



The Roger & Douglas Turner Charitable Trust

CIO 1154467

Annual Report 2024



HISTORICAL BACKGROUND

The Roger & Douglas Turner Charitable Trust (“the Trust”), a Charitable Incorporated Organisation, was incorporated on 5 November 2013 and merged with two unincorporated grant-making charitable trusts established separately by the late Douglas William Turner (“DWT”) and his son, the late Roger Douglas Turner (“RDT”); both had been successful industrialists with Wellington Tube Works Ltd. in Great Bridge. The two unincorporated trusts were linked to The Trust during 2023:

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

Under the terms of his Will RDT, who had owned the 1,600-acre Arley Estate in Worcestershire for 40 years until he died in 1999, passed it to The Legacy Charity “*as an accretion and addition to the fund of the said charity and subject to and with the benefit of the powers provisions and other matters contained in the said trust*”. He also “*without seeking to impose any binding trust or obligation*” expressed the hope that the Trustees “*will use their best endeavours to ensure that:*

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

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

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

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

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

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

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

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

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REFERENCE AND ADMINISTRATIVE INFORMATION

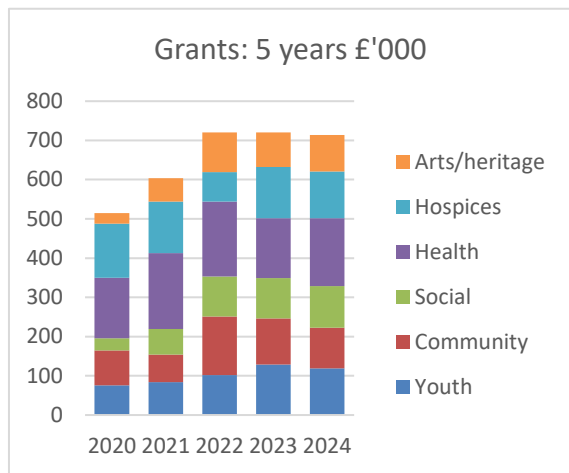
Charitable Incorporated Organisation (CIO)

Charity number 1154467

Trustees	Peter Millward (Chairman) Ron Middleton (Vice Chairman) Dawn Long Amanda McGeever Sharon Stotts Geoff Thomas	
Chief Executive	Mark Webb	mark@arleyestate.co.uk
Grants Officer	Simon Evans	sevans@turnertrust.co.uk
Principal Office	Arley House Lion Lane Upper Arley DY12 1SQ	Phone 01299 861368
Websites	Grants Arboretum Weddings, events and trading	www.turnertrust.co.uk www.arleyestate.co.uk
Auditors	Crowe U.K. LLP 4th Floor, St James House St James' Square Cheltenham Gloucestershire, GL50 3PR	
Investment Managers	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU	Rathbones Investment Management 30 Gresham Street London EC2V 7QN
Property Consultants	Halls Chartered Surveyors Gavel House 137 Franche Road Kidderminster DY11 5AP	Bronwin & Abbey Chartered Foresters and Surveyors Auction House King George's Way Pershore Worcestershire WR10 1 EY
Bankers	Barclays Bank PLC 2 nd Floor 54 High Street Worcester, WR1 2QQ	CCLA Investment Management 85 Queen Victoria Street London EC4V 4ET
Solicitors	Lodders Solicitors LLP 10 Elm Court, Arden St Stratford-upon-Avon CV37 6PA	Higgs and Sons 3 Waterfront Business Park Brierley Hill West Midlands DY5 1LX
IT consultants	Pinfields IT Unit 3, Ryelands Business Centre Ryland, Droitwich WR9 0PT	

OVERVIEW OF THE YEAR

Elections have dominated many western economies in 2024; the first budget of the new UK government has had a negative impact at Arley, with increased minimum wage and National Insurance costs disproportionately impacting part-time employees which will cost us over £40,000 annually from 2025. Despite reducing interest rates, consumer confidence remained low for much of the year, so our housing stock values were largely unchanged. Conversely global equity markets rose, driven by US technology (particularly Artificial Intelligence) generating £2.3m gains for us after £1.6m a year ago.



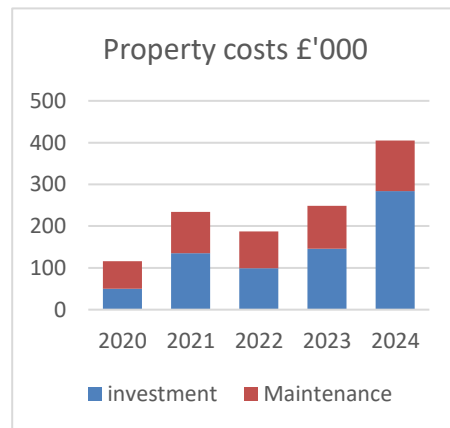
Grant-aid to UK charities: Our grant-aid payments have remained at broadly the same level over the last 3 years, as activity levels at local charities normalised following the pandemic. Unfortunately, many of them have experienced the dual impact of downward pressure on their income from lower public sector funding along with increasing costs arising from higher employment costs.

Some two thirds of our grants by value were awarded to our regularly supported charities principally for core costs funding. Local charities based in our area continued to receive priority over large national charities. The amount requested for project and capital schemes was lower in 2024, possibly reflecting caution in uncertain times. We will be refocusing our grant strategy towards a thematic approach to provide a more measurable impact and to increase the overall amount of grants in future, with a transitional year in 2025.

Charitable activities at Arley Arboretum: We are pleased that our educational offering continued to expand, with an 89% increase in the number of children experiencing our outdoor learning space. Visitor numbers were 26,122, very similar to the previous year, with both years affected by storms at key times which have caused us to close the arboretum for public safety reasons; storm Darragh in December was particularly fierce and triggered the closure of the arboretum for much of December and caused the loss of several trees. Climate change is becoming a real and constant threat to the specimen trees which are particularly vulnerable because many are up to two hundred years old.

The Board is aware of the need to maintain and develop this historic arboretum for the future, so early in the year we appointed Lear Associates, a specialist consultancy with expertise in historic gardens and arboreta, to undertake a detailed mapping exercise in the arboretum; their work was delayed by the storms but their initial report is due imminently after which they will recommend how the arboretum might be expanded and developed in future.

Arley Estate: Our focus in the past year has been to resolve issues raised in the quinquennial review and inspection undertaken by our land agents in December 2022. We made good progress last year with increased expenditure on tenanted properties (excluding own-labour costs) amounting to £405,000, a record level reflecting both a proactive approach by the management team and a need to respond to evolving regulations for energy conservation, damp and mould. A continuing constraint is the availability of suitably qualified contractors who have the skills and experience to work on old buildings in a conservation area.



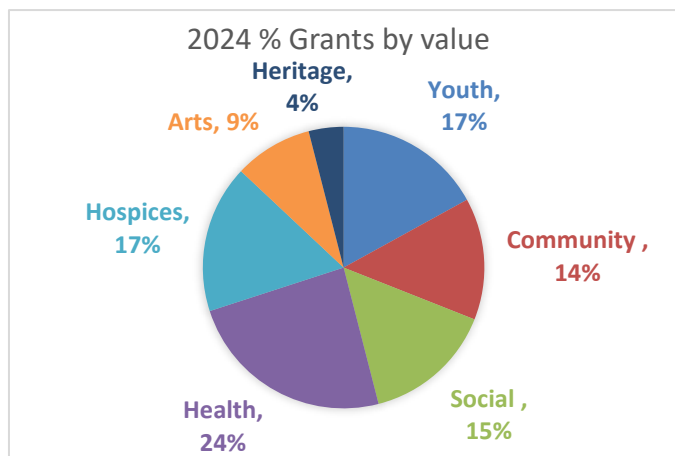
Trading activities: Arley House & Gardens Limited (“AHAG”) had a difficult year with income down by over 7% because the number of weddings fell from 30 to 28 reflecting a reduction in demand for formal weddings following the cost-of-living crisis together with both increased costs and internal staffing challenges. Nevertheless the quality of our offering continued and we were delighted to win regional venue of the year at the English Wedding Awards and Highly Commended Venue at the National Wedding Awards.

After the wedding season the Board carried out a strategic review and decided to appoint an experienced marketing manager who has worked with local charities, to run AHAG more effectively and increase the number of business streams. The Board also decided, after taking professional advice, to increase the company’s share capital to £400,000 in December to provide for future growth and implement a five-year business plan.

Banking fraud: in December 2023 the Trust became victim of a sophisticated ‘APP’ (Authorised Push Payment) fraud costing a net £240,000. Throughout the year we were seeking to recover the loss; as this was unsuccessful, we contacted the Financial Ombudsman Service and were pleased to receive an agreed 50% settlement of £120,000 plus interest from the bank.

OUR PRIMARY AIM: providing grants to UK registered charities

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



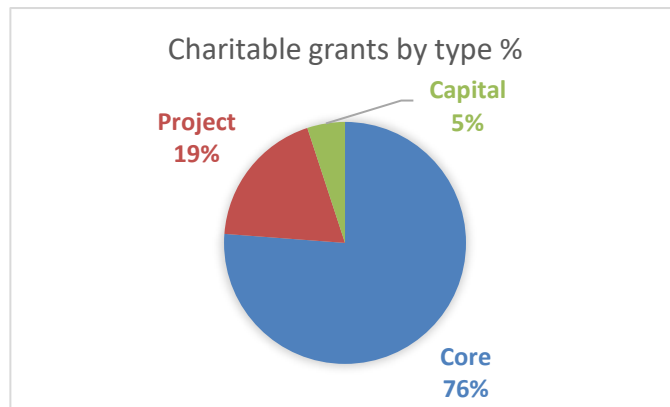
Achievements and performance in 2024

During 2024 we awarded 181 grants totalling £714k (2023: £720k from 172 grants), an average of £3,945 (2023: £4,186).

By sector the largest average grants were £13,222 to local hospices which no longer receive the additional government funding available after the pandemic. The largest grants were to Acorns Children’s Hospice £25k, Mary Stevens Hospice £15k, The Hospice Charity Partnership £12k, St. Giles Hospice £10k, Primrose Hospice £20k and Compton Care £20k. Other large grants included core costs at each of Stonehouse Gang (£12k), St Basil’s (£10k), City of Birmingham Symphony Orchestra, (£15k) with £12k to Cerebral Palsy Midlands’ “Access for All” project, and £10k for capital costs at National Churches Trust.

Core costs funding is particularly needed in a challenging environment with 76% by value of our grants for these costs, up from 64% a year ago. The value of applications for capital schemes was much lower than in previous years.

We have prioritised Regular and local charities because so many are still facing funding shortages as a result of cuts in local government support as Councils face their own financial challenges. Whilst we have continued to support those national charities which have established a relationship, with us, we have declined most new national applications unless there is a physical presence in our beneficial area which is not being met by other local charities.



Our biennial due diligence programme was extended again with 100 visits and due diligence reports up from 70 last year, with on-site visits for local Regulars, and video conferencing where it was more efficient to do so. or remote due diligence where it was more appropriate. Due diligence reports have now been completed on 215 different charities.

Our impact is usually not separately identifiable or measurable as grants for core costs are inextricably linked to the overall charitable outcomes of our recipients and we do not attempt to identify the use of funds except for specific projects. During 2024, we have received unsolicited feedback from many recipient charities, including the following examples:

Acorns Children’s Hospice: “At Acorns only one third of our care is provided from statutory sources. For the remaining two thirds we rely on the incredible generosity of donors such as yourselves. In total your trust has gifted us more than £500,000 over the past 30 years, which is honestly astonishing. Countless life limited children and their families will have felt the impact of your kindness. Without your generosity, we simply wouldn’t be able to help these families when they need us.”

FoodCycle: “Since 2015, The Roger & Douglas Turner Charitable Trust have donated £32,000 to help us provide community meals for vulnerable and lonely people. This year’s donation will help us continue our work offering nourishing three-course meals for anyone to who needs or wants to join us.”

Birmingham PHAB Camps: “On behalf of everyone involved in Birmingham PHAB Camps please accept my thanks for your kind donation of £5,000 dated July 2024. This grant will help to fund our exciting programme of PHAB Camp holidays this year.”

Samaritans Birmingham: £3,000 core costs grant. “On behalf of my fellow trustees and volunteers of the Birmingham Samaritans, I am writing to thank the Trust for providing us with a grant of £3,000 in 2024. This will allow us to support many callers, allow us to expand our outreach work within the city, and ensure that our work with people in distress and despair can continue.”

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

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

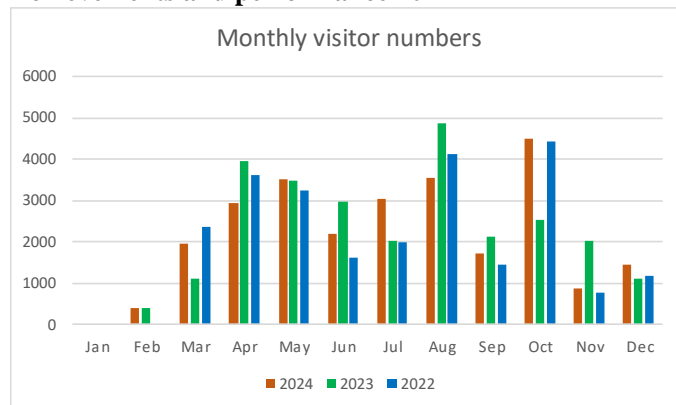
The 200-year-old Arboretum, an RHS partner garden, has some of the most magnificent exotic species in England and provides a wonderful setting in every season.

Children are welcomed with many activities including an adventure play area, a living maze together with quests, scavenger hunts and seasonal events and encouragement to learn about the natural environment.

The Italian Garden, inspired by the renaissance gardens of the late 15th Century is an integral part of the Arboretum and features a spectacular fountain with 18 foot water jets, formal flower beds, box hedging, colonnades of silver lime trees and a dovecote. Although normally for public benefit, it is licenced for weddings and can be hired for private use.



Achievements and performance 2024



Arboretum: visitor numbers of 26,122 were down from 26,666 in 2023 primarily because we lost 11 trees during storm Darragh and had to close it to visitors for most of December for safety reasons whilst we cleared the debris.

Our educational programme was hugely successful last year with 479 children (almost doubling the 2023 attendances) participating to learn about plants and living things as part of the ‘STEM’ curriculum at local schools for Key Stages 1 and 2. Our continued focus on growing our educational offering is a key part of our future strategy. The early years nursery (age 3+) was welcomed to learn about the ‘world around’. Guided walks around the many trees are complemented with

structured learning in a garden building which serves as an outdoor classroom to understand various topics including renewable energy and climate change.

Turnover increased by £43k (25%) in the Garden Tearoom. It is a destination of choice for homemade cakes, hot food and locally sourced ice cream which complements its surroundings and is a real testament to our hard-working team.

ARLEY HOUSE & GARDENS LIMITED (‘AHAG’)

AHAG successfully delivered 28 weddings in 2024 compared to 30 in 2023 and we were delighted to win regional venue of the year at the English Wedding Awards and to be recognised as a Highly Commended Venue in the National Wedding Awards following excellent feedback from our couples and guests.

The Grange guest house launched on Booking.com and has seen a steady increase in occupancy throughout the year resulting in £35k of new bookings.

Following the challenging year in 2023 the Board undertook a full review of the business and prepared a new five-year business plan concentrating on growth in 3 main revenue streams: Weddings, Accommodation and Corporate/Private venue hire.

The financial element of the five-year plan highlighted the need for additional capital in the company to enable it to invest in staff and infrastructure to achieve its growth ambitions. The Board agreed in to increase the share capital of company to £400,000 in December 2024.



FINANCIAL REVIEW

Total income increased by 4.5% to £2,205k compared to £2,110k in 2023 largely due to as an agreed 50% settlement of £120,000 in relation to the prior year banking fraud. As expected, following a strategic shift to global investing this reduced dividend income, largely offset by increased Arley Estate income. Market investments performed strongly, driven by US technology stocks with Artificial Intelligence the primary source. Within the Arley Estate there were no major changes and property prices were more stable.

General Fund

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

General Fund	2024	2023	
	£'000	£'000	
Investment income (<i>net of fees</i>)	531	619	Reduced dividend income following global investment strategy
Charitable grants	(712)	(703)	2023 cost is net of a £15k income for a returned grant
Charitable costs	(71)	(63)	
Other income/(costs)	130	(220)	Authorised Push Payment fraud loss in 2023 and recovery 2024
Operating (deficit)	(122)	(367)	
Investment gains	2,309	1,596	Recovery in global equity markets and UK bonds
Net income	2,187	1,229	
Transfers (to) Arley Fund	(1,129)	(214)	Funding property refurbishment and £400k AHAG share capital
Movement in funds	1,058	1,015	

Arley Fund (designated)

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

Arley Fund	2024	2023	
	£'000	£'000	
Estate property surplus	50	2	Revised allocation of shared costs following review
Trading contribution	10	72	Fall in sales pipeline in 2023 due to staffing changes
Charitable (deficit)	(363)	(249)	Cost inflation only partially reflected in prices
Other costs	-	(20)	Authorised Push Payment fraud loss
Operating (deficit)	(303)	(195)	
Investment gains/(losses)	303	(561)	Arley Property values increased following refurbishments
Tangible asset revaluation	25	47	Own use properties maintained negating depreciation
Transfers from General Fund	1,129	214	Funding property refurbishment and £400k AHAG share capital
Movement in funds	1,154	(495)	

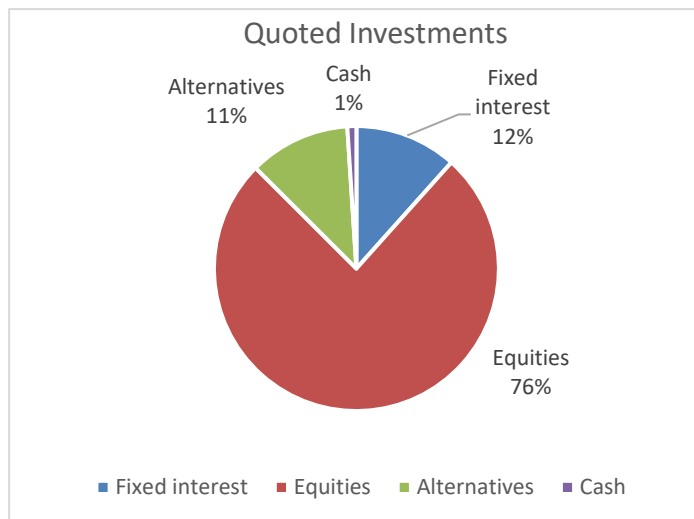
INVESTMENTS

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

QUOTED SECURITIES

Following the equalisation of holdings between Sarasin and Rathbones in late 2023 a single global benchmark is now used with a target return of CPI+4%. The overall equity weighting increased to 76% compared with 72% a year earlier. Year-end allocations to bonds and alternatives were both underweight compared with a 15% neutral weighting.

During the year, and following strong returns in the investment portfolio, £772k was drawn down and transferred to the Arley Fund for investment into the Estate. Despite these transfers the aggregate year-end value was £30,229k, an uplift from £28,957k in 2023.



Investment performance: 2024 was a positive year for equity markets with improved portfolio returns despite geopolitical turmoil in Europe and the Middle East, escalating trade tensions with China, and persistently sticky core inflation. Markets were dominated by returns in US technology companies (Alphabet, Amazon, Apple, Meta, Microsoft & Nvidia). Like many active fund managers, our two managers managed risk with a lower concentration in these stocks (particularly those involved with chips for Artificial Intelligence) when compared with the index. Net investment gains were £2,309k (2023: £1,596k).

Income on the portfolio decreased to £693k (2023: £762k) due to a global mandate and total return approach reducing dividends, partly offset by higher interest income. The positive total return of 12.2% for Sarasin and 7.6% for Rathbones compared with positive returns of 8.1% and 7.9% respectively in 2023.

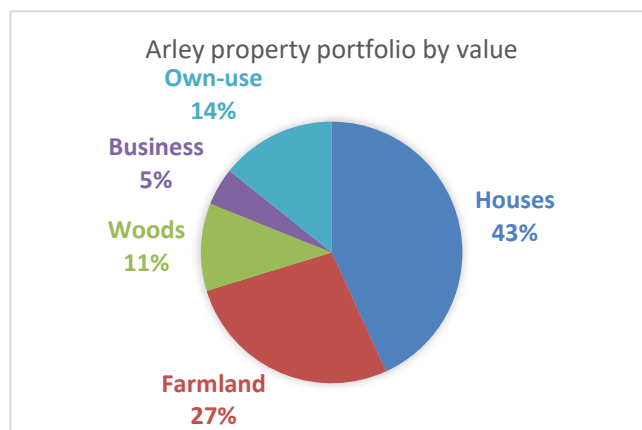
FREEHOLD PROPERTIES AT ARLEY

Arley Estate includes the following:

Investment properties: a tenanted portfolio includes 54 residential houses, 4 farms, a pub, post office, art studio, and bed & breakfast business together with managed woodland. Two properties were transferred to investments from own use following change of use of the previous holiday lets.

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

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



Professional valuation:

In 2022, Halls Chartered Surveyors conducted a quinquennial valuation of the component parts of Arley Estate, subject to the current occupation and tenancies in place but without making any adjustment for the ‘marriage value’ of the entire estate. The 2024 Trustees’ valuation has been carried out with advice from Halls and reflects the significant refurbishment costs in response to the 2022 condition report.

Valuation as allocated in the financial statements in £'000	2024	2023
Tenanted properties and woodland within Investments	31,870	30,658
Own-use properties (including Arboretum) within Tangible Fixed Assets	4,627	5,470
Total	36,497	36,128

The professional valuation in 2022 included a condition report of each property in the portfolio and a prioritised action plan has been developed to address the issues arising. As noted in the ‘Overview of the year’ expenditure on maintenance and enhancement of tenanted properties has reached record levels and we will be continuing this programme in 2025, having due regard to minimum energy efficiency standards so far as reasonably practical within the constraints of a conservation area.

MANAGING STRATEGIC RISK

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

Category	Strategic Risk	How risk is managed
Market correction	US equity market values (particularly AI) are high and vulnerable to emerging competition	Investments under-weight to MSCI index in technology; markets historically recover from shocks within 2 years
Grant impact	Core cost grant could support a failing charity; Grants too low as % of investment returns	Due diligence provides extensive data for decisions. Plans to focus towards increase in thematic grant-giving
Energy performance	Government paper on energy performance is a major challenge in a conservation area	Recent experience on renovating properties under review to establish future energy performance strategy
Housing maintenance	Condition of rental properties could fall below our minimum standards	Halls’ condition reports drive planned maintenance which is triaged according to priority and tenants consent
Extreme weather	High winds & storm damage - specimen trees; Flooded properties from exceptional rainfall;	Regular clearance of water courses and use of sandbags. Specialist mapping inspection of trees is imminent
Reputation	Adverse social media comments or unexpected dialogue with media organisations	Monitoring of social media; improved tenant communications & management of expectations
Cyber-fraud	Cyber-terrorism threatens internal systems; Authorised Push Payment (APP) frauds	Robust IT security software installed and tested. Lower authorisation limits, staff training refreshed.

Market security risks are mitigated in the long term by:

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

Extreme weather is becoming a major threat to our specimen trees during the many winter storms. Eleven trees were damaged in December during storm Darragh, one of which is shown in the attached picture. The extent of the damage meant that it was necessary to close the arboretum for the remainder of the year.



Estate hazard risks are managed by the Chief Executive who, as Safety Officer, reports to the Audit Committee. A comprehensive system of risk assessments is in operation prior to any work being undertaken on the Estate. All our employees are encouraged to identify emerging risks and propose appropriate training needs so that a broad range of skills are developed. The safety of our employees is hugely important; particular emphasis is given to working at height, mechanical handling, and chain saws. The use of safety equipment is a mandatory requirement. An independent review of the hazard risk framework was undertaken in 2024.

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

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

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

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

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

GOVERNANCE

The Charity Governance Code: We continue to comply with the Charity Governance Code so far as reasonably possible. New Trustees are appointed having regard to diversity of skills, experience and gender. However, we do not advertise trustee vacancies because of the need for high levels of knowledge and experience of charities and we believe the current informal approach is more appropriate. There is no restriction on length of service or any specific term of office for the original Trustees in 2013; however, all new Trustees are appointed for renewable three-year terms of office and the chairman is appointed for between 5 and 8 years. Trustees are encouraged to undertake appropriate training and any printed material from training courses is retained for trustee review; any key points are shared at Board meetings.

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

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

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

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

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

KEY FINANCIAL POLICIES

Investment policy for quoted securities: There are neither restrictions on the Trust's power to invest nor prohibitions on social, environmental ethical grounds beyond those adopted by the managers' internal procedures. Our investment objective is to generate a balanced total return based on relative benchmarks for different asset classes with 70% in equities, 15% in bonds and 15% in alternatives (including property) to generate a total return over the long term of 4% above UK CPI, net of fees.

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

Reserves Policy: Unrestricted funds total £67,743k (2023: £65,771k) which comprises the General Fund of £30,463k (2023: £29,405k) and the Arley Fund of £37,280k (2023: £36,126k). The Arley fund is a designated fund and can only be realised by disposing of tangible fixed assets, which are inextricably linked with the Estate's investment properties and this designated fund is therefore excluded from free reserves. All investments held in the General Fund, totalling £30,229k (2023: £28,957k) are also excluded from free reserves which comprise the unrestricted funds which are freely available to spend on any of the charity's purposes; they are unencumbered amounts represented by cash or other readily realisable assets less liabilities. At 31 December 2024, reserves amounted to £234k (2023: £448k). Our policy is to hold reserves generally in the target range of £250k to £750k and the reserves held therefore fall just short of this target range but have since recovered in 2025.

KEY FINANCIAL POLICIES (CONTINUED)

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

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

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

PEOPLE

The Trustees wish to record their appreciation for the loyalty and commitment of the whole team at Arley during the year. We have recently welcomed Nikki Davies as communication and engagement specialist and Helen Barnsley as property maintenance co-ordinator; we wish them success in their new roles. We wish to thank all 21 of our active volunteers who bring significant additional skills and experience and continue to support the work of the Arboretum with great enthusiasm.

The Directors of Arley House & Gardens Limited are non-executive and unremunerated. We are grateful to them for their continued diligent stewardship of the company's activities, enabling Trustees to focus on the charitable activities of the Trust.

PUBLIC BENEFIT

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

FUNDRAISING ACTIVITIES

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

LINKED CHARITIES

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

PLANS FOR THE FUTURE

Arley fund: we plan to:

- Extend the Arboretum tearoom to provide greater efficiency for staff.
- Reconfigure the Arboretum toilet block to provide improved facilities with improved disabled access.
- Renovate properties to comply, so far as reasonably practical, with minimum energy efficiency standards.

General fund: we plan to:

- Refocus the above charitable grant-making policy to a thematic approach to improve overall impact.
- Rewrite the grant guidelines to emphasise preferred grant criteria and increase the success rate of appeals.

TRUSTEES' RESPONSIBILITIES AND DISCLOSURE OF INFORMATION TO AUDITORS

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

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

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



Peter J Millward
Chairman
21 March 2025



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

We have audited the financial statements of The Roger and Douglas Turner Charitable Trust ('the charity') and its subsidiary ('the group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated and Charity Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity and group's affairs as at 31 December 2024 and of the charity and group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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

**Crowe U.K. LLP**

Statutory Auditor

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

24 March 2025

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Unrestricted Funds	Note	2024			2023		
		Arley Fund £'000	General Fund £'000	Total £'000	Arley Fund £'000	General Fund £'000	Total £'000
<u>Income from:</u>							
Investments	3	622	693	1,315	574	762	1,336
Trading Activities	4	418	-	418	451	-	451
Charitable Activities	5	342	-	342	308	15	323
Other income	6	-	130	130	-	-	-
Total Income		1,382	823	2,205	1,333	777	2,110
<u>Expenditure from:</u>							
Raising Funds	7	572	162	734	572	143	715
Trading Activities	8	408	-	408	379	-	379
Charitable Activities	9	705	783	1,488	557	781	1,338
Other costs	6	-	-	-	20	220	240
Total Expenditure		1,685	945	2,630	1,528	1,144	2,672
Operating (deficit)		(303)	(122)	(425)	(195)	(367)	(562)
Net investments gain/(loss)	14	303	2,309	2,612	(561)	1,596	1,035
Net Income/(loss)		-	2,187	2,187	(756)	1,229	473
Revaluation of fixed assets	13	25	-	25	47	-	47
Transfers between funds	20	1,129	(1,129)	-	214	(214)	-
Net Movement in Funds		1,154	1,058	2,212	(495)	1,015	520
Total Funds at 1 January		36,126	29,405	65,531	36,621	28,390	65,011
Total Funds at 31 December		37,280	30,463	67,743	36,126	29,405	65,531

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

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

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

BALANCE SHEETS AS AT 31 DECEMBER 2024

	Note	GROUP		CHARITY	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
Fixed assets					
Intangible assets	13	4	3	4	3
Tangible assets	13	4,836	5,470	4,836	5,470
Investments	14	62,099	59,615	62,499	59,615
Total		66,939	65,088	67,339	65,088
Current assets					
Stock	15	27	25	13	12
Debtors	16	330	309	327	282
Cash	17	684	401	363	376
		1,041	735	703	670
Creditors:					
Amounts due within one year	18	(237)	(292)	(206)	(227)
Net current assets		804	443	497	443
Net assets		67,743	65,531	67,836	65,531
Arley Fund	19&21	37,280	36,126	36,973	36,126
General Fund	19&21	30,463	29,405	30,863	29,405
Total Funds		67,743	65,531	67,836	65,531

The funds movement dealt with in the charity's financial statements was positive £2,212,000 (2023: positive £520,000).

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

Approved by the Board on 21 March 2025 and signed on its behalf by:



Peter J Millward
Chairman

CONSOLIDATED AND CHARITY CASH FLOW STATEMENT

For the year ended 31 December 2024

	Note	GROUP		CHARITY	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
Cash (used in) operating activities	23	(1,089)	(1,266)	(985)	(1,215)
Cash flows from investing activities					
Dividend and interest income		693	762	693	762
Distribution received under deed of covenant		-	-	-	4
Purchase of intangible/tangible fixed assets		(74)	(125)	(74)	(125)
Investment in subsidiary		-	-	(400)	-
Purchase of investments		(8,463)	(19,491)	(8,463)	(19,491)
Capital expenditure on investment properties		(284)	(146)	(284)	(146)
Investment cash drawn down		880	200	880	200
Proceeds from sale of investments		8,620	19,635	8,620	19,635
		<u>1,372</u>	<u>835</u>	<u>972</u>	<u>839</u>
Cash provided by investing activities		1,372	835	972	839
Increase/(decrease) in cash and cash equivalents in the year		283	(431)	(13)	(376)
Cash and cash equivalents at the beginning of the year		401	832	376	752
Total cash and cash equivalents at the end of the year		684	401	363	376

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

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

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

2 PRINCIPAL ACCOUNTING POLICIES

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

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

Assessment of going concern: The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern and the Financial Statements are drawn up on the Going Concern basis. This assumes that the Trust will continue in operational existence for the foreseeable future following stress testing numerous forecasts and scenarios. With respect to the next reporting year, the most significant areas of uncertainty that affect the income of the Trust and the carrying value of its assets are the level of investment return and the performance of investment markets. The willingness of the public both to purchase admission tickets to the Arboretum and to make bookings are areas of financial uncertainty which the Trustees have mitigated with an internet-based booking system to manage footfall more effectively.

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

Holiday pay: The holiday year is also the financial year, and employees are required to take their holiday entitlement during the year; accordingly, there is normally no holiday pay accrual for permanent staff. An accrual is provided for casual workers in line with government guidance.

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

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

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

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

Debtors: Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Reimbursement assets are recognised in debtors when receipt is virtually certain, and its amount can be measured reliably.

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

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

3 INCOME FROM INVESTMENTS:

	2024	2023
	£'000	£'000
Dividends on equities	472	650
Interest on fixed interest securities and deposits	221	112
Sub-total General Fund	693	762
Income - rental	564	562
- other	58	12
Sub-total Arley Fund	622	574
Total Investment Income	1,315	1,336

4 INCOME FROM TRADING

Accommodation	83	76
Weddings and events	327	346
Other income	8	29
Total income	418	451

5 CHARITABLE INCOME

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

6 OTHER INCOME/(COSTS)

Other income in the Arley Fund of £nil and General Fund of £130k (2023: Arley Fund other costs of £20k and General Fund other costs of £220k), after reimbursement, were received/incurred in relation to an Authorised Push Payment fraud (“APP fraud”).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 RAISING FUNDS EXPENDITURE

	2024			2023		
	Arley Fund £'000	General Fund £'000	Total 2024 £'000	Arley Fund £'000	General Fund £'000	Total 2023 £'000
Investment management charges	-	162	162	-	143	143
Repairs & property maintenance	121	-	121	103	-	103
Woodland maintenance	28	-	28	16	-	16
Depreciation & amortisation	107	-	107	103	-	103
Direct staff costs	82	-	82	86	-	86
Shared staff costs	32	-	32	68	-	68
Shared overheads	110	-	110	161	-	161
Governance	7	-	7	5	-	5
Professional charges	85	-	85	30	-	30
Total Raising Funds	572	162	734	572	143	715

8 TRADING EXPENDITURE

Direct expenses	219	-	219	204	-	204
Direct staff costs	110	-	110	79	-	79
Shared staff costs	38	-	38	57	-	57
Shared overheads	39	-	39	37	-	37
Governance	2	-	2	2	-	2
Total trading expenditure	408	-	408	379	-	379

9 CHARITABLE EXPENDITURE

Direct costs Arboretum & Estate	120	-	120	106	-	106
Direct staff costs	288	47	335	257	52	309
Shared staff costs	167	-	167	108	-	108
Shared overheads	102	8	110	78	5	83
Professional charges	20	10	30	-	-	-
Governance	6	6	12	6	6	12
Charitable grants	2	712	714	2	718	720
Total charitable expenditure	705	783	1,488	557	781	1,338

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

Governance includes audit fees of £18,000 (2023: £17,000) and accountancy costs of £850 (2023: £650).

10 CHARITABLE GRANTS ANALYSIS

	2024			2023		
	Number	% value	£'000	Number	% value	£'000
Young people	40	17%	119	38	18%	129
Community work	32	14%	104	31	16%	117
Social support	28	15%	106	29	14%	103
Impaired health	48	24%	173	44	21%	153
Hospices	9	17%	119	9	18%	130
The Arts	18	9%	66	14	8%	54
Environment & heritage	6	4%	27	7	5%	34
Total	181	100%	714	172	100%	720

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 CHARITABLE GRANTS ANALYSIS (Continued)

Charitable grants of £5,000 or more:

Name	£'000	Name	£'000
ASPIE	5	Kemp House Trust	7
Acorns Children's Hospice Trust	25	Listening Books	5
ARCOS	5	Mary Stevens Hospice	15
Age UK Birmingham	5	Martineau Gardens	5
B:Music	5	Music in Hospital and Care	5
Better Understanding of Dementia for Sandwell	5	Myriad Centre	5
Birmingham Boys & Girls Union	6	National Churches Trust	10
Birmingham City Mission	6	Nerve Tumours UK	5
Birmingham PHAB Camps	5	NICE – Centre for Movement Disorders	8
Birmingham Settlement	5	Norton Hall Children and Family Centre	5
Birmingham Botanical Gardens	7	Primrose Hospice	20
City of Birmingham Symphony Orchestra	15	REACT	5
Cerebral Palsy Midlands	12	Relate Birmingham	5
Clow Top Victory Hall	5	Sandwell Homeless and Resettlement	5
Compton Care	20	Samaritans of Walsall & District	5
Dorothy Parkes Centre	7	Sport 4 Life UK	6
Edwards Trust	5	St Anne's Hostel	7
ESO (2006) Ltd	5	St Basil's	10
FoodCycle	5	St Giles Hospice	10
Friends of Sick Children in Malawi	5	St Michael's Hospice	5
FareShare Midlands	5	St Richard's Hospice	5
Good Shepherd Services	5	Stonehouse Gang	12
Headway Worcestershire	5	Wyre Forest Nightstop & Mediation	5
Hospice Charity Partnership	12	<i>Brought forward column 1</i>	<i>190</i>
James' Place Charity	5		
<i>Sub-total carried forward</i>	<u>190</u>	Total at least £5,000 (48 grants)	<u>360</u>

11 STAFF COSTS

	2024 £'000	2023 £'000
Wages and salaries	704	697
Social security costs	51	48
Pension costs	25	23
	<u>780</u>	<u>768</u>

The key management personnel of the charity comprise the trustees, the Chief Executive, the Operations Manager, HR Manager and the Grants Officer. The total employee benefits of the key management personnel of the charity were £191,386 (2023: £188,742). 1 employee had earnings which fell between £90,000 and £100,000 (2023: £90,000 and £100,000).

There were 21 active volunteers (2023: 18) who provided ad-hoc support to projects in the Arboretum. The economic contribution of general volunteers is not recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 STAFF COSTS (Continued)

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

	2024	2023
Estate and property	3	4
Events	12	15
Arboretum	22	23
Management and administration	9	7
	<u>46</u>	<u>49</u>

12 SHARED COSTS (Arley Fund)

		2024			2023		
Cost sharing within Arley Estate is based on time spent:		Staff costs	Other costs	Total	Staff costs	Other costs	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Raising funds	Note 7	32	110	142	68	161	228
Trading	Note 8	38	39	77	57	37	94
Charitable	Note 9	167	102	269	108	78	186
		<u>237</u>	<u>251</u>	<u>488</u>	<u>233</u>	<u>276</u>	<u>509</u>

13 FIXED ASSETS: GROUP AND CHARITY

Intangible fixed assets: The net book amount at 31 December 2024 was £3,712 (2023: £2,475)

Tangible fixed assets	Freehold land and buildings	Plant and equipment	Fixtures and fittings	Total
Cost or valuation	£'000	£'000	£'000	£'000
At 1 January 2024	5,442	378	394	6,214
Additions	24	30	19	73
Disposals	-	(9)	(6)	(15)
Revaluation	25	-	-	25
Transfer to fixed asset investments	(625)	-	-	(625)
At 31 December 2024	<u>4,866</u>	<u>399</u>	<u>407</u>	<u>5,672</u>
Depreciation				
At 1 January 2024	190	287	267	744
Charge for the year	49	26	32	107
Disposals	-	(9)	(6)	(15)
At 31 December 2024	<u>239</u>	<u>304</u>	<u>293</u>	<u>836</u>
Net book amount				
At 31 December 2024	<u>4,627</u>	<u>95</u>	<u>114</u>	<u>4,836</u>
At 31 December 2023	<u>5,252</u>	<u>91</u>	<u>127</u>	<u>5,470</u>

Freehold land and buildings which had an historical cost of £5,023,000 (2023: £5,023,000)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 FIXED ASSET INVESTMENTS – CHARITY AND GROUP

	Freehold land and buildings £'000	Quoted securities £'000	Investment in subsidiary undertaking £'000	2024 Total £'000
At 1 January	30,658	28,957	-	59,615
Additions at cost	284	8,463	400	8,747
Disposal proceeds	-	(8,620)	-	(8,620)
Net investment gain/(loss)	303	2,309	-	2,612
Transferred from fixed assets	625	-	-	625
Cash drawdown	-	(880)	-	(880)
	<u>31,870</u>	<u>30,229</u>	<u>400</u>	<u>62,499</u>
Investment in subsidiary	-	-	(400)	(400)
	<u>31,870</u>	<u>30,229</u>	<u>62,099</u>	<u>62,099</u>

Freehold land and buildings: an independent quinquennial valuation of freehold land and buildings was carried out by Halls, Chartered Surveyors, on 31 December 2022. The woodland was valued by Bronwin & Abbey, Chartered Foresters and Surveyors. The valuation of £36,248,000 was based on the freehold value of all component parts of the Arley Estate, on an open market existing use basis subject to current occupation and tenancies in place. At 31 December 2024, having taken informal advice from Halls, the trustees valued the Estate on a similar basis at £36,497,000 (2023: £35,910,000). For accounting, the assets have been disclosed as follows:

		2024 £'000	2023 £'000
Own use tangible fixed assets	Note 13	4,627	5,252
Investments	Above	31,870	30,658
		<u>36,497</u>	<u>35,910</u>

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

Quoted securities portfolio	2024 %	2023 %	2024 £'000	2023 £'000
Fixed interest	11.6	14.4	3,513	4,178
UK listed equities	5.5	7.8	1,643	2,270
Overseas equities	70.4	64.1	21,289	18,560
Commercial property	1.7	1.8	513	514
Alternative investments	9.8	10.5	2,961	3,026
Cash	1.0	1.4	310	409
	<u>100.0</u>	<u>100.0</u>	<u>30,229</u>	<u>28,957</u>
Historical cost			<u>26,694</u>	<u>27,405</u>

Material investments: The Investment Policy states that no investments should exceed 5.0% of the value of the portfolio. At 31 December 2024 there were no such investments (2023: none).

Fixed asset investments – Charity

In addition to the above investments the charity has a £400,000 (2023: £100) investment in the entire share capital of Arley House & Gardens Ltd. following an equity subscription of £399,900 on 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
15 STOCK Goods for resale	27	25	13	12
16 DEBTORS				
Trade debtors	47	88	44	66
Prepayments and accrued income	123	94	120	89
Other debtors	160	127	160	127
Amounts due from group undertaking	-	-	3	-
	330	309	327	282

Other debtors include £130,000 (2023: £98,000) related to amounts reimbursed from banks after the year-end in relation to an Authorised Push Payment fraud.

17 CASH

Cash at bank	684	321	363	296
CCLA deposit account	-	80	-	80
	684	401	363	376

18 CREDITORS DUE WITHIN ONE YEAR

Trade creditors	43	47	40	42
Investment Management charges	41	36	41	36
Rents received in advance	48	46	48	46
Other taxes and social security	23	46	19	25
Other creditors	9	14	6	12
Accruals and deferred income	73	103	52	39
Amounts due to group undertaking	-	-	-	27
	237	292	206	227

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

Balance at 1 January	62	52	-	-
New deposits during the year	277	402	-	-
Deposits released during the year	(321)	(392)	-	-
Balance at 31 December	18	62	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19 ANALYSIS OF GROUP ASSETS AND LIABILITIES WITHIN FUNDS

	2024			2023		
	Arley Fund £'000	General Fund £'000	Total Funds £'000	Arley Fund £'000	General Fund £'000	Total Funds £'000
Intangible Assets	4	-	4	3	-	3
Tangible Assets	4,836	-	4,836	5,470	-	5,470
Investments	31,870	30,229	62,099	30,658	28,957	59,615
Fixed Assets	36,710	30,229	66,939	36,131	28,957	65,088
Stock	27	-	27	25	-	25
Debtors	115	215	330	175	134	309
Cash	624	60	684	51	350	401
Creditors	(196)	(41)	(237)	(256)	(36)	(292)
Net Current Assets	570	234	804	(5)	448	443
Total Funds	37,280	30,463	67,743	36,126	29,405	65,531

20 FUNDS ANALYSIS – GROUP

	1 January 2024 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Gains / (Losses) £'000	31 December 2024 £'000
/						
Operational funds	35,875	1,382	(1,685)	1,129	303	37,004
Revaluation reserve	251	-	-	-	25	276
Arley Fund	36,126	1,382	(1,685)	1,129	328	37,280
General Fund	29,405	823	(945)	(1,129)	2,309	30,463
Total Funds	65,531	2,205	(2,630)	-	2,637	67,743
	1 January 2023 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Gains / (Losses) £'000	31 December 2023 £'000
Operational funds	36,417	1,333	(1,528)	214	(561)	35,875
Revaluation reserve	204	-	-	-	47	251
Total Arley Fund	36,621	1,333	(1,528)	214	(514)	36,126
General Fund	28,390	777	(1,144)	(214)	1,596	29,405
Total Funds	65,011	2,110	(2,672)	-	1,082	65,531

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21 ANALYSIS OF CHARITY ASSETS AND LIABILITIES WITHIN FUNDS

	2024			2023		
	Arley Fund £'000	General Fund £'000	Total Funds £'000	Arley Fund £'000	General Fund £'000	Total Funds £'000
Intangible Assets	4	-	4	3	-	3
Tangible Assets	4,836	-	4,836	5,470	-	5,470
Investments	31,870	30,629	62,499	30,658	28,957	59,615
Fixed Assets	36,710	30,629	67,339	36,131	28,957	65,088
Stock	13	-	13	25	-	25
Debtors	112	215	327	175	134	309
Cash	303	60	363	51	350	401
Creditors	(165)	(41)	(206)	(256)	(36)	(292)
Net Current Assets	263	234	497	(5)	448	443
Total Funds	36,973	30,863	67,836	36,126	29,405	65,531

22 FUNDS ANALYSIS – CHARITY

	1 January 2024 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Gains / (Losses) £'000	31 December 2024 £'000
/						
Operational funds	35,875	1,065	(1,275)	729	303	36,697
Revaluation reserve	251	-	-	-	25	276
Arley Fund	36,126	1,065	(1,275)	729	328	36,973
General Fund	29,405	823	(945)	(729)	2,309	30,863
Total Funds	65,531	1,888	(2,220)	-	2,637	67,836
	1 January 2023 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Gains / (Losses) £'000	31 December 2023 £'000
Operational funds	36,417	1,333	(1,528)	214	(561)	35,875
Revaluation reserve	204	-	-	-	47	251
Total Arley Fund	36,621	1,333	(1,528)	214	(514)	36,126
General Fund	28,390	777	(1,144)	(214)	1,596	29,405
Total Funds	65,011	2,110	(2,672)	-	1,082	65,531

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
Net movement in funds	2,212	520	2,305	516
Add back depreciation and amortisation	107	103	107	103
Profit on disposal of tangible fixed assets	-	-	-	-
Movement on revaluation reserve	(25)	(47)	(25)	(47)
Deduct income shown in quoted investing activities	(693)	(762)	(693)	(762)
(Gain) / loss on revaluation of investments	(2,612)	(1,035)	(2,612)	(1,035)
(Increase) / decrease in stock	(2)	(7)	(1)	(3)
(Increase) / decrease in debtors	(21)	(51)	(45)	(29)
(Decrease) / increase in creditors	(55)	13	(21)	42
Net cash used in operating activities	(1,089)	(1,266)	(985)	(1,215)

24 INCOME EARNED FROM TRADING ACTIVITIES

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

	2024 £'000	2023 £'000
Turnover	417	451
Direct costs	(329)	(283)
Overheads	(79)	(96)
Profit included in Statement of Financial Activities on consolidation	9	72
Intra-group charge from the charity arising from internal leases, included in the company's own financial statements	(102)	(68)
(Loss) / profit for the financial year	(93)	4
Amount distributed to the charity	-	(4)
Retained in subsidiary	(93)	-
The assets and liabilities of the subsidiary were:		
Current assets	351	67
Current liabilities	(44)	(67)
Total net assets representing aggregate share capital and reserves	307	-

The Statement of Financial Activities of the Charity alone is not required to be published. It excludes the above trading turnover and costs but includes £9,000 (2023: £73,000) investment income comprising £102,000 (2023: £69,000) intra-group service charges and £nil (2023: £4,000) gift aid income from the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25 FINANCIAL INSTRUMENTS

	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
Financial assets				
Financial assets measured at fair value through profit or loss	30,229	28,957	30,229	28,957

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

26 COMMITMENTS RECEIVABLE UNDER OPERATING LEASES

At 31 December 2024 the Group and Charity had future minimum lease receipts under non-cancellable operating leases as follows:

	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
Not later than one year	101	147	151	197
Later than one year and not later than five years	232	55	356	229
Later than five years	737	3	737	3
	<u>1,070</u>	<u>205</u>	<u>1,244</u>	<u>429</u>

27 CAPITAL COMMITMENTS

At 31 December 2024 the Group and Charity had capital commitments of £158k (2023: £84k).

28 COMMITMENTS PAYABLE UNDER OPERATING LEASES

At 31 December 2024 the Group and Charity had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
Not later than one year	6	6	6	6
Later than one year and not later than five years	9	2	9	2
Later than five years	-	-	-	-
	<u>15</u>	<u>8</u>	<u>15</u>	<u>8</u>

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

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

During both years the Trust awarded a small number of grants to charities which have a common or related trustee or director with a Trustee; in each case the trustee did not participate in the decision in accordance with the established policy on conflicts of interest.

During the year one Trustee became a partner at our lawyers, Ladders LLP, in their private client team. Payments totalling £7,500 were made to Ladders LLP during 2024 for legal advice on residential and agricultural leases on an arm's length basis and were provided by a separate independent team. No balance was outstanding at the end of the year.

(ii) Trustee expenses

The sum of £534 (2023: £477) was reimbursed to two (2023: two) Trustees in respect of travel expenses.

(iii) Transactions with trading subsidiary

Costs (principally staff costs) recharged to the trading subsidiary amounted to £148,296 (2023: £252,878). Rent, service charge and catering income was received from the trading subsidiary amounting to £101,922 (2023: £67,903).

There are no other related party transactions to disclose.