the second main funding source. The total received in 2022/23 was £360,753 (2021/22 £418,059). Car park takings are used to fund the charity's work generally including maintaining the car parks for public use.

Agri-environment grants, most significant of which are those from Countryside Stewardship Scheme, are the third largest source of funds. £106,612 was received in 2022/23 (£287,053 was received in 2021/22). An additional sum of £51,172 was received in relation to the CS Castlemorton Delivery Group.

Donations and legacies received totalled £13,878 (2021/22 - £11,939).

¹ The maximum amount which the Trust could levy in 2022-23 was £680,921



Significant financial impacts

Significant events (and their financial impact) during the year were:

- Land was purchased at Evendine Lane at a cost of £171,000
- Car park takings dropped in the third quarter of the financial year, resulting in limitations being imposed on expenditure as a precaution. Takings returned to forecasted levels during the fourth quarter.
- The Trust has a 5-year programme for managing Ash Dieback. Following the annual survey to identify infected trees which required work for safety reasons, the level of expenditure in 2022/23 of £34,558 was below that anticipated. The Trust transferred a further £68,000 during this year to the designated fund which was created as a contingency to manage this disease.
- The Board maintained its policy of updating vehicles, plant and machinery, spending £5,715.
- The cost of legal advice in relation to the impact of the Malvern Hills (Electoral Changes) Order 2023 as at 5 July 2023 was £17,723.
- The cost of legal advice related to the appointment of auditors and the Annual Meeting was £3,900.

Acknowledgements: other grants and contributions

Malvern Hills Trust gratefully acknowledges the financial support of Defra Rural Development Programme for England, Worcestershire County Council, Herefordshire Council, Malvern Hills District Council, Malvern Civic Society, Malvern Spa Association, William Cadbury Charitable Trust, the Forestry Commission's Urban Tree Challenge Fund and the Farming in Protected Landscapes scheme run by the Malvern Hills Area of Outstanding Natural Beauty (AONB) partnership.

Investment powers and policy

The trustees have wide powers of investment.

The Trust has placed the Land Maintenance Fund, Parliamentary Fund and the majority of the Land Purchase (1992) Fund (formerly called the Land Acquisition Fund), under investment through RBC Brewin Dolphin.

The trustees have provided RBC Brewin Dolphin with written investment policies for the funds, which are reviewed annually. In both cases, the Trust seeks to produce the best financial return with a moderate level of risk.

The Finance, Administration and Resources Committee, with the advice of the Trust's Investment Manager, is charged with recommending to the trustees a suitable asset allocation strategy, with the aim of achieving the charity's investment objectives. RBC Brewin Dolphin's risk category 6 index was used for the structure of the above two portfolios and provides a ready measure of its performance.



The Trust's investment policies provide that the asset classes which the trustees consider could be included within the portfolio are cash, fixed interest products, equities, commercial property, private equity, commodities and any other asset that may be agreed to be suitable for the charity. Access to these asset classes can be achieved directly or via collective investment vehicles such as unit or investment trusts. No single direct equity investment should exceed 5% of the total value of the portfolio and no single investment in a collective fund should exceed 10% of the value of the portfolio. Investments in negotiable instruments known as 'derivatives' are not permitted without prior approval of the trustees.

The trustees acknowledge that in order to manage longer term inflation risks, investments will partly be in assets such as equities and as a result, in the short-term the capital values could fluctuate.

The Trust's investment objective for the Land Maintenance Fund and the Parliamentary Fund is to produce the best financial return (capital growth and income) with a moderate level of risk.

The Trust's principal objective for the investment of the Land Purchase (1992) Fund is to generate a return (net of costs, including reinvestment of earnings) sufficient to maintain the purchasing value of the fund.

The trustees propose funding the majority of the cost of pursuing the Trust's governance changes by way of a loan from the Land Purchase Fund. A similar mechanism was used to fund the passing of the Malvern Hills Act 1995. Anticipating drawing down part of the Fund, trustees voted in January 2023 to move that part to lower risk investments in order to avoid the risk of fluctuations in the value of the investments at a time they were needed. The Board resolved to split the Land Purchase Fund into 3 parts, £150,000 to be invested as cash in FSCS assured interest bearing accounts and £200,000 to be invested by the Trust's Investment Managers in a separate, risk category 4 portfolio. The balance remains invested in accordance with the Investment Policy.

Investment performance

Investments over the 12 month period faced a challenging environment. Russia's invasion of Ukraine continued to create high levels of uncertainty in investment markets, and increased commodity and energy prices. These have contributed to national and global inflation and concerns of recession in some economies. In addition the UK economy and the bond market were briefly in turmoil as a result of political events in the autumn of 2022. The first quarter of 2023 saw some sectors start to recover, but overall the value of the investment funds at the end of the financial year remained some 4% below that of March 2022.

Both portfolios saw losses over the first two quarters of the financial year as the biggest impacts occurred in that period, before some partial recovery in the third quarter. Whilst high inflation continued to be a factor, the value of some asset classes has increased at this late stage, partly as a result of energy costs starting to decline.

The annual yields (year ended 31st March 2023) were as follows:

Land Purchase (1992) Fund (main portfolio)



Return gross of fees -5.09 %, net return -5.85 % (benchmark -1.43 %)

Land Purchase (1992) no2 portfolio (established 20.02.2023)

Return gross of fees .74 % %, net return .74 %

(Benchmark not provided as the portfolio has not existed for long enough to make a valid comparison).

Parliamentary and Land Maintenance portfolio

Return gross of fees -2.24 % . net return -3 % (benchmark -1.43)

The trustees receive a full report on the investment portfolios from RBC Brewin Dolphin in June and December and an interim report in March and September.

The Trust's assets are invested in line with the long-term interests of the charity. Malvern Hills Trust exists to protect the Malvern Hills and commons. Climate change poses a threat to the unique environment which is cared for by the Trust. Since 31st March 2021 the trustees have excluded all fossil fuel, mining and quarrying companies from the investment portfolios. The trustees also exclude individual investments which are perceived to conflict with the charity's purpose.

Reserves policy and going concern

Malvern Hills Trust's (MHT's) free reserves are defined as those funds which the charity has available to spend on its charitable objectives.

The free reserves are calculated by starting with the total unrestricted funds value from the accounts. To comply with accounting rules the amount of the pension deficit is included as part of the unrestricted funds shown in the accounts, although it is a liability that will not crystallise, as the deficit to be repaid is part of a different calculation under the triennial valuation of the scheme. This deficit value is therefore added back when calculating the free reserves. The net book value of fixed assets (not available as cash) and the value of committed (designated) funds are then deducted, to come to the free reserve total. In summary, the calculation is as follows:

Total unrestricted funds*

Less:

The defined benefit pension scheme surplus/(deficit)

Net book value of fixed assets funded from the general fund

Committed designated funds

*Unrestricted funds comprise the general fund, and free designated funds and surplus/(deficit) on the defined benefit pension scheme

The level of free reserves and cash balances are reviewed quarterly against the agreed policy. That policy is reassessed annually.



The level of free reserves required will vary from time to time depending on MHT’s overall financial position, the economic climate, the security of income from grants and other sources (in particular from parking revenue), the expected levels of planned expenditure and the risks of unplanned costs.

In setting the policy, the trustees have ensured that the contributions required under the defined benefit pension scheme, including those to cover the actuarial deficit, can be met from projected cash flows.

MHT’s trustees’ policy is to aim to maintain the free reserves level above £350,000. This threshold has been set by the trustees taking into account the following factors:

- The need to hold funds to maintain the viability of MHT in case of unexpected events leading to uninsured costs,
- The need to provide protection against the risk of a significant drop in grant or other income or unexpected delays in receipts,
- To fund everyday essential expenditure in the event that income streams are unexpectedly interrupted,
- To fund unplanned costs arising from tree diseases,
- The need to provide working capital for MHT, both for day to day work and for future (possibly grant-funded) development,
- The need to provide a degree of protection against fluctuations in investment income.

The policy was adopted in June 2018 and updated in July 2022.

At 31st March 2023 total funds of the charity were £3,596,667. This included restricted funds of £2,999,397 and committed designated funds of £897,687. Details of all the designated funds are given in note 20 to the financial statements and restricted funds details are in note 22.

The level of free reserves as defined above was £736,620, made up of the following:

General fund excluding net book value of assets	£334,917
Free’ designated funds	
Gifts	£383,102
Fundraising	£10,000
Car park repair	£5,100
Dog campaign	£3,501
Total	£736,620

The total of the free reserve was down on the March 2022 figure (£778,829) in part due to expenditure on projects and funds being allocated to committed designated funds (Ash Dieback and Finance and Administration Manager replacement).



The overall free reserve remains higher than the target minimum of £350,000. A proportion of the reserve may be needed for costs dealing with Ash Dieback over the next 2 to 3 years and to meet rising costs due to high inflation.

The trustees have carried out a going concern review and concluded that the Trust is a going concern and that they expect the organisation to continue operating and paying liabilities as they fall due for at least twelve months from when the accounts are signed.

Pension scheme

FRS 102

Malvern Hills Trust is a member of the Worcestershire County Council Pension Fund (WCCPF), which is a defined benefit scheme. The costs and liabilities shown in these financial statements are accounted for under FRS 102, with details being given in note 26. The pension figures reflected in these financial statements have been provided by Mercer, the Actuary to the Fund.

The FRS 102 accounting deficit at the year-end has been calculated as £737,000 (2021/22 £2.241 million). The employer's contribution rate during the year was 21.8% (2020/21 21.8%).

Triennial valuation

The most recent triennial Actuarial valuation was carried out at 31st March 2022. This valuation provides the basis for the calculation of future contributions to WCCPF. The Trust's deficit (that is the excess of pension liabilities over assets) in WCCPF as at 31st March 2022 was £802,350 (74.8% funding level). This was an improvement on the position at the last two triennial valuations which showed a deficit in 2019 of £926,000 (69% funding level) and £1,092,000 (57% funding) in 2016. The next Actuarial valuation will be carried out as at 31st March 2025, with revised contribution rates coming into effect from 1st April 2026.

The Trust receives a schedule of contribution rates from the Actuary following each triennial valuation, comprising a rate to support on-going benefits and a deficit recovery element. The Business Plan and budgets include provision for these payments. The deficit recovery period following the 2022 Actuarial Valuation is 12 years. The deficit payments in 2022/23 totalled £68,700 (2021/22 £66,100). The amount due for 2023/24 is £75,800.

In July 2016 the Board closed WCCPF to new joiners, following a review of pension provision. In order to meet its obligations under auto enrolment legislation, new employees are enrolled in the People's Pension, which is a defined contribution scheme. The employer's contribution rate to this scheme is 10% of pensionable salaries.



Plans for future periods

The Land Management Plan, which was updated in early 2021, sets out the Trust's plans for land management work in delivering its conservation and public access objectives. The car parks and paths will continue to be maintained to facilitate public access to the charity's land.

The cost of tree work is likely to increase significantly in future years, particularly as a result of Ash Dieback and other tree diseases. This is a major financial challenge to the organisation. A designated fund was set up to cover the costs of dealing with Ash Dieback in 2022/23. Work focuses on trees likely to pose a risk to the public, for example those close to properties, public highways and footpaths. Additional funds will need to be allocated in future years from a combination of donations, contributions from the unrestricted gift fund and the general fund.

In addition to the routine work, the following tasks are planned for the forthcoming year:

- The removal of diseased ash trees will continue across the Trust's estate,
- Fund-raising opportunities will be pursued as outlined in the Business Plan, but are vulnerable to a shift in charitable giving,
- Habitat and access improvements will be undertaken in accordance with the Land Management Plan,
- Much needed refurbishment works will be carried out at the charity's premises at the Lower Shed and Manor House, to include kitchen, washing facilities and archive storage,
- Work on consolidation and updating of the Trust's governing Acts.

Remuneration policy and salary costs.

Staff salaries are set in accordance with the Local Government pay scale (LGPS) with the exception of the Chief Executive Officer. Posts other than the Chief Executive Officer are allocated to a spinal column point depending upon the level of responsibility and qualifications needed for the post. Salaries were last independently benchmarked in spring 2022. The salary of the Chief Executive Officer is set by the Board, following an annual appraisal.

Salary costs saw a significant increase during the 2022/23 financial year as a result of the benchmarking exercise and as a result of increases made to the LGPS which included a retrospective payment for 2021/22.

Statement of trustees' responsibilities and corporate governance

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently,



- observe the methods and principles in the Charities SORP 2019 (FRS 102),
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the governing Acts. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Risk management

The trustees have in place a formal risk management process to assess business risks and implement risk management strategies.

The risk management process involves identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence and identifying ways of managing the risks. At each meeting of the board, trustees are updated on any significant changes to the level of risk, particularly any categories that are gauged to be entering the highest risk category, and any appropriate actions considered.

The key risks identified this year were:

- Potential of grant-making bodies such as the Rural Payment Agency making unilateral changes to existing grant schemes which might negatively impact on income levels.
- Uncertainty in regard of Trusts election arrangements following the Boundary Commission review of Malvern Hills District Council ward boundaries.
- Reputational impacts arising both from the above, and local campaigns (by individuals and/or groups) generating misinformation that affects the reputation of the charity and generates adverse publicity, as well as diverting the limited resources and focus of the organisation from its core objects.



- The impacts of additional workloads and limited delivery capacity arising from both expected and unexpected loss of staff from key roles within the small staff team.

Some areas of financial operations previously identified as at high risk in the first half of the year, had since moderated, but still warranted careful monitoring. These include the risks of:

- Continuing high inflation rates driving up direct costs for the organisation in many areas - including fuel, contractors' costs and machinery and equipment - as well as potentially causing lower visitor numbers and a drop in car park takings,
- Volatility in markets (in part arising from the war in Ukraine) and domestic economy affecting investment returns.

Following the latest triennial valuation the Trust's pension liability (accounting deficit) has reduced (as disclosed in detail in note 26 to the financial statements). Medium-term financial plans are in place to ensure the charity can make the required contribution payments in the future. The scheme has been closed to new joiners.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving the Trustees' Annual Report, the trustees have each taken appropriate steps to make themselves aware of any information relevant to the audit and to establish that the auditor is aware of that information.

By order of the Board of Trustees

Mick Davies (Chair)
[date]



Independent Auditor's Report to the Trustees of Malvern Hills Trust



Statement of Financial Activities for the year ended 31st March 2023

	Note	Unrestricted funds	Restricted funds	Total funds 2023	Total funds 2022 (note 28)
		£	£	£	£
<i>Income and endowments from:</i>					
Donations and legacies	3	6,421	7,457	13,878	11,939
Charitable activities:					
Management of the hills and commons	7	721,068	35,122	756,190	877,577
Car parks		360,753	0	360,753	418,059
Other trading activities	4	58,407	20,000	78,407	38,815
Investments:					
Bank deposits		9,518	0	9,518	1,338
Investment portfolio		0	37,785	37,785	34,008
Other	5	16,530	0	16,530	13,581
Total income		1,172,697	100,364	1,273,061	1,395,317
<i>Expenditure on:</i>					
Charitable activities	6	1,193,537	94,361	1,287,898	1,185,789
Other expenditure	6	2,646	13,291	15,937	19,290
Total expenditure	7	1,196,183	107,652	1,303,835	1,205,079
Net gains on investments	16	0	(90,627)	(90,627)	51,725
Net income		(23,486)	(97,915)	(121,401)	241,963
<i>Transfers between funds</i>		22,277	(22,277)	0	0
<i>Other recognised gains/(losses)</i>					
Actuarial gains/(losses) on defined benefit pension scheme	26	1,541,000	0	1,541,000	39,000
Net movement in funds		1,539,791	(120,192)	1,419,599	280,963
<i>Reconciliation of funds:</i>					
Total funds brought forward		(942,521)	3,119,589	2,177,068	1,896,109
Total funds carried forward	23	597,270	2,999,397	3,596,667	2,177,072

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 26 to 52 form part of these financial statements.



Balance Sheet as at 31st March 2023

	Note	2,023	2,022
		£	£
Fixed Assets			
Tangible fixed assets	14	359,078	433,430
Heritage assets	15	1,346,835	1,173,644
Investments	16	1,206,693	1,638,899
Total fixed assets		<u>2,912,606</u>	<u>3,245,973</u>
Current Assets			
Livestock		31,452	25,320
Debtors	17	116,932	133,474
Short term deposits		1,470,140	1,167,462
Cash at bank and in hand		161	222
Total current assets		<u>1,618,685</u>	<u>1,326,478</u>
Creditors: Amounts falling due within one year	18	<u>(197,623)</u>	<u>(154,379)</u>
Net Current Assets excluding pension liability		1,421,062	1,172,099
Net assets		4,333,667	4,418,072
Pension Fund liability	26	<u>(737,000)</u>	<u>(2,241,000)</u>
Net Assets including pension liability		<u>3,596,667</u>	<u>2,177,072</u>
The funds of the charity			
Unrestricted - General Fund	19	436,583	425,825
Unrestricted - Designated Funds	20	897,687	872,658
Unrestricted - Pension Fund	21	(737,000)	(2,241,000)
Restricted Funds	22	2,999,397	3,119,589
Total charity funds		<u>3,596,667</u>	<u>2,177,072</u>

The notes on pages 26 to 52 form part of these financial statements.

Signed

Mick Davies
Chair of Trustees on behalf of the Trustees
DATE



Statement of cash flows for the year ended 31st March 2023

	2023	2022
	£	£
Cash flows from operating activities		
Net movement in funds	1,419,595	280,963
Add back depreciation charge	91,158	91,251
Investment (gains)/ losses	(90,627)	(51,725)
Profit on disposal of fixed assets	(1,050)	(960)
Income on investing activities retained in portfolio	(17,078)	(15,591)
(Gain)/loss on pension scheme	(1,504,000)	(15,000)
(Increase)/decrease in debtors	16,325	(75,175)
Increase in creditors	44,404	37,128
Net cash provided by/(used in) operating activities	<u>(41,273)</u>	<u>250,891</u>
Cashflows from investing activities:		
Proceeds from the sale of fixed assets	1,050	960
Purchase of property, plant and equipment	(190,006)	(200,171)
Investment manager's fees deducted from portfolio	13,291	11,443
Funds transferred (to)/from investment portfolio	(192,144)	111,733
Net cash provided by investing activities	<u>(367,809)</u>	<u>(76,035)</u>
Change in cash and cash equivalents in the reporting period	302,617	174,856
Cash and cash equivalents at the beginning of the reporting period	1,167,684	992,828
Cash and cash equivalents at the end of the reporting period	<u>1,470,301</u>	<u>1,167,684</u>
Analysis of cash and cash equivalents		
Cash in hand	161	222
Current account	223,713	245,321
Notice deposits (less than 3 months)	1,246,427	922,141
Total cash and cash equivalents	<u>1,470,301</u>	<u>1,167,684</u>

The notes on pages 26 to 52 form part of these financial statements.

Notes to the financial statements for the year ended 31st March 2023

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation and uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2019) – (Charities SORP (FRS102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Malvern Hills Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

a) Preparation of the financial statements on a going concern basis

The charity reported a cash inflow of £302,617 for the year. The charity has cash resources and has no requirement for external funding. The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting to be appropriate in preparing the annual financial statements.

b) Income

Income is recognised when all of the following criteria are met:

- Entitlement – control over the rights or other access to the economic benefit has passed to the charity,
- Probable – it is more likely than not that the economic benefit associated with the transaction or gift will flow to the charity,
- Measurement – the monetary value or amount of the income can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Income is deferred when the donor specifies the grant or donation must be used in a future accounting period.

When donors specify that grants or donations, including capital grants, are for particular restricted purposes, this income is included in the incoming resources of restricted funds when it is receivable.

Grants that are subject to performance-related conditions are recognised when those conditions have been met.

Legacies are recognised upon the earlier of notification of probate being granted or receipt.

c) Operating leases

Income from operating leases is recognised in the statement of financial activities on a straight-line basis over the lease term.



d) Expenditure

Expenditure is included in the statement of financial activities on an accruals basis, exclusive of VAT. Whilst Support costs are apportioned on a reasonable basis. Salaries are allocated on an estimate of time spent on each activity. Depreciation is allocated by the use of the assets. Administration costs are allocated by invoice where possible otherwise an estimate has been made based on staff time. Governance costs include direct and indirect expenditure involved in ensuring that the charity complies with its charitable and statutory obligations.

e) Recognition of liabilities

Liabilities are recognised on an accruals basis, and once there is a legal or constructive obligation that commits the charity to the obligation.

f) Taxation

Malvern Hills Trust is a registered charity, and as such is entitled to taxation exemptions on all its income and gains, properly applied for its charitable purposes.

g) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. A capitalisation limit of £500 has been set by the Trustees.

It is Malvern Hills Trust's objective to preserve and manage the land. The land is deemed to have an indefinite life and the Trustees do not therefore consider it appropriate to charge depreciation.

Depreciation on other assets is provided at rates calculated to write off the cost of fixed assets less their residual value on a straight-line basis over their expected useful lives on the following bases:

Vehicles and equipment	16.67 % of cost
Parking meters	10 % of cost
Office equipment	25 % of cost
Car Park improvements	20 % of cost
Improvements to land and buildings	20 % of cost
Office buildings	2 % of cost

h) Heritage Assets

Part of the freehold land of the charity is held for conservation purposes to meet its charitable objects and is therefore considered to be a heritage asset. As this land is central to the charitable objects and can only be sold in very limited circumstances, it is also considered to be an inalienable asset.

The land held by Malvern Hills Trust is reported in the Balance Sheet at cost. The land is inalienable, so the Trustees do not believe the expense of having the land valued for the purposes of these accounts would be good use of the charity's funds, as the cost would exceed the benefit. Malvern Hills Trust also has some small areas of land which were donated to the charity which are not shown in the accounts. The Trustees believe that the expense of having this land valued to include it in the accounts would exceed the benefits provided by the valuation, as this land is also inalienable.

i) Investments

Investments are shown in the Balance Sheet at market value. Changes in the valuation of investments during the year are shown as gains or losses in the Statement of Financial Activities.



j) Livestock

Whilst Livestock is valued at the lower of cost or net realisable value, Livestock is independently assessed and valued at the commencement and termination of qualifying Tenancy Agreements.

k) Pension scheme

The charity participates in the Worcestershire County Council Pension Fund which is a part of the Local Government Pension Scheme (LGPS), a multi-employer scheme. The LGPS is a defined benefit scheme. Contributions are accounted for in accordance with FRS102. Further details are given in note 26 to the financial statements. Membership of the LGPS is closed to new joiners.

In order to meet its obligations under auto-enrolment, the charity enrolls eligible new staff in the People's Pension Scheme, a defined contribution scheme.

l) Fund accounting

Funds (as defined by the SORP, which are not necessarily cash funds or available for expenditure) held by the trustees are either:-

- Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- Unrestricted designated funds – these funds are set aside by the trustees out of unrestricted general funds for specific future purposes or projects.
- Unrestricted pension fund – this represents the estimate of pension liabilities as required by FRS 102.
- Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor, when funds are raised for particular restricted purposes or when required by the Malvern Hills Acts.

Further explanation of the nature and purpose of each fund is included in notes 19-22 to the financial statements.

m) Debtors

Trade and other debtors are recognised at the settlement date less any provision for bad debts. Prepayments are valued at the amount prepaid.

n) Short term deposits and cash at bank and in hand

Short term deposits comprise short-term highly liquid investments with a short maturity of three months or less. Cash at bank and in hand is the petty cash balance held.

o) Creditors and provisions

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 measured or estimated reliably.

p) Financial instruments

The charity 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.



Financial assets measured at fair value comprise quoted investments. Financial assets measured at settlement value comprise cash at bank and in hand, deposit financial statements, trade debtors and accrued income. Financial liabilities measured at settlement value comprise trade creditors and accruals.

Details of financial instruments are given in note 27 to the financial statements.

q) Significant estimates and judgements

Significant estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The items in the financial statements where these estimates and judgements have been made include the useful economic lives of tangible fixed assets and bad debts.

The annual depreciation charge for the tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended where necessary to reflect the current estimates, based on technological advancement, future investment, economic utilisation and the physical condition of the assets.

Provision is made for bad debts if they remain outstanding for more than three months.

2 Legal status of the charity

Malvern Hills Trust is registered with the Charity Commission for England and Wales, number 515804.

The charity is a body corporate constituted by 5 Acts of Parliament, the Malvern Hills Acts 1884, 1909, 1924, 1930 and 1995.

The registered office is Manor House, Grange Road, Malvern, Worcestershire WR14 3EY.

The accounts are prepared in pounds sterling and rounded to the nearest £1.

3 Analysis of income from donations and legacies

	2023	2022
	£	£
Gifts	13,378	11,326
Legacies	500	613
	<u>13,878</u>	<u>11,939</u>

The income from donations and legacies was £13,878 (2022 £11,939) of which £6,421 was unrestricted (2022 £3,932) and £7,457 restricted (2022 £8,007).

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in the Trustees’ annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the financial statements.



4 Analysis of income from other trading activities

	2023	2022
	£	£
Rental income	32,933	32,144
Easements and wayleaves	45,474	6,474
Sales of books and leaflets	0	197
	<u>78,407</u>	<u>38,815</u>

The rental income in both years was unrestricted, £20,000 of easements and wayleaves in 2023 was restricted (2022 £nil). None of the sales of books and leaflets (2022 £168) were restricted.

5 Analysis of other income

	2023	2022
	£	£
Employment allowance	5,000	4,000
Compensation for works	1,076	911
Profit on disposal of fixed assets	1,050	960
Sundry Income	9,404	7,710
	<u>16,530</u>	<u>13,581</u>

All of the above income is unrestricted.

6 Analysis of expenditure

	Estate manage't	Wardening	Car parks	PR	Governance	Office costs	Total 2023	2022
	£	£	£	£	£	£	£	£
Salaries (note 10)	345,846	138,502	4,145	0	66,965	192,475	747,933	649,676
Direct expenses	255,941	13,225	25,576	4,812	0	5,430	304,984	321,055
Rates and water	4,610	0	1,254	0	0	2,299	8,163	6,378
Electricity & gas	3,213	0	2,272	0	0	3,589	9,074	6,868
Insurance	25,666	0	0	0	2,624	1,067	29,357	28,494
Maintenance of buildings	3,757	0	0	0	0	4,558	8,315	5,460
Depreciation	88,451	0	0	0	0	2,707	91,158	91,251
Investment management	13,381	0	0	0	0		13,381	9,493
Support costs (note 8)	18,612	0	1,213	0	29,648	41,997	91,470	86,404
	<u>759,477</u>	<u>151,727</u>	<u>34,460</u>	<u>4,812</u>	<u>99,237</u>	<u>254,122</u>	<u>1,303,835</u>	<u>1,205,079</u>

Expenditure was £1,303,835 (2022 £1,205,079) of which £1,196,183 was unrestricted (2022 £1,107,731) and £107,652 was restricted (2022 £97,348).



7 Summary analysis of expenditure and related income for charitable activities

This table shows the cost of the main charitable activities and the sources of income directly to support those activities.

	M'gt of hills and commons	Car Parks	Total 2023	Total 2022
	£	£	£	£
Income				
Levy on Council Tax payers in precepted parishes	595,300	0	595,300	566,950
Stewardship grants	106,612	0	106,612	287,053
Other grants	54,278	0	54,278	23,574
Car park takings	0	360,753	360,753	418,059
Total income from charitable activities	756,190	360,753	1,116,943	1,295,636
Expenditure	(1,274,733)	(29,102)	(1,303,835)	(1,205,079)
Net contribution/(cost funded by other income)	(518,543)	331,651	(186,892)	90,557

8 Analysis of support costs

	Estate maintenance	Governance	Car parks	Office costs	Total 2023	Total 2022
	£	£	£	£	£	£
Telephones	1479	0	0	1,836	3,315	3,109
Cleaning	962	0	0	3,369	4,331	2,911
Postage	0	0	0	2,559	2,559	3,458
Office equipment	0	0	0	3,459	3,459	2,290
Printing and stationery	0	0	0	5,866	5,886	5,747
Travelling	0	0	0	597	597	461
IT	0	0	0	13,155	13,155	12,284
Legal fees	4,074	17,286	0	0	21,360	21,923
Audit fee	0	11,250	0	0	11,250	7,200
Land Agent Fees	2,276	0	0	0	2,276	0
Other professional fees	5,483	0	0	7,174	12,657	13,774
Subscriptions	0	0	0	1,711	1,711	2,016
Newspaper Ads	0	1,112	0	0	1,112	0
Training	2,877	0	0	0	2,877	4,754
Miscellaneous	0	0	0	1,048	1,048	1,709
Recruitment	1461	0	0	0	1,461	2,127
Bank charges	0	0	1,213	1,203	2,416	2,641
	18,612	29,648	1,213	41,977	91,470	86,404



9 Net income/(expenditure) for the year

This is stated after charging:

	2023	2022
	£	£
Depreciation	91,158	91,251
Auditor's remuneration:		
Audit fees	11,250	7,200

10 Analysis of staff costs, trustee remuneration and expenses and the cost of key management personnel

	2023	2022
	£	£
Salaries and wages	518,370	456,918
Social security costs	48,165	41,569
Pension costs	146,701	131,753
Group life assurance	2,725	1,946
FRS 102 - pension adjustment	37,000	24,000
FRS 102 - short term compensated absence charge to SOFA	(5,029)	(6,510)
	<u>747,932</u>	<u>649,676</u>

No employees had benefits (excluding employer's NI and pension costs) in excess of £60,000 (2022 £nil). Pension costs are allocated to activities in proportion to the related staffing costs and are wholly charged to unrestricted funds.

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022 £nil). No travelling expenses were reimbursed to trustees during the year (2022 £nil). No charity trustee received payment for professional or other services supplied to the charity (2022 £nil).

The key management personnel comprise the Chief Executive Officer, the Conservation Manager, the Operations Manager, the Secretary to the Board and the Finance and Administration Manager. The total employee benefits of key management personnel of the charity, including employer's NI and pension contributions, were £239,685 (2022 £212,911).



11 Staff numbers

The average monthly head count was 21 staff (2022: 20 staff) and the average monthly number of full-time equivalent employees (including part-time staff) during the year were as follows:

	2023	2022
Wardens	4	3.7
Field Staff	6.6	6.6
Office based staff	6.7	6.7
	17.3	17

12 Related party transactions

Under the Charities SORP, trustees are required to disclose transactions with related parties. During 2023 a £600 donation was received from Richard Bartholomew. (in 2022, the trustees have identified the following transactions: Matthew Rouse, son of Trustee Christopher Rouse, was paid £490 for post-knocking services.)

13 Corporation tax

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives.

14 Tangible Fixed assets

	Heritage Assets - Land & buildings (note 15) £	Other land	Office building £	Improv- ements to land and buildings £	Car parks £	Vehicles and equipment £	Office equipment £	Total £
Cost								
At 1st April 2022	1,173,643	102,733	138,770	929,432	160,460	472,033	60,978	3,038,049
Additions	173,192	0	0	0	0	15,665	1,149	190,006
Disposals	0	0	0	(2)	0	(9,955)	0	(9,957)
At 31st March 2023	1,346,835	102,733	138,770	929,430	160,460	477,743	62,127	3,218,098
Depreciation								
At 1st April 2022	0	0	24,974	828,677	160,460	360,968	55,896	1,430,975
Charge in the year	0	0	2,776	57,094	0	28,583	2,705	91,158
On disposals	0	0	0	0	0	(9,948)	0	(9,948)
At 31st March 2023	0	0	27,750	885,771	160,460	379,603	58,601	1,512,185
Net book value								
31st March 2023	1,346,835	102,733	111,020	43,659	0	98,140	3,526	1,705,913
31st March 2022	1,173,643	102,733	113,796	100,755	0	111,065	5,082	1,607,074

‘Other land’ is in-by land at Hollybed Common, purchased pursuant to an order made by the Charity Commission under S105 of the Charities Act 2011. This land forms part of the inalienable assets of the charity.



15 Heritage Assets

Land and buildings (heritage assets) are held for the purposes of the charity. Details of the Lands Acquisition policy are given in the trustees' report. Under the Malvern Hills Acts, land can only be sold in very limited circumstances and so is considered inalienable.

Year		£	£
1903	Hill land near Brand Lodge		220
1925	W. Berington's mineral rights, Little Malvern		10,132
1925	Ecclesiastical Commissioners' mineral and manorial rights		1,036
1925	Foley Manor	16,092	
	Less: sale of Belle Vue island and Edith Walk	<u>(85)</u>	
			16,007
1926	Price & Laird's land, The Wyche (portion)		999
1927	Miss Cabrera's land and mineral rights		687
1928	Major Raper's land and mineral rights		517
1931	West of England quarries		24,654
1931	Thirds Wood, Jubilee Drive		1,897
1937	Land at Malvern Wells		25
1938	Land at Malvern Wells		286
1955	Land near Combe Lodge		350
1958	Land, part of The Shrubbery		74
1958	Land on North Hill		369
1958	Land at Wood Street, Guarlford		37
1958	Land on Malvern Common		24
1958	Lease of Park Cottage, West Malvern		51
1958	Land at Old Wyche		171
1958	Land at Happy Valley		13
1959	Land at Old Wyche		81
1960	Land at British Camp		243
1960	Land at Happy Valley		82
1960	Land at West Malvern		127
1960	Land at Scar Quarry		8
1960/62	Providence Cottages, The Wyche		940
1961	Land at Holy Well		182
1961	Land at The Old Collets		24
1962	Land at Holly Bush Roughs		2,848
1962	Hill Top Cottage, Chase End		773
1962	Land at Castlemorton		656
1963	Cottages and land at West Malvern		580
1964	F. B. Bradley-Birt manorial rights at Chase End and Ragged Stone Hill		343
1964	Land at Upper Wyche		62
1966	Castlemorton Common land		1,459
1966	St. Ann's Well		3,743
1967	Land at Colwall		256
1967	Land at Malvern Wells		115
1967	Land at Old Hills and Newland		1,796
1969	Land at 34 Wyche Road, Malvern		3,500
1970	Land at Camp End		771
1971	Land at Black Hill		206
1972	Land at Earnslaw		86
1976	The Moat Pond, Sherrards Green		59
1976	Thirds Wood, Chase Road (part)		1,057
1977	Land at Castlemorton		2,061
1980	Land at Chances Pitch		100
1980	Mount Pleasant, Jubilee Drive		2,700
1981	Land at West Malvern		8,000
1982	Gullet Quarry		4,500
	Sub-total		<u>94,907</u>



15 Heritage assets - continued

Year		£	£
	Sub total b/fwd		94,907
1984	Gullet Quarry	15,217	
	Less Countryside Commission grant	<u>(4,500)</u>	
			10,717
1986	Earnslaw and Wyche Quarries	25,212	
	Less: Countryside Commission grant	<u>(12,500)</u>	
			12,712
1986	Grundy's Meadow	6,203	
	Less Countryside Commission grant	<u>(3,058)</u>	
			3,145
1989	Ballards Land, Upper Colwall	15,000	
	Less Gift from Mrs N. Hadfield	<u>(3,750)</u>	
			11,250
1990	Park Wood, West Malvern		36,000
1991	Fish Pool, Leys Coppice		15,373
1993	Lodge Fields		25,370
1993	Gardiners Cottage		3,367
1993	Park Wood, West Malvern		5,600
1994	Land at St. Andrew's Road		5,000
1995	Hill land at West Malvern, Eaton Road and Holy Well		35,000
1995	Mill Pond, Castlemorton		2,500
1998	Woodford's Meadow		52,000
1999	Meadow land at Park Wood		10,000
1999	Colwall lands		40,417
2002/03	Land at Broomy Hill, Castlemorton		8,584
2002/03	Land at Old Hollow, West Malvern		65,625
2003	Land at The Hacketts, Mathon		176,411
2003	Land at Little Malvern		54,099
2007/08	Tank Quarry		25,498
2007/08	Land at The Purlieu, West Malvern Road		10,915
2007/08	Land at The Patch, Castlemorton		16,448
2008/09	Small parcels of land at Worcestershire Beacon and above Jubilee Drive		4,471
2009/10	Land on 4 areas on East side Worcestershire Beacon, Black Hill and		1,395
2009/10	Small parcels of land		7,495
2010/11	Small parcels of land		2,229
2011/12	Small parcels of land		4,945
2012/13	Small parcels of land		200
2018/19	Land at Castlemorton		7,505
2018/19	Land at Holywell		13,684
2018/19	Land at Castlemorton (to be known as Brook Meadow, Snookes Croft and Plants Pi		297,399
2021/22	Land at The Purlieu, West Malvern Road		113,382
2022/23	Two parcels of land at Evendine		173,192
	Total to 31 st March 2023		<u><u>1,346,835</u></u>

This land is shown at cost and is not revalued. As the land is inalienable, the Trustees do not consider the expense of having the land valued would generate any benefit for the Charity.



16 Investments

Investments are held to provide capital growth and a return for the charity. There are two investment portfolios. One holds the Land Purchase (1992) Fund (formerly named the Lands Acquisition fund), the other the Lands Maintenance Fund and part of the Parliamentary Fund. Income earned on the Land Purchase (1992) portfolio is retained within the fund and reinvested. Income on the Parliamentary and Lands Maintenance portfolio is transferred to the Trust's current account each month.

The movement on the funds during the year was:

	LP1&LP2	Parl & LM	Combined 2023	2022
	£	£	£	£
Opening Market Value	931,333	707,566	1,638,899	1,694,759
Additions	311,409	212,372	523,781	52,400
Disposal proceeds	(619,245)	(229,925)	(849,170)	(166,842)
Equalisations	(323)	211	(112)	(90)
Gains/(losses)	(55,899)	(34,728)	(90,627)	51,726
Change in cash	(6,763)	(9,316)	(16,079)	6,946
Closing market value	<u>560,512</u>	<u>646,180</u>	<u>1,206,692</u>	<u>1,638,899</u>

The historical cost of investments at the balance sheet date was £1,244,673 (2022 £1,322,522).

At the Balance Sheet date, the Land Purchase (1992) portfolio was invested in the following classes of investment:

Land Purchase (1992) Portfolio One	2023		2022	
	%	£	%	£
UK Bonds	4.0	14,469	3.3	30,316
Overseas bonds	11.6	41,677	9.3	86,637
UK equities	15.8	57,027	23.9	222,700
North American equities	30.2	108,711	26.8	249,161
European equities	7.7	27,900	6.9	64,298
Japanese equities	3.1	11,247	3.5	32,569
Asia pacific equities	6.1	22,150	6.3	58,535
Emerging markets	1.1	3,836	1.4	13,263
Absolute return	6.0	21,544	4.7	43,623
Global investments	3.7	13,196	3.6	33,740
Property	2.3	8,458	2.4	22,606
Other investments	5.9	21,310	4.3	39,886
Cash	2.4	<u>8,785</u>	3.7	<u>33,999</u>
		<u>360,310</u>		<u>931,333</u>

£150,000 is held in short term cash deposits via Flagstone



16 Investments - continued

Land Purchase (1992) Portfolio

Two

	2023		2022	
	%	£	%	£
UK Bonds	6.5	13,048	0.0	0
Overseas bonds	25.3	50,562	0.0	0
UK equities	8.4	16,907	0.0	0
North American equities	13.9	27,762	0.0	0
European equities	3.2	6,467	0.0	0
Japanese equities	1.5	3,084	0.0	0
Asia pacific equities	3.8	7,600	0.0	0
Emerging markets	1.0	1,952	0.0	0
Absolute return	14.2	28,413	0.0	0
Global investments	3.1	6,276	0.0	0
Property	5.5	11,002	0.0	0
Commodities	3.1	6,231	0.0	0
Other investments	3.3	6,668	0.0	0
Cash	7.1	14,230	0.0	0
		<u>200,202</u>		<u>-</u>

At the Balance Sheet date, the Parliamentary and Lands Maintenance portfolio was invested in the following classes of investment:

	2023		2022	
	%	£	%	£
UK Bonds	6.1	39,592	4.2	29,725
Overseas bonds	9.2	59,461	8.6	60,692
UK equities	19.5	125,911	23.9	169,321
North American equities	29.6	191,248	26.8	189,760
European equities	6.0	38,579	6.1	43,268
Japanese equities	3.1	20,083	3.1	22,245
Asia pacific equities	6.0	38,776	5.8	41,174
Emerging markets	0.7	4,821	1.5	10,470
Absolute return	6.2	40,323	4.1	29,201
Global investments	4.1	26,642	7.2	51,082
Property	1.5	9,953	1.0	7,150
Other investments	5.1	32,727	5.3	37,349
Cash Product	1.3	8,700		
Cash	1.4	9,365	2.3	16,129
		<u>646,180</u>		<u>707,566</u>

No single investment is considered material in the context of the investment portfolio



17 Debtors

	2023	2022
	£	£
Trade debtors	10,610	16,379
VAT repayable	5,029	4,350
Other debtors	0	895
Accrued income	49,267	63,240
Prepayments	52,026	48,610
	<u>116,932</u>	<u>133,474</u>

Debtors are measured at the settlement value less any provision for bad debts. No bad debts were written off during the year (2022 : £nil).

18 Creditors: amounts falling due within one year

	2023	2022
	£	£
PAYE and National Insurance	10,543	11,766
Wages	3,520	0
VAT payable	0	0
Trade creditors	18,790	40,532
Accrued charges	73,796	64,163
Other creditors	10,153	4,418
Deferred income	14,727	13,549
FRS102 compensated absence provis	14,922	19,951
CS Castlemorton Delivery Group	51,172	0
	<u>197,623</u>	<u>154,379</u>

Creditors are measured at invoiced value.

Deferred income comprises rents and car park pass payments received in advance
The movement on the deferred income account was:

Balance at 1 st April 2021	13,549
Released to the SOFA in the year	(13,549)
Received in the year	14,727
Balance at 31 st March 2022	<u>14,727</u>



19 General fund

	2023	2022
	£	£
General fund - balance 1 st April 2022	425,825	439,722
Incoming resources	1,052,083	1,046,622
Resources expended	(1,012,231)	(929,298)
Transfers	(29,094)	(131,221)
Balance 31 st March 2023	<u>436,583</u>	<u>425,825</u>

Transfers made during the year were:

Transfer details	Reason	£
From Paliamentary fund	To transfer investment income	13,615
From Lands Maintenance fund	To transfer investment income	5,341
From Tree Donation Scheme	To cover project planting costs	805
From Picnic bench donations	To cover material and staff costs	<u>2,550</u>
Net from restricted funds		<u>22,311</u>
From Gift designated fund	To Ash Dieback and Community Woodland	68,034
From Stewardship designated fund	To cover staff costs	891
To Election Expenses designated fund	To cover costs of elections to the Board	(5,000)
To Tree Disease designated fund	To cover costs arising from tree disease	(12,890)
To Ash Dieback designated fund	To cover Ash Dieback costs arising	(68,000)
To Boundary Commission advice designed fund	To cover costs arising	(20,000)
To Car Park Repaid designated fund	To cover costs arising	(1,900)
To FAM Replacment designated fund	To cover recruitment and other costs arising	<u>(12,500)</u>
Net to designated funds		<u>(51,365)</u>



20 Designated funds

Current year

	Balance 1st April 2022	Movement incoming	Resources outgoing	Transfers (to)/from other funds	Balance 31st March 2023
	£	£	£	£	£
Gift fund	452,450	7,560	(8,874)	(68,034)	383,102
HLS, BPS & grazing reserve fund	110,327	13,657	(16,221)	(891)	106,872
Countryside Stewardship fund	127,069	99,395	(75,900)	0	150,564
Tree disease fund	22,975	0	0	12,890	35,865
Ash Dieback fund	96,031	0	(34,558)	68,000	129,473
Fundraising support fund	10,000	0	0	0	10,000
Governance Review - legal	34,010	0	0	0	34,010
Governance Review - public consultation	889	0	0	0	889
Election expenses fund	12,207	0	0	5,000	17,207
Dog campaign	3,500	1	0	0	3,501
Car Park repair fund	3,200	0	0	1,900	5,100
Boundary Commission Advice	0	0	(11,397)	20,000	8,603
FAM Replacement	0	0	0	12,500	12,500
	872,658	120,613	(146,950)	51,365	897,686

Prior year

	Balance 1st April 2021	Movement incoming	Resources outgoing	Transfers (to)/from other funds	Balance 31st March 2022
	£	£	£	£	£
Gift fund	458,104	653	(1,785)	(4,522)	452,450
HLS,BPS & grazing reserve fund	110,745	16,409	(15,764)	(1,063)	110,327
Countryside Stewardship fund	(60,076)	276,939	(89,794)	0	127,069
Tree disease fund	10,085	0	0	12,890	22,975
Ash Dieback Fund	0	36	(40,005)	136,000	96,031
Fundraising support fund	10,000	0	0	0	10,000
Governance Review - legal	34,010	0	0	0	34,010
Governance Review - public consultation	889	0	0	0	889
Election expenses fund	7,493	0	(5,286)	10,000	12,207
Dog campaign	3,500	0	0	0	3,500
Car Park repair fund	5,000	0	(1,800)	0	3,200
	579,750	294,037	(154,434)	153,305	872,658



- The Gift fund holds donations, legacies and gifts which were not restricted by the donor and which have been designated for use in projects in accordance with the Trustees’ policy. It is anticipated that a significant part of this fund will be needed in the next 2-10 years to cover the cost of managing Ash Dieback.
- The Stewardship funds are the grazing projects to secure conservation of the Malvern Hills landscape as set out in the land management plan. The project receives funding from the Higher Level Stewardship and the new Countryside Stewardship schemes.
- The Tree Disease fund is to cover costs arising from tree diseases.
- The Ash Dieback fund was set up during the previous year to cover the cost of managing Ash Dieback. The current best estimate of the cost over the next 2-10 years is £320,000.
- The Fundraising support fund is to cover costs of future fundraising activities.
- The Governance review funds are to cover the costs of any future work approved by the Board.
- The Election expenses fund is to cover the cost of the 4-yearly elections to the Board and any by-elections. The next planned elections will be held in Autumn 2023.
- The Dog campaign fund is to cover the costs of a campaign which was started in 2019/20. Work on the campaign has been delayed by COVID-19.
- The car park repair fund is to cover the cost of car park repairs to be completed in 2022/23.
- Following the retirement of Cheryl Gentry and the resignation of her replacement Helen Barber, the FAM replacement fund objective is to cover the cost of accountancy provision in preparing the Statutory Financial accounts in addition to recruitment expenses.

Details of transfers made during the year are given in note 19.

21 Unrestricted pension fund

Current year

	Balance 1st April 2022	Movement incoming	Resources outgoing	Transfers & other losses	Balance 31st March 2023
	£	£	£	£	£
Pension Fund	(2,241,000)	0	(37,000)	1,541,000	(737,000)

Prior year

	Balance 1st April 2021	Movement incoming	Resources outgoing	Transfers & other losses	Balance 31st March 2022
	£	£	£	£	£
Pension Fund	(2,256,000)	0	(24,000)	39,000	(2,241,000)

The unrestricted pension fund balance arises from the FRS 102 disclosures. The figure shown in ‘Transfers and other losses’ is the actuarial gain/(loss) as calculated by the Actuary.

Further information is given in note 26.



22 Restricted funds

Current year

	Balance 1st April 2022	Movement incoming	Resources outgoing	Transfers (to)/from other funds	Net gains/(losses) on investments	Balance 31st March 2023
	£	£	£	£	£	£
Lands Maintenance fund	193,588	5,591	(1,632)	(5,340)	(9,188)	183,019
SDF fund	453	0	0	0	0	453
Nature of the Malverns book	2,901	0	0	0	0	2,901
Gifts	6,831	2,000	(665)	0	0	8,166
Tree planting	821	1,385	(357)	(805)	0	1,044
Picnic bench donations	2,800	6,073	(1,719)	(2,550)	0	4,604
Community Woodland	0	34	(34)	0	0	0
Boost4Biodiversity	1,389	0	0	0	0	1,389
FIPL Foothill Connections fund	500	0	0	0	0	500
FIPL All Saints Wood	0	2,409	(2,402)	0	0	7
Urban tree challenge fund	(8,223)	11,257	(297)	0	0	2,737
Donkey Shed	0	19,456	(27,243)	0	0	(7,787)
Access For All	0	0	(1,776)	0	0	(1,776)
Land Purchase (1992) fund	933,249	16,810	(4,183)	(357,455)	(74,540)	513,881
Land Purchase 2 Fund	0	135	(97)	184,263	15,807	200,108
Parliamentary fund	493,842	35,116	(4,412)	(13,615)	(25,540)	485,391
Capital Outlay Discharged fund	1,491,438	0	(59,869)	173,191	0	1,604,760
	3,119,589	100,266	(104,686)	(22,311)	(93,461)	2,999,397

Prior year

	Balance 1st April 2021	Movement incoming	Resources outgoing	Transfers (to)/from other funds	Net gains/(losses) on investments	Balance 31st March 2022
	£	£	£	£	£	£
Lands Maintenance fund	185,339	5,025	(1,088)	(5,025)	9,337	193,588
SDF fund	453	0	0	0	0	453
Nature in Malvern book	2,733	168	0	0	0	2,901
Gifts	9,707	0	(2,110)	(766)	0	6,831
Tree planting	700	565	(444)	0	0	821
Picnic bench donations	183	7,442	(1,712)	(3,113)	0	2,800
Community Woodland	0	0	(4,522)	4,522	0	0
Boost4Biodiversity	2,979	1,243	(821)	(2,012)	0	1,389
FIPL Foothill Connections Fund	0	11,232	(8,436)	(2,296)	0	500
Urban Tree Challenge	0	(8,223)	0	0	0	(8,223)
Land Purchase (1992) fund	1,021,614	15,591	(5,527)	(113,382)	14,953	933,249
Parliamentary fund	509,485	13,393	(2,878)	(53,593)	27,435	493,842
Capital Outlay Discharged fund	1,399,444	0	(61,588)	153,582	0	1,491,438
	3,132,637	46,436	(89,126)	(22,083)	51,725	3,119,589



- The Lands Maintenance fund formed part of the consideration for the disposal of the land at Townsend Way for the purpose of providing income for the maintenance of the land forming the roadside verges.
- The SDF (Sustainable Development Fund) fund is for information boards at North and Tank Quarries.
- The Nature of the Malverns book was a joint venture project to produce a high-quality book showcasing the nature of the area. The book was published in May 2018. The funds generated from the project are to be used to support conservation projects.
- The Gifts fund comprises legacies and donations made for specified projects to improve the amenities of the Malvern Hills.
- The Tree Planting fund received donations for planting trees at Thirds Wood.
- Picnic bench donations are for benches at the Community Woodland.
- The Community Woodland fund is for work at the woodland at Townsend Way, funded by an S106 grant from Malvern Hills District Council. Work on the project was completed during the 2022 financial year.
- The Boost4Biodiversity fund is from Severn Trent, to fund pond works.
- The FIPL fund (Farming in Protected Landscapes) is a grant to support conservation projects within the AONB.
- The UTCF fund (Urban Tree Challenge Fund) is a grant from the Forestry Commission to support tree planting in urban areas.
- The Capital Outlay Discharged fund is represented by the cost of land and the net book value of improvements to land and buildings, the original cost of which was funded from the Lands Acquisition or Parliamentary Funds. These assets can only be sold in very limited circumstances (that is, they are inalienable) and any proceeds must be used for the purchase of land, so this fund should be considered as inalienable.
- The Parliamentary fund was established with a contribution by W. Berington under Section 56(5) of Malvern Hills Act 1924 to receive Capital Receipts and use of the capital of the fund is restricted to the purchase of land and improvements to capital assets. Investment income earned on this fund may be used for the Trust's general purposes. During the year, £15,116 investment income was transferred to the General Fund (2022 £13,393).
- The Land Purchase (1992) fund (formerly called the Lands Acquisition fund) was set up in 1992 from the proceeds of the disposal of land for road works at Townsend Way. The use of the fund is restricted to the purchase of land.
- The Land Purchase 2 Fund formed following the Board of Trustees instruction to redirect investment funds into a lower risk managed category



23 Analysis of net assets between funds

Current year

	Heritage assets	Investments	Tangible fixed assets	Pension liability	Other net assets	Total
	£	£	£	£	£	£
Restricted funds						
Capital Outlay Discharged	1,346,835	0	257,413	0	514	1,604,762
Parliamentary fund	0	471,712	0	0	13,678	485,390
Land Purchase (1992) fund	0	360,310	0	0	153,570	513,880
Land Purchase 2 Fund	0	200,202	0	0	(94)	200,108
Lands Maintenance fund	0	174,469	0	0	8,550	183,019
Nature of the Malverns	0	0	0	0	2,901	2,901
SDF fund	0	0	0	0	453	453
Gift fund	0	0	0	0	8,166	8,166
Tree planting	0	0	0	0	1,044	1,044
Picnic benches	0	0	0	0	4,604	4,604
FIPL Foothill Connections fd	0	0	0	0	500	500
FIPL All Saints Wood	0	0	0	0	7	7
Donkey Shed	0	0	0	0	(7,787)	(7,787)
Access for All	0	0	0	0	(1,776)	(1,776)
Urban Tree Challenge fund	0	0	0	0	2,737	2,737
Boost4Biodiversity	0	0	0	0	1,389	1,389
	1,346,835	1,206,693	257,413	0	188,456	2,999,397
Unrestricted funds						
General fund	0	0	101,666		334,917	436,583
Designated funds	0	0	0	0	897,687	897,687
Pension fund	0	0	0	(737,000)	0	(737,000)
	0	0	101,666	(737,000)	1,232,604	597,270
	1,346,835	1,206,693	359,079	(737,000)	1,421,060	3,596,667



23 Analysis of net assets between funds - continued

Prior year

	Heritage assets	Investments	Tangible fixed assets	Pension liability	Other net assets	Total
	£	£	£	£	£	£
Restricted funds						
Capital Outlay Discharged	1,173,644	0	317,284	0	510	1,491,438
Parliamentary fund	0	513,978	0	0	(20,136)	493,842
Land Purchase (1992) fund	0	931,333	0	0	1,916	933,249
Lands Maintenance fund	0	193,588	0	0	0	193,588
Nature in Malvern book	0	0	0	0	2,901	2,901
SDF fund	0	0	0	0	453	453
Gift fund	0	0	0	0	6,831	6,831
Tree planting	0	0	0	0	821	821
Picnic benches	0	0	0	0	2,800	2,800
FIPL Foothill Connections	0	0	0	0	500	500
Urban Tree Challenge	0	0	0	0	(8,223)	(8,223)
Boost4Biodiversity	0	0	0	0	1,389	1,389
	<u>1,173,644</u>	<u>1,638,899</u>	<u>317,284</u>	<u>0</u>	<u>(10,238)</u>	<u>3,119,589</u>
Unrestricted funds						
General fund	0	0	116,146	0	309,679	425,825
Designated funds	0	0	0	0	872,658	872,658
Pension fund	0	0	0	(2,241,000)	0	(2,241,000)

24 Post balance sheet events and capital commitments

At 31st March 2023, no capital expenditure had been contracted for (2022 £nil). Capital expenditure which had been approved but not contracted at the year-end was £nil (2022 £nil).

Under the Higher Level and Countryside Stewardship schemes, the charity is contracted to make 6-monthly payments to graziers from the grants received. Malvern Hills Trust's contracts with graziers have an annual break clause. The annual payments committed at 31st March 2023 total £78,782 (2022 £92,657). This figure excludes £47,000 liable to graziers under the terms of the CS Castlemorton Delivery Group. See notes 29 and 30 for accounts for the CS Castlemorton Delivery Group.

The two Higher Level Stewardship schemes end in 2023. The Countryside Stewardship schemes are for a 10-year period and have a 5-year break clause. The Countryside Stewardship Scheme for the North & Central Hills ends in 2028, the scheme for the Southern Hills ends in 2030 and the scheme for Castlemorton Common (see Castlemorton Delivery Group) ends in 2031.



25 Operating leases

The Charity has granted licenses and rental agreements over some of its land. Rentals receivable are recognised on a straight-line basis over the life of the agreement. The future minimum lease receipts under non-cancellable operating leases for each of the following periods is:

	2023	2022
	£	£
Within the next 12 months	23,836	21,836
Within 1-5 years	88,187	40,526
5 years plus	11,046	11,146
	<u>123,069</u>	<u>73,508</u>

26 Defined benefit pension scheme

Malvern Hills Trust participates in the Worcestershire County Council Pension Fund, which is part of the Local Government Pension Scheme (LGPS), a multi-employer scheme. Contributions are charged to the statement of financial activities so as to spread the cost of pensions over employees' working lives with the charity. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The scheme was formally valued as at 31st March 2019 and was updated by the actuary on an FRS102 basis as at 31st March 2022.

The employer's contribution (including the FRS102 adjustment) for the period was £118,000 (2022: £113,000).

The amounts recognised in the Balance Sheet are as follows:

	2023	2022
	£	£
Present value of funded obligations	(3,128,000)	(4,473,000)
Fair value of plan assets	2,391,000	2,232,000
	<u>(737,000)</u>	<u>(2,241,000)</u>
Amounts recognised as:		
Liabilities	(737,000)	(2,241,000)
Assets	0	0
Net amount recognised	<u>(737,000)</u>	<u>(2,241,000)</u>



26 Defined benefit pension scheme - continued

The amounts included within the Statement of Financial Activities are as follows:

	2023	2022
	£	£
Current service cost	94,000	90,000
Interest on pension liabilities	123,000	92,000
Past service cost	0	0
Administration costs	1,000	1,000
Expected return on plan assets	(63,000)	(46,000)
Contributions by employer	<u>(118,000)</u>	<u>(113,000)</u>
Total pension cost charged within net incoming resources	37,000	24,000
Remeasurements (Actuarial (gain)/loss)	<u>(1,541,000)</u>	<u>(39,000)</u>
Total amount (credited)/charged to SOFA	<u>(1,504,000)</u>	<u>(15,000)</u>

The cumulative amount of actuarial gain recognised is £764,000 (2022 loss £777,000).

Changes in the present value of the defined benefit obligation are as follows:

	2023	2022
	£	£
Opening defined benefit obligation	4,473,000	4,452,000
Current service cost	94,000	90,000
Interest on pension liabilities	123,000	92,000
Member contributions	35,000	15,000
Actuarial (gains)/losses on liabilities	(1,498,000)	(22,000)
Past service cost	0	0
Benefits/transfers paid	<u>(99,000)</u>	<u>(154,000)</u>
Benefit obligation at end of period	<u>3,128,000</u>	<u>4,473,000</u>

Explanation of the “interest” figure in the above table

As part of the annual pension deficit calculation, the Actuary estimates the future benefit cashflows, and then reduces them in line with assumed future investment returns to get an estimate of the money needed now to pay the benefits. The process of reducing the future cashflows is called discounting, and the assumed future rate of return is called the discount rate. When the Actuaries update the calculations for the following year, they need to remove one year’s discounting (as the benefit payments are all now one year closer), and it is this removal of discounting that is referred to as “interest” on the benefit obligation in the accounting schedule.

The Actuaries have to follow FRS 102 as issued by the Financial Reporting Council in setting the discount rate, which must be based on high quality (typically taken to mean at least AA rated) corporate bond yields at the accounting date.

The “interest” figure for the year 2022/23 uses the 31/03/2022 rate of 2.8 % (2021/22 uses the 31/03/2021 discount rate of 2.1 %)



Changes in the plan assets during the period to 31st March 2023 were as follows:

	2023	2022
	£	£
Fair value of plan assets at beginning of period	2,232,000	2,196,000
Expected return on scheme assets	63,000	46,000
Administration expenses	(1,000)	(1,000)
Remeasurements (assets) (Actuarial gains/(losses) on plan assets)	43,000	17,000
Employer contributions	118,000	113,000
Member contributions	35,000	15,000
Benefits/transfers paid	(99,000)	(154,000)
Fair value of plan assets at end of period	<u>2,391,000</u>	<u>2,232,000</u>

The weighted - average asset allocation at the period-end was as follows:

	Fair value at 31st March 2023	Fair value at 31st March 2022
	£	£
Asset category		
Equities	935,000	1,007,000
Other bonds	894,000	788,000
Property	191,000	136,000
Cash Liquidity	36,000	
Other	335,000	301,000
	<u>2,391,000</u>	<u>2,232,000</u>

	2023	2022
	£	£
Experience gains/(losses) on assets	43,000	17,000
Experience gains/(losses) on liabilities	1,498,000	22,000

Weighted average assumptions used to determine benefit obligations at:

	2023	2022
Discount rate	4.8 %	2.8 %
Rate of increase in salaries	4.2 %	4.9 %
Rate of increase in pension	2.8 %	3.5 %
Rate of CPI inflation	2.7 %	3.4 %



Weighted average assumptions used to determine net pension cost for period ended 31st March 2023:

	2023	2022
Discount rate	4.80 %	2.80 %
Rate of pension increase	2.80 %	3.50 %
Assumed life expectations on retirement age 65:		
Retiring today - males	22.0	22.6
Retiring today - females	24.2	25
Retiring in 20 years - males	23.3	24.1
Retiring in 20 years - females	26.1	27.0

Contributions

The employer expects to contribute £ 127,000 in the period to 31st March 2024.

The contributions payable by the employers are reassessed at each triennial valuation. The next actuarial valuation of the Worcestershire County Council Pension Fund will be carried out with an effective date of 31st March 2025.

27 Financial instruments

	2023	2022
	£	£
Financial assets measured at fair value	1,208,693	1,638,899
Financial assets measured at settlement value	1,530,178	1,247,303
Financial liabilities measured at settlement value	(92,587)	(104,695)

See note 1(p) for details of what is included in the above figures.



28 Statement of Financial Activities for the year ended 31st March 2022

	Note	Unrestricted funds	Restricted funds	Total funds 2022	Total funds 2021
		£	£	£	£
<i>Income and endowments from:</i>					
Donations and legacies	3	3,932	8,007	11,939	5,244
Charitable activities:					
Management of the hills and commons	7	865,102	12,475	877,577	493,079
Car parks		418,059	0	418,059	412,659
Other trading activities	4	38,647	168	38,815	35,928
Investments:					
Bank deposits		1,338	0	1,338	1,302
Investment portfolio		0	34,008	34,008	33,865
Other	5	13,581	0	13,581	9,110
Total income		1,340,659	54,658	1,395,317	991,187
<i>Expenditure on:</i>					
Charitable activities	6	1,097,934	87,855	1,185,789	1,167,879
Other expenditure	6	9,797	9,493	19,290	15,161
Total expenditure		1,107,731	97,348	1,205,079	1,183,040
Net gains/(losses) on investments	16	0	51,725	51,725	333,269
Net income/(expenditure)		232,928	9,035	241,963	141,416
<i>Transfers between funds</i>		22,083	(22,083)	0	0
<i>Other recognised gains/(losses)</i>					
Actuarial gains/(losses) on defined benefit pension scheme	26	39,000	0	39,000	(405,000)
Net movement in funds		294,011	(13,048)	280,963	(263,584)
<i>Reconciliation of funds:</i>					
Total funds brought forward		(1,236,528)	3,132,637	1,896,109	2,159,693
Total funds carried forward	23	(942,517)	3,119,589	2,177,072	1,896,109



29 CS Castlemorton Delivery Group Accounts to 31st December 2022

Balance Sheet as at 31st December 2022

	2023 £	2022 £
Current Assets		
Cash at bank and in hand	<u>51,517</u>	<u>-</u>
Current Liabilities		
Trade creditors	15,494	-
Grazier Reserve	572	-
Accruals and deferred income	<u>37,509</u>	<u>-</u>
	53,575	-
Net Assets	<u>(2,058)</u>	<u>-</u>
Countryside Stewardship delivery group funds		
General funds	(1,846)	-
Restricted funds	(572)	-
Total Funds	<u>(2,418)</u>	<u>-</u>

Statement of Financial Activities for the year ended 31st December 2022

	2023 £	2022 £
Income from Stewardship Annual Grant		
Grazing	46,056	-
Admin	1,000	-
Non-Grazing	4,116	-
Total Income	<u>51,172</u>	<u>-</u>
Expenditure on		
Contract labour	7,681	-
Graziers	44,422	-
MHT administration fee	900	-
Bank charges	15	-
Total expenditure	<u>53,018</u>	<u>-</u>
Net income	<u>(1,846)</u>	<u>-</u>



30 CS Castlemorton Delivery Group Management Accounts to 31st March 2023

Balance Sheet as at 31st March 2023

	2023
	£
Current Assets	
Accrued income	12,938
Cash at bank and in hand	6,689
Total Assets	<u>19,628</u>
Current Liabilities	
Trade creditors	-
Grazier Reserve	572
Accruals and deferred income	17,066
	<u>17,638</u>
Net Assets	<u>1,990</u>
Countryside Stewardship delivery group funds	
General funds	2,562
Restricted funds	(572)
Total Funds	<u>1,990</u>

Statement of Financial Activities for the 3 months ended 31st March 2023

	2,023
	£
Income from Stewardship Annual Grant	
Grazing	11,739
Admin	-
Non-Grazing	1,199
Total Income	<u>12,938</u>
Expenditure on	
Contract labour	1,110
Graziers	7,375
MHT administration fee	-
Bank charges	45
Total expenditure	<u>8,530</u>
Net income	<u>4,408</u>



Azets Audit Services
Epsilon House
The Square
Gloucester Business Park
Gloucester
GL3 4AD

Re: Malvern Hills Conservators

To whom it may concern

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the charity's financial statements for the period ended 31 March 2023. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

GENERAL

1. We] have fulfilled our responsibilities as trustees as set out in the terms of your engagement letter dated 20 January 2023, under the Charities Act 2011 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
2. All the transactions undertaken by the charity have been properly reflected and recorded in the accounting records.
3. All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the charity, and with all other records and related information requested, including minutes of all management and trustee meetings and correspondence with The Charity Commission.

ADJUSTMENTS & DISCLOSURES

4. The financial statements are free of material misstatements, including omissions.
5. The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. (See appendix 1 for details of such uncorrected misstatements).



Malvern Hills Trust

6. We have reviewed and approved all audit adjustments made in the financial statements. (See appendix 1 for details of such audit adjustments)
7. We have reviewed and approved all disclosures made in the financial statements and we are not aware of any other matters which require disclosure in order to comply with the requirements of applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

INTERNAL CONTROL AND FRAUD

8. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error, and we believe that we have appropriately fulfilled these responsibilities. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
9. We have disclosed to you all instances of known or suspected fraud affecting the charity involving management, employees who have a significant role in internal control or others where fraud could have a material effect on the financial statements.
10. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the charity's financial statements communicated by current or former employees, analysts, regulators or others.
11. We have disclosed to you any significant changes in our processes, controls, policies and procedures that we deem necessary to address the likely effects of the COVID-19 pandemic on our system of internal controls.

ASSETS AND LIABILITIES

12. The charity has satisfactory title to all assets and there are no liens or encumbrances on the charity's assets except for those that are disclosed in the notes to the financial statements.
13. There were no changes in fixed assets during the period ended 31/03/2023 other than those disclosed in the accounts.
14. We have reviewed the residual values attached to fixed assets and confirm they are still appropriate and reasonable reflections of these assets condition and usage.
15. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
16. We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.
17. We confirm that all bank accounts have been disclosed to you and are included within the financial statements.
18. We confirm that the charity has not contracted for any capital expenditure other than as disclosed in the financial statements.

ACCOUNTING ESTIMATES

19. The methods, data and significant assumptions used by us in making accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.



LOANS AND ARRANGEMENTS

20. The charity has not granted any advances or credits to, or made guarantees on behalf of, directors other than those disclosed in the financial statements.

LEGAL CLAIMS

21. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

LAWS AND REGULATIONS

22. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements and disclosures, including non-compliance matters:
 - a. Involving financial impropriety;
 - b. Related to laws or regulations that have a direct effect on the determination of material amounts and disclosures in the charity's financial statements;
 - c. Related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the charity's business, its ability to continue in business, or to avoid material penalties; and
 - d. Involving management, or employees who have significant roles in internal control, or others.
23. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance, other than those already disclosed.

RELATED PARTIES

24. Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and we confirm that such information is complete. We are not aware of any other matters which require disclosure in order to comply with legislative and accounting standards requirements.

SUBSEQUENT EVENTS

25. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

GOING CONCERN

26. We believe that the charity's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding will be more than adequate for the charity's needs.
27. We also confirm our plans for future action(s) required to enable the charity to continue as a going concern are feasible.
28. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the charity's ability to continue as a going concern need to be made in the financial statements.



Malvern Hills Trust

GRANTS AND DONATIONS

29. All grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such income.

Yours faithfully

.....
Signed on behalf of the board of trustees by:

Mick Davies - Chair

Date:



Malvern Hills Trust

Appendix 1 – Adjusted and unadjusted misstatements

Finance and Admin Committee

Project Progress update

21st September 2023



Project	Ref Code	Budget Actual Cost	2023/4				Update	Status
			1	2	3	4		
Bridleway Link Common	BP 1.2.3	£2,500 (General)					Now anticipated autumn 2023	Set Back to autumn 23
Improve Access Community Woodland	BP 1.2.3	£4,360 (Gift fund)					Main works completed. Benches delivered and installed. Some supplementary path works to do.	Main work complete
Marking Boundaries	BP 4.2.1	£1,250 (General)					Some markers re-installed winter/spring 22/23. Further markers required for autumn winter 2023/4	Ongoing
Restore Shire Ditch (Hangman's Hill section)	BP 1.1.5	£3,000 (General) To be reviewed.					Outline plans drawn up. Survey work completed. Restoration and drainage works required larger than anticipated. Revised methodology and costing required..	Ongoing
Gullet Lake vegetation scheme	BP 1.1.8 LMP #13	Est £2,000					Due to staff capacity put back to later in 2023	Ongoing.
Lower Shed Review	BP 2.4.4	Pt 1 £5,000					See paper LMC 01/12/22. Architect and surveyor engaged.	Ongoing
Top Shed Review Machinery Storage	BP 2.4.3						Capacity and need of buildings to be assessed.	
Donkey Shed Restoration	BP 1.1.5 LMP #8	£26,000 Grants Civic Soc £5k £1800 for interp signage. FIPL £14k.) balance from Gift Fund					Completed save for installation information board. Board now expected end of August	Main works COMPLETED
St Anns Bowl restoration	BP 1.1.5	Est MSA grant					Listed building consent received. Stonemasons still finalising carving	Delayed
Brockhill Road building improvements	BP 2.4.4	Est £40,000					Contractor selected and work started in August.	Ongoing
Black Hill Car Park improvements	BP 1.2.2	£6,000					See paper D meeting October 2022. Contractor and cost estimates sought.	Ongoing
Unauthorised vehicular access in MHT land	BP 1.2.6 LMP #19	£3,000					See paper C October 2022. Design of stobs approved. Affordable supplier still being sought.	Ongoing
Update Interpretation Boards	BP 3.1.4	£15,000 p/a (Gift Fund)					Beacon Road to do.	Ongoing
Update location signage	BP 3.1.4	£7,000					Swinyard and West of England completed.	Completed
Replace old access signs	BP 3.1.4	£2,500					Recommended. Additional replacement signs being erected.	Ongoing

Install new location identification signage.	LMP #1	Est £25,000 over two years.				Site markers to land parcels and popular parking areas. Costings for 87 posts and cast signs estimated. Design work ongoing. Trial of form and sign materials to be carried out.	Ongoing
Research visitor usage and ways to tackle erosion.	BP 1.2.7 LMP #35	Est £2000 2 Year				Project to research visitor numbers and erosion impacts. Survey completed and reported to last LMC meeting.	Completed
Install people counters	BP 1.2.7	Est £2000 2 Year				Counters to provide data to support above project.	Ongoing
Fencing, gates and footbridge at Evendine		Est £13,580 £9160 FIPL grant				Works to new land at Evendine (Stock fencing, pedestrian gates and footbridge)	Ongoing
CAPITAL ITEMS							
Timber Forwarding Trailer	BP 2.3.2	£6,000					Put Back to 2023/4
Small side arm flail	BP 2.3.2	£6,000 (£6,800)				Brought forward from 2023/24. Ordered. At dealers awaiting fitting	Completed
5 or 8 ton trailer	BP 2.3.2	Est £5,000 (£7,500)				Models selected. On order	Ongoing
Replacement Van – Wardens A	BP 2.3.1	£24,000				Supplier and model identified Costings received for power supply unit for Manor House.	Ongoing
Replacement Compact Tractor	BP 2.3.2	£25,000 (22,700)				Massey Ferguson replacement sourced and delivered May 2023	Completed
Replacement Van – Wardens B	BP 2.3.1	£24,000				As for replacement A above.	Rescheduled to 2024/25
Rotovator / Harrow / Spring Tines / Roller	BP 2.3.2	£2250 / £1200 / £800 / £1200					Rescheduled - path grader priority
Replacement Flail Mower	Board Approved					To replace damaged existing machine. On order	Ongoing
Water Bowser		Est £3,700 FIPL grant £2,640				Bowser to support grazing at Evendine lands	Ongoing
Path grader	BP 2.3.2	£5000				Additional – To replace above items. Board Approved. Delivered	Completed

BP = Adopted Business Plan 2022-2027. LMP = Adopted Land Management Plan 2021-2026

Report as at 30th August 2023

Malvern Hills Trust
General fund income and expenditure versus budget for the 4 months ending 31st July 2023

	Actual £	Budget £	Variance £
Income			
Levy	331,900	331,900	0
Grants	12,820	17,820	(5,000)
Car park takings	166,513	168,005	(1,492)
Donations	3,816	667	3,149
Rents and licences	6,726	6,225	501
Fairs and circuses	0	333	(333)
Ice cream concessions	900	833	67
Easements & wayleaves	264	0	264
AONB contributions	2,457	2,457	0
Sales of books, leaflets and maps	0	67	(67)
Admin charges and compensation	208	500	(292)
Sundry income	2,840	684	2,156
Investment income	1,966	667	1,299
Profit on disposal of fixed assets	9,462	7,000	2,462
Total income	539,872	537,158	2,714
Land management expenses			
Contract labour	900	4,117	3,217
Drainage	318	803	485
Vehicle and equipment expenses	5,641	8,897	3,256
Hire of plant and equipment	2,462	3,616	1,154
Tree work	4,660	3,117	(1,543)
Grass cutting	1,000	1,279	279
Purchase of materials and tools	3,861	4,800	939
Protective clothing	1,622	623	(999)
Field consultancies	0	0	0
Tree safety survey	0	1,210	1,210
Conservation volunteers	148	367	219
Water testing	0	183	183
Gardening	988	1,100	112
Management plan	50	0	(50)
Miscellaneous exps	0	167	167
Tracks and paths	0	3,533	3,533
Total land management expenses	21,651	33,812	12,161
Visitor services expenses			
Car park meter expenses	7,291	11,083	3,792
Car park passes	1,113	1,100	(13)
Car park repairs	0	1,000	1,000
Wardens' vehicle expenses	2,997	3,556	559
Wardens' uniform and tools	1,577	1,100	(477)
Wardens' phones	294	440	146
Wardens' other expenses	0	0	0
Total visitor services expenses	13,272	18,279	5,007
Communications and public engagement expenses			
Leaflets	410	333	(77)
Annual report	0	0	0
Newsletters	0	67	67
Campaigns	0	333	333
Signs, display and information boards	463	1,333	870
Events programme	0	733	733
Exhibitions	42	500	458
Other PR expenses	0	167	167
Fundraising expenses	110	73	(37)
Communications support and engagement	0	1,667	1,667
Total communications and public engagement expenses	1,025	5,206	4,181
Administration and governance expenses			
Rates	5,232	5,567	335
Buildings maintenance	1,610	3,333	1,723
Electricity and gas	3,467	3,747	280
Telephones	1,121	1,380	259
Depreciation	11,308	13,434	2,126
Insurance	10,754	12,000	1,246
Office equipment	763	2,487	1,724
IT	4,340	5,550	1,210
Website	980	333	(647)
Legal and professional fees	5,896	10,327	4,431
Governance costs	1,013	2,034	1,022
Subscriptions	703	333	(370)
Bank and investment charges	1,135	1,583	448
Postage	1,082	623	(459)
Stationery, printing and recycling	762	1,401	639
Cleaning	1,360	1,870	510
Travelling expenses	599	1,650	1,051
Miscellaneous exps	595	660	65
Newspaper ads	376	250	(126)
Total administration and governance expenses	53,095	68,562	15,467
Staff costs			
Basic salaries	175,714	179,783	4,069
Employer's NI	16,249	20,600	4,351
Pension contributions	26,279	27,667	1,388
FRS 102 compensated absences provision movement	74,200	74,200	0
Group life assurance	1,085	1,333	248
Training - staff	1,250	2,500	1,251
Recruitment	593	667	74
Total staff costs	295,369	306,750	11,381
Surplus/(deficit) for the period before transfers	155,460	104,549	50,911
Transfers from other funds	0	324	5,434
Transfers to other funds	(10,000)	(5,963)	(4,037)
Surplus/(deficit) for the period after transfers	145,460	98,910	52,309
General fund brought forward	436,663	436,663	0
General fund carried forward	582,123	535,573	52,309

Malvern Hills Trust - Designated Funds Income and Expenditure for the 4 months ending 31st July 2023

Category	N/C	Unrestricted	Private Bill	Dog					Boundary		FAM										
		Gifts	Costs	campaign des	Fundraising	Election exps	Tree disease	Ash Dieback	Comm advice	Car park	replacement	CS North &	CS Southern	CS	HLS Chase	HLS Old Hills	Grazing	Basic			Total
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
01 - Income	4015 - Other grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	4020 - Stewardship annual grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	4025 - Stewardship capital grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	4030 - Stewardship other grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	4200 - Donations	73	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	73
	4250 - Legacies	7,075	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7,075
	4310 - Land rentals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
01 - Income Total		7,148	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	42,260
02 - Land management expenses	5000 - Contract labour	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	5025 - Hire of plant and equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	5035 - Treework	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	5036 - Tree planting	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	5040 - Grass cutting	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	5045 - Purchase of materials	(133)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(620)
	5055 - Field consultancies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	5100 - Graziers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	5110 - Stewardship schemes direct costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
02 - Land management expenses total		(133)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(24,468)
03 - Car parks, wardens and PR	5240 - Car park repairs	0	0	0	0	0	0	0	0	(731)	0	0	0	0	0	0	0	0	0	0	(731)
03 - Car parks, wardens and PR total		0	0	0	0	0	0	0	0	(731)	0	0	0	0	0	0	0	0	0	0	(731)
04 - Administration costs	6075 - Legal fees	0	0	0	0	0	0	0	(6,327)	0	0	0	0	0	0	0	0	0	0	0	(6,327)
	6100 - Other professional fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	6110 - Bank charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
04 - Administration costs Total		0	0	0	0	0	0	0	(6,327)	0	0	0	0	0	0	0	0	0	0	0	(6,327)
10 - Salaries	7075 - Recruitment	0	0	0	0	0	0	0	0	0	(4,443)	0	0	0	0	0	0	0	0	0	(4,443)
10 - Salaries Total		0	0	0	0	0	0	0	0	0	(4,443)	0	0	0	0	0	0	0	0	0	(4,443)
Surplus/(deficit) for the period before transfers		7,015	0	0	0	0	0	0	(6,327)	(731)	(4,443)	8,003	1,361	0	161	1,252	0	0	0	0	6,291
	4600 - Transfers from other funds	0	0	0	0	0	0	0	10,000	0	0	0	0	0	0	0	0	0	0	0	10,000
	8100 - Transfers to other funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Surplus/(deficit) for the period after transfers		7,015	0	0	0	0	0	0	3,673	(731)	(4,443)	8,003	1,361	0	161	1,252	0	0	0	0	16,291
Designated funds brought forward		383,102	34,899	3,501	10,000	17,206	35,865	129,473	8,603	5,100	12,500	132,573	17,991	0	1,174	21,068	60,059	24,571			897,685
Designated funds carried forward		390,117	34,899	3,501	10,000	17,206	35,865	129,473	12,276	4,369	8,057	140,576	19,352	0	1,335	22,320	60,059	24,571			913,976

Malvern Hills Trust - Restricted Funds Income and Expenditure for the 4 months ending 31st July 2023

Category	N/C	Capital Outlay	Parliamentary	Lands	Land	Land	Restricted	Picnic bench	NIM book	Tree donation	Boost4biodiv	Community	Urban Tree	Access for All	FIPL All Saints	FIPL Foothill	SDF fund	Total	
		d'chgd	fund	Maintenance	Purchase	Purchase 2	Gift fund	donations	£	£	£	ersity	woodland	Challenge	£	Wood	Connections	£	£
		£	£	£	(1992) fund	fund	£	£	£	£	£	£	£	£	£	£	£	£	£
01 - Income	4015 - Other grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	4200 - Donations	0	0	0	0	0	0	4,546	0	0	0	0	0	0	0	0	0	0	4,546
	4350 - Easements and application fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	4500 - Income from investment portfolio	0	4,535	1,778	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,313
	4510 - Bank interest receivable	0	0	0	721	0	0	0	0	0	0	0	0	0	0	0	0	0	721
01 - Income Total		0	4,535	1,778	721	0	0	4,546	0	0	0	0	0	0	0	0	0	0	11,580
02 - Land management expenses	5000 - Contract labour	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	5020 - LM equipment purchases less than £500	0	0	0	0	0	0	0	0	0	0	0	0	(1,476)	0	0	0	0	(1,476)
	5035 - Treework	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	5036 - Tree planting	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	5045 - Purchase of materials	0	0	0	0	0	0	(882)	0	0	0	0	0	0	0	(822)	0	0	(1,704)
2 - Land management total		0	0	0	0	0	0	(882)	0	0	0	0	0	(1,476)	(822)	0	0	0	(3,180)
03 - Car parks, wardens and PR	5435 - Interpretation boards	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
03 - Car parks, wardens and PR Total		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
04 - Administration costs	6100 - Other professional fees	0	0	0	0	0	(3,470)	0	0	0	0	0	0	0	0	0	0	0	(3,470)
	6115 - Investment manager's charges	0	0	0	(99)	0	0	0	0	0	0	0	0	0	0	0	0	0	(99)
	6120 - Newspaper ads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	8000 - Depreciation - other land and buildings	(925)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(925)
	8005 - Depreciation - impt's to land and buildings	(4,434)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(4,434)
04 - Administration costs Total		(5,359)	0	0	(99)	0	(3,470)	0	0	0	0	0	0	0	0	0	0	0	(8,928)
Surplus/(deficit) for the period before transfers and investment gains		(5,359)	4,535	1,778	622	0	(3,470)	3,664	0	0	0	0	0	0	(1,476)	(822)	0	0	(528)
	8110 - Investment gains or losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	4600 - Transfers from other funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	8100 - Transfers to other funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Surplus/(deficit) for the period after transfers		(5,359)	4,535	1,778	622	0	(3,470)	3,664	0	0	0	0	0	(1,476)	(822)	0	0	0	(528)
Restricted funds brought forward		1,604,762	485,085	182,907	513,881	200,105	8,165	4,604	2,901	1,044	1,389	0	2,737	(7,787)	(1,776)	6	500	453	2,998,976
Restricted funds carried forward		1,599,403	489,620	184,685	514,503	200,105	4,695	8,268	2,901	1,044	1,389	0	2,737	(7,787)	(3,252)	(816)	500	453	2,998,448

Malvern Hills Trust
Balance Sheet as at 31st July 2023

Fixed Assets

Heritage assets	1,356,698
Other land and buildings	212,828
Improvements to capital assets	39,226
LM vehicles & eq't	115,622
Office equipment	6,096
Investments	<u>1,204,085</u>

Current Assets

Livestock	31,452	2,934,555
Debtors	115,763	
Deposits and Cash	1,555,106	
VAT Liability	<u>0</u>	

1,702,321

Current Liabilities

Creditors : Short Term	118,575
Payroll Taxation	16,316
Wages	3,119
VAT Liability	<u>4,320</u>

142,328

Current Assets less Current Liabilities:

1,559,993

Total Assets less Current Liabilities:

4,494,548

Long Term Liabilities

FRS 102 pension liability	737,000
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Total Assets less Total Liabilities:

3,757,548

Capital & Reserves

General fund	582,123
Designated funds	913,976
Restricted funds	2,998,448
FRS 102 pension	<u>(737,000)</u>

3,757,548