

Registered number: 04584694  
Charity number: 1095435

# **The Alnwick Garden Trust**

(A company limited by guarantee)

**Annual report**

**31 March 2018**

# **The Alnwick Garden Trust**

(A company limited by guarantee)

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# The Alnwick Garden Trust

(A company limited by guarantee)

## Reference and administrative details Year ended 31 March 2018

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**Trustees** The Duchess of Northumberland  
Jonathan Blackie CBE, Chair  
Ken McMeikan  
Louise Halbert  
Richard Hutton

**Company registered number** 04584694

**Charity registered number** 1095435

**Registered office** The Alnwick Garden  
Gardeners Cottage  
Denwick Lane  
Alnwick  
Northumberland  
NE66 1YU

**Chief executive officer** Mark Brassell

**Independent auditor** UNW LLP  
Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JE

**Bankers** Barclays Bank  
Morpeth  
Northumberland  
NE61 3YY

**Solicitors** Ward Hadaway  
Sandgate House  
102 Quayside  
Newcastle upon Tyne  
NE1 3DX

# The Alnwick Garden Trust

(A company limited by guarantee)

## Chairman's statement Year ended 31 March 2018

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The chairman presents his statement for the period.

I am very pleased to report again, that The Garden has had an excellent year. We have delivered our five year plan ahead of schedule, and achieved a significant increase in visitors and continued to build on their enjoyment of The Garden.

Over 360,000 visitors came to The Garden in 2017/18, a 9% increase on the previous year. This enabled us to increase our cash reserve to £500,000 and keep The Garden in great condition.

It was very encouraging to win several awards, the highlight being Gold for Social Enterprise in the North East Charity Awards. We also managed to secure the best Large Visitor Attraction Award at the Northumberland Tourism Awards and scored well in the Visit England ratings, with an overall score of 88% and 98% for staff related customer service. We were also finalist in the National Social Enterprise Awards and North East Tourism Awards.

Our 'Elderberries' programme really took off this year, following the opening of the Drop In Centre and Gentleman's Garden, particularly tea dances.

The new Adventure Golf course an imaginative test of golf, with distinctive sound effects opened in June. It was good to see so many visitors testing their skills.

In response to the critical role that all our staff play in making The Garden such a great experience, Mark and Trevor joined with Jane and myself, and my fellow trustees, to serve dinner to over one hundred of our staff at the Christmas Party held in the Pavilion.

I am also very grateful to our trustees, Richard Hutton, Louise Halbert, and Ken McMeikan, for the support and advice they give The Garden. I am also grateful to the Duke of Northumberland and Northumberland Estates for their help, particularly in agreeing to treat their loan as non-repayable for the medium term.

We are all very appreciative of Jane, Duchess of Northumberland for her drive, dynamism, and vision for The Garden. She advanced several initiatives that we hope will bear fruit in future years, ensuring that there is plenty in the pipeline to look forward towards.



Jonathan Blackie CBE  
Chairman

Date 12 December 2018

# The Alnwick Garden Trust

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## Trustees' report Year ended 31 March 2018

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The trustees present their annual report together with the audited financial statements of the group and the charitable company for the year 1 April 2017 to 31 March 2018. The trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

### Objectives and Activities

#### Policies and objectives

The mission of The Alnwick Garden is to inspire and connect people in an inclusive space of beauty and learning that ultimately enriches people's lives.

#### Our values

Community

Charity

Access for all

Bold imagination

Innovation

#### Our goals

Embed our roots in the surrounding community and grow together

Provide a social and educational space for those in need

Promote inclusivity with access for all abilities

Enrich people's lives with memorable experience

Create engaging learning opportunities for all ages

#### Strategy for achieving objectives

In order to achieve these goals The Alnwick Garden's strategic plan identifies the following key objectives:

- **Delivery of community programmes**

With community and charity at the forefront of The Alnwick Garden's mission, the goal is to see its community programmes grow and have a positive impact on more people. The Garden's programmes are socially relevant to the area and to all life stages. During 2017/18 The Garden won its first Charity Award which demonstrates the impact The Garden is having on the local community.

- **Financial stability**

Under the new strategy financial planning is aimed at growing a cash reserve. This will serve as financial protection during economic downturns, low seasons or unforeseen business interruptions.

The other core area of financial planning will provide reinvestment funding for a continuous maintenance plan and specific projects identified as revenue growth streams. This year significant progress has been made on this objective with the cash reserve reaching the important milestone of £500k. In addition to this the new Adventure Golf experience opened and The Garden took back control of ice cream sales across site.

# The Alnwick Garden Trust

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## Trustees' report (continued) Year ended 31 March 2018

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- **Investment in infrastructure**

Previous years' assessments and resources have been compiled into one comprehensive five-year maintenance plan. The Garden's historic features, listed walls and unique attractions are there to be celebrated, but with an increasing annual footfall they must also be protected. Assets and infrastructure are now carefully maintained with reinvestment and specialist refurbishment occurring on a continual basis.

- **Sustain a winning culture**

Much of the recent success of The Garden has been around how the staff and volunteers have formed winning team, committed to The Garden's values and ethos. The Garden is striving to be an employer of choice and is dedicated to growing and developing its people.

- **High standards of governance**

A great deal of work has gone into ensuring The Garden is compliant with the new GDPR regulations that took effect in May 2018. In addition, there has been a review of The Garden's policies and procedures. This process is continuous and will ensure that the Garden is always ahead of the curve when it comes to governance and compliance issues.

### **Main activities undertaken to further the charity's purposes for the public benefit**

The trustees have due regard to the Charity Commission's guidance on public benefit. The Alnwick Garden's on-site activities encompass a number of the charitable purposes referred to in The Charities Act 2011, namely:

- The advancement of education.
- The relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage.
- The advancement of the arts, culture, heritage or science.
- The advancement of health or the saving of lives.
- The advancement of citizenship or community development.

# The Alnwick Garden Trust

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## Trustees' report (continued) Year ended 31 March 2018

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### Achievements and performance

#### Review of the five charitable objectives against activities delivered in 2017/18

##### *Promoting skills and lifelong learning*

###### *Objectives*

Provide opportunities for people of all ages and abilities to learn and grow.

###### *Activities*

The young people's programme of activities is designed to embrace the outdoor environment. At The Garden, schools have the opportunity to step out of a traditional classroom set up and explore creative outdoor learning. From drug education in the Poison Garden, to conservation and den building in the Woodland Walk, multiple areas of the national curriculum can be covered on site. Children are encouraged to feel comfortable being outdoors; getting dirty, playing in water and being children. Fostering a love of the outdoors from an early age and teaching fundamental life skills sets children on a lifelong path of learning with an affinity for nature.

The families activity programme is centred around the Crafty Cottage where professional artists and project workers lead art and craft activities for visitors. All members of the family are encouraged to work together and children can take home their creations, providing a memento and a real sense of achievement. Over 33,000 visitors participated in these activities in 2017/18.

Inspiring continuous learning and skill development is part of the charity's culture. Over 180 people are employed in the high season in a range of positions from catering, to visitor services, retail and activity programmes. All staff receive training in health and safety, customer service and in their specific areas of work. In addition, a number of staff are certified fire wardens and first aid officers. Permanent staff are encouraged to participate in training to support their roles and enhance their personal development as well as achieve other certificates in topics such as food hygiene, safeguarding, autism and dementia awareness.

##### *Encouraging people to think differently about disability*

###### *Objectives*

Encouraging children of different abilities to play together.

###### *Activities*

The Young Gardeners project offers a variety of gardening activities that enables children to engage in a learning environment with specialist support and encouragement. Children come from a wide geographical area and are accompanied by parents and carers.

Many families attend on a regular basis as their children build trusting relationships with The Garden's staff. Parents and carers have reported that their children are much more willing to take part in activities than before and leave visits with a sense of achievement.

The majority of the activities are inclusive, and children are encouraged to play together. This helps to reduce feelings of isolation and segregation. Once children have built up confidence to take part in group activities, they have the chance to participate in other activities that are also offered to the general public.

# **The Alnwick Garden Trust**

(A company limited by guarantee)

## **Trustees' report (continued) Year ended 31 March 2018**

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### ***Enabling experience of the arts***

#### *Objectives*

Enabling people to experience a variety of art forms such as architecture and sculpture; live music and choirs; street theatre and storytelling.

#### *Activities*

The Garden's continued support of local artists saw another 24 hour photographic event take place in the Garden.

Helping to launch new and unknown artists. Our new Buskers programme allows young musical artists in the area to perform throughout the Garden earning valuable money to fund their future development. Over 30 buskers are benefitting from this programme.

Northumbria University students showcased their talent by displaying their architecture coursework in the Atrium in October 2017.

### ***Encouraging healthy activity for all***

#### *Objectives*

Running programmes that promote health, happiness and wellbeing for all ages; raising awareness among children and families on how to achieve a healthier lifestyle. Using the unique indoor and outdoor spaces of The Garden to encourage participation in a range of physical activity workshops.

#### *Activities*

The Elderberries project at The Garden has been growing for several years, offering people a chance to get together and take part in activities that keep them mentally, physically and socially active.

Zumba and Pilates classes continued in The Garden throughout 2017/18 with between 20 and 30 participants, mostly aged 50 and older, attending each class.

The Elderberries Programme also regularly hosted tea dances, Christmas parties and other social events aimed at breaking isolation and loneliness for over 55s. Supported by the Stuart Halbert Foundation this programme had over 3,750 individual contact sessions in the 2017/18 year.

A range of new Elderberries activities have been introduced in 2017/18, to enhance and develop our offer for older people.

The Elderberries Drop In Centre continued to support large numbers of older people this year. There have been over 4,000 individual visits since the centre was opened in 2016. It is the jewel in the crown of The Alnwick Garden Trust's Elderberries Programme, which aims to address loneliness, isolation and financial hardship among older people in Northumberland. It delivers opportunities to socialise, promoting a healthy, fulfilled quality of life.

The Healthy Eating project was once again a great success. Using the Roots and Shoots garden, the project hosted children from surrounding communities, teaching them different growing and planting methods and providing a sense of achievement by harvesting own grown fruit and vegetables. Ten schools from Northumberland took part in a series of workshops teaching a step by step guide to developing their own allotment plot back at school. The Shears Foundation supports the project by helping children make the link between food and health including appropriate portion sizes and the importance of having five a day.

# The Alnwick Garden Trust

(A company limited by guarantee)

## Trustees' report (continued) Year ended 31 March 2018

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### **Community Development**

#### *Objectives*

To empower young adults in either securing employment or starting a business.

#### *Activities*

Our Enterprise Programme continued to gather momentum this year. The programme is designed to empower young people and support community development. There are two focus areas here, the first is providing work experience opportunities to young people and the other is growing young entrepreneurs.

The Entrepreneurship Project teaches practical business skills and promotes a self starter attitude. It aims to give young people the tools and the confidence to start their own business. This year a summer fete was held in collaboration with Virgin Money's 'make a £5 grow' initiative. School children were given the opportunity to develop products to sell to Garden visitors and crucially taking the profits home with them.

The Work Experience Project gives young people the responsibility of a real job within The Garden. This valuable experience can be added to their CV to help launch their careers. Plans are in place to evolve the project even further to include an educational component, ensuring the participants also receive employability skills training in a classroom environment.

### **Economic impact of The Garden**

Since opening 15 years ago, The Alnwick Garden has had a tremendous impact on the local community from both a financial and social perspective. The Garden has welcomed over five and a half million paying visitors since 2001. This footfall can nearly be doubled when taking into account non paying visitors using the retail shop and The Treehouse Restaurant.

The Garden is a proud supporter of local businesses. Strong relationships have been built with suppliers in and around Alnwick with the aim of investing in the local economy and providing a high quality customer experience. Regular suppliers include accommodation venues for wedding events, fresh produce for The Treehouse restaurant, plus many local tradesmen have supported The Garden's maintenance programme.

Recent research calculated that The Alnwick Garden has contributed £236.8m to the local economy since its inception. Of this, £115m has been spent directly with local suppliers. This economic activity has supported 1,399 direct jobs and an additional 812 secondary jobs in the local area.

The Alnwick Garden is an inspirational initiative that has put Alnwick, Northumberland and the North East on the international tourist map. The investment has strengthened the local economy and created an attraction that brings international visitors to Northumberland, increasing significantly the numbers of new and repeat visitors to Alnwick and the surrounding area.

### **Fundraising activities**

Fundraising efforts this year were targeted towards the provision of our community programmes.

Applications were made to a range of charitable trusts, public bodies and individuals, and the key donors were as follows:

- The Stuart Halbert Foundation
- The Shears Foundation
- Kavli Trust
- The Community Foundation for Tyne and Wear and Northumberland

# The Alnwick Garden Trust

(A company limited by guarantee)

## Trustees' report (continued) Year ended 31 March 2018

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### Financial review

#### Financial key performance indicators

Full details of the charitable company's financial position can be found in the accompanying financial statements attached to this report. The consolidated statement of financial activities shows total incoming resources of £5,099,111 (2017: £4,701,680), total resources expended of £6,213,493 (2017: £5,693,642) and net outgoing resources for the year of £1,114,382 (2017: £991,962).

The consolidated statement of financial activities shows net incoming resources of £366,953 on unrestricted funds. After including incoming resources of £69,126 on restricted funds and outgoing resources of £1,550,461 on the capital fund, the total outgoing resources were £1,114,382 (2017: £991,962).

When assessing the consolidated balance sheet it is important to note that in the year to 31 March 2018, the creditors amount includes a long term interest-free loan which the charity has received from Northumberland Estates. FRS 102 requires that such loans are recognised at net present value as calculated by reference to an applicable discount rate. The charity has calculated the net present value of the £8m loan to be £3,508,742 at 31 March 2018 (£3,310,134 at 31 March 2017), based on a discount rate of 6%, the agreed repayment structure and the settlement date. Northumberland Estates have informally indicated that the loan will not be repayable until the lease expires in 2035.

#### Non-financial key performance indicators

Paying visitor numbers increased by 10% year-on-year; with 332,100 visitors in 2016/17, and 360,095 in 2017/18 and well over half a million visitors across the site.

In the reporting year The Garden embarked on an exercise to assess the relevance of its community outreach programmes. It has been 16 years since The Garden opened its doors and in that time, there have been significant changes in society. It is important that The Garden's community programmes adjust to these changes and ensure that they are still relevant and impactful. While this assessment was ongoing the operational team's focus was to improve and enhance the delivery of the existing programmes. This strategy proved to be successful with the following outputs achieved:

- Elderberries Drop In Centre – 2,615 individual visits over 150 sessions
- Roots and Shoots Healthy Eating Programme – 200 pupils from 10 schools attended over 40 sessions - a total of 7,200 individual sessions and 21,600 contact hours
- Elderberries Blooming Well Dementia Group – 40 individuals over 80 sessions – 922 individual sessions
- Elderberries Health and Self – 407 individuals attended 166 sessions with 2,585 individual sessions
- Elderberries Gentlemen's Garden Group - 9 gentlemen attending 48 sessions; 253 individual attendances
- Young Gardeners – 10 families attended over 8 sessions – a total of 76 individual sessions
- Enterprise Programme – 40 Young People succeeded in gaining valuable working experience in The Garden and were awarded service certificates
- Enterprise Programme – 30 Young Buskers were given the opportunity of busking in The Garden through the summer and winter months

# The Alnwick Garden Trust

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## Trustees' report (continued) Year ended 31 March 2018

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We reviewed, evaluated and rebranded our community programmes this year. Our Young People and Enterprise Programme will launch two new and exciting developments in 2018/19, our Grow into Work employment programme will launch early summer 2018 and be followed by a relaunch of our Drugs Education Programme in 2019.

The above reflects the growing social impact The Alnwick Garden is having on the local community and sets the bar for further growth in years to come.

### Reserves policy

The Trust aims to hold sufficient unrestricted working capital to allow it to operate effectively, without cash flow concerns. The Trustees consider that this should be maintained at between 2-3 months expected cash expenditure.

At the year end the group's reserves stood at £14.8 million, of which £13.8 million is represented by the capital fund and is not available to spend, and a further £515k of cash is held for restricted projects. Free reserves of £531k are represented by £797k of cash, and short term debtors and creditors, with 2 months expenditure held as cash, in line with the target.

The Trustees are satisfied with both the year end position, and the unrestricted surplus generated during the year.

### Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

### Risk management

The major risks to which the charitable company is exposed have been identified, and systems have been established to mitigate those risks. A full review of all risks is carried out annually. A risk management committee meets monthly to keep track of major risks and mitigation measures put in place. Such measures include creating a buffer fund to reduce cash flow challenges, insurance to deal with business interruption and succession plans to ensure continuity and knowledge retention.

A full risk analysis of the charitable company is carried out annually. The latest assessment has identified several factors that could have a negative impact on the delivery of the charitable company's objectives. Subsequently, systems have been established to mitigate those risks.

#### *Financial and liquidity risk*

The charitable group has a seasonally dependent revenue stream with the school summer holidays being the prime period of the year. A risk of revenue loss occurs when there is a reduction in visitor numbers due to unseasonably poor weather or other uncontrollable factors. This introduces the scenario of uncertain cash flows and ultimately liquidity risk to the operation. To reduce this risk in 2015, The Garden began to set aside a cash reserve. An unrestricted reserve policy was further introduced in 2017 and an amount of £500k has been set aside for this.

# The Alnwick Garden Trust

(A company limited by guarantee)

## Trustees' report (continued) Year ended 31 March 2018

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### *Operational risk*

The charitable group is dependent on its staff for the successful operation of all areas of day to day activity. Staff training is vital to ensure all personnel possess the necessary skills to perform their tasks and continue to deliver the highest possible standards. Particular staff members play a pivotal role, as well as volunteers, therefore succession plans and retention strategies are a key part of the strategic plan for the next five years.

### *Compliance risk*

The charity has identified non compliance with Health and Safety legislation as a key risk. This is controlled through a combination of ensuring appropriate culture throughout the organisation, annual external health and safety audits and continuous internal checks. Formal health and safety meetings are now held monthly and a Risk Committee was also set up in 2017 that also meets monthly.

### **Principal funding**

Grants and donations were received from Friends, private individuals, trusts and corporate donors. Fundraising in general is increasingly difficult on account of both economic conditions and sources of funding having fewer resources as well as a higher number of applications.

The charity is registered with the Fundraising Regulator and the fundraising activities undertaken by the charity are carried out in accordance with reference to the Code of Fundraising Practice. All complaints received by the charity are recorded and investigated in line with the charity's complaints procedures. During the year the charity received no complaints related to its fundraising activities (2017: zero). No complaints were received from the Fundraising Regulator.

As a charity we do not use the services of unsolicited fundraising methods, external call centres or external sales canvassing companies to support our fundraising activities.

The charity provides guidance and training to staff and volunteers on dealing with people in vulnerable circumstances.

### **Relationship with Northumberland Estates**

The charitable company and Northumberland Estates have a close working relationship. The charitable company has received significant financial support dating back to when The Garden was first created and currently comprises:

- An interest free loan
- The provision of short-term working capital facilities (to date this facility has not been required)

During the year, and to date, the overdraft facility from Northumberland Estates has not been utilised. An amount of £500,000 was ring-fenced as a cash reserve to reduce the future possibility of needing to use the overdraft facility.

Certain categories of expenditure involving both Alnwick Garden Enterprises and Alnwick Castle that have been incurred by The Garden are recharged back to Alnwick Castle to ensure The Garden only bears its share of the cost. Also, all admission charges for Alnwick Castle are banked by Alnwick Garden Enterprises in the first instance but are reimbursed to Alnwick Castle after the end of each month. These arrangements provide managerial and financial benefits to the charitable company.

# **The Alnwick Garden Trust**

(A company limited by guarantee)

## **Trustees' report (continued) Year ended 31 March 2018**

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### **Structure, governance and management**

#### **Constitution**

The charitable company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 29 October 2002. The charitable company is constituted under its Memorandum of Association and is a registered charity (number 1095435). Updated Articles of Association of the charitable company were adopted by a special resolution on 7 June 2010. The Articles of Association have been approved by the Charity Commission.

The principal objects of the charitable company as stated in the Appendix to the Articles of Association are the acquisition, preservation and improvement for the benefit of the public of places of historical or archaeological interest or of natural or cultivated beauty in the County of Northumberland and the provision of ready access to them by the public; and the advancement of the education of the public through such means as the trustees think fit in accordance with the Law of Charity.

#### **Trustees**

The management of the charitable company is the responsibility of the trustees. New trustees are selected by existing trustees and are appointed by Members of the Trust at the Trust's annual general meeting. New trustees receive a full induction on appointment to the Board. The trustees hold no shares in the charitable company but each trustee, as a member, is a guarantor of the charitable company to an amount not exceeding £1 in the event of the charitable company being wound up.

#### **Organisational structure and decision making**

The charitable company is responsible for the development and activities of the Garden. The charitable company is the sole member of Alnwick Garden Enterprises Limited and has the power to appoint or remove directors of that company.

The activities of the subsidiary company are commercial in nature. These activities include non charitable retailing, catering and events activities. In total the non charitable activities are self financing and are carried out to support The Garden and to assist in keeping admission prices to visitors to a minimum.

The day to day running of the charitable company and its subsidiary company is delegated to appropriate members of staff and to the directors of the subsidiary company. Trustees exercise financial control over the activities of the subsidiary company by means of an agreed annual budget, substantial variations thereto having to be agreed in advance. Trustees meet quarterly to review the activities of the charitable company and its subsidiary. Between these meetings, trustees are informed on a monthly basis of actual performance of both entities.

The charitable company's Managing Director was Mark Brassell for the entire reporting period. There is a scheme of delegation whereby the trustees have granted powers for the Director to act on their behalf with the exception of specified matters. Trustees have also instituted an annual governance assessment in line with the new Charity Governance Code to ensure the Garden is managed ethically and in compliance with industry best practice.

## **The Alnwick Garden Trust**

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### **Trustees' report (continued) Year ended 31 March 2018**

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#### **Plans for future periods**

The charitable company remains committed to completing the development of The Alnwick Garden. A fundraising strategy is in place that will allow this development to progress. Phases I and II are completed and it is proposed the final stage, Phase III, will include:

- A new education centre and gardeners facility allowing The Garden to significantly grow its education programmes;
- Expansion of the Gardens community programmes;
- A new play village (Lilidorei);
- A specialist lighting project including the cascade;
- A water tower feature;
- A coach driver lounge.

#### **Disclosure of information to auditor**

Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

#### **Auditor**

During the year, the external audit was retendered and a new audit firm selected. UNW LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed in accordance with section 485 of the Companies Act 2006.

This report was approved by the trustees, on 12 December 2018 and signed on their behalf by:



**Jonathan Blackie**  
Trustee

# **The Alnwick Garden Trust**

(A company limited by guarantee)

## **Trustees' responsibilities statement Year ended 31 March 2018**

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The trustees (who are also directors of The Alnwick Garden Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## Independent auditor's report to the members of The Alnwick Garden Trust

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### Opinion

We have audited the financial statements of The Alnwick Garden Trust (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2018 set out on pages 17 to 40. 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 group's and of the parent charitable company's affairs as at 31 March 2018 and of the 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 Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



## Independent auditor's report to the members of The Alnwick Garden Trust

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### Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Group strategic report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.



## Independent auditor's report to the members of The Alwick Garden Trust

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### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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.

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

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads 'Anne Hallowell'.

**Anne Hallowell BSc FCA DChA (Senior Statutory Auditor)**  
**for and on behalf of UNW LLP (Statutory Auditor)**  
Chartered Accountants  
Newcastle upon Tyne  
12 December 2018

# The Alnwick Garden Trust

(A company limited by guarantee)

## Consolidated statement of financial activities incorporating income and expenditure account

Year ended 31 March 2018

|  | Note | Capital fund<br>2018<br>£ | Restricted funds<br>2018<br>£ | Unrestricted funds<br>2018<br>£ | Total funds<br>2018<br>£ | Total funds<br>(as restated)<br>2017<br>£ |
|--|------|---------------------------|-------------------------------|---------------------------------|--------------------------|---|
| <b>Income from:</b>  |      |                           |                               |                                 |                          |   |
| Donations and legacies   | 3    | -                         | 145,273                       | 7,203                           | 152,476                  | 106,533                                   |
| Charitable activities  | 4    | -                         | -                             | 2,418,672                       | 2,418,672                | 2,336,891                                 |
| Other trading activities   | 5,6  | -                         | -                             | 2,527,963                       | 2,527,963                | 2,258,256                                 |
| <b>Total income</b>  |      | <b>-</b>                  | <b>145,273</b>                | <b>4,953,838</b>                | <b>5,099,111</b>         | <b>4,701,680</b>                          |
| <b>Expenditure on:</b>   |      |                           |                               |                                 |                          |   |
| Raising funds  | 6,7  | 112,817                   | -                             | 2,341,766                       | 2,454,583                | 2,054,264                                 |
| Charitable activities  | 8    | 1,437,644                 | 76,147                        | 2,245,119                       | 3,758,910                | 3,639,378                                 |
| <b>Total expenditure</b>   |      | <b>1,550,461</b>          | <b>76,147</b>                 | <b>4,586,885</b>                | <b>6,213,493</b>         | <b>5,693,642</b>                          |
| <b>Net income / (expenditure) before transfers</b>                         |      | <b>(1,550,461)</b>        | <b>69,126</b>                 | <b>366,953</b>                  | <b>(1,114,382)</b>       | <b>(991,962)</b>                          |
| Transfers between funds  | 20   | 15,319,553                | (8,505)                       | (15,311,048)                    | -                        | -   |
| <b>Net income / (expenditure) before other recognised gains and losses</b> |      | <b>13,769,092</b>         | <b>60,621</b>                 | <b>(14,944,095)</b>             | <b>(1,114,382)</b>       | <b>(991,962)</b>                          |
| <b>Net movement in funds</b>   |      | <b>13,769,092</b>         | <b>60,621</b>                 | <b>(14,944,095)</b>             | <b>(1,114,382)</b>       | <b>(991,962)</b>                          |
| <b>Reconciliation of funds:</b>  |      |                           |                               |                                 |                          |   |
| Total funds brought forward  |      | -                         | 455,316                       | 15,474,912                      | 15,930,228               | 16,922,190                                |
| <b>Total funds carried forward</b>   |      | <b>13,769,092</b>         | <b>515,937</b>                | <b>530,817</b>                  | <b>14,815,846</b>        | <b>15,930,228</b>                         |

The notes on pages 21 to 40 form part of these financial statements.

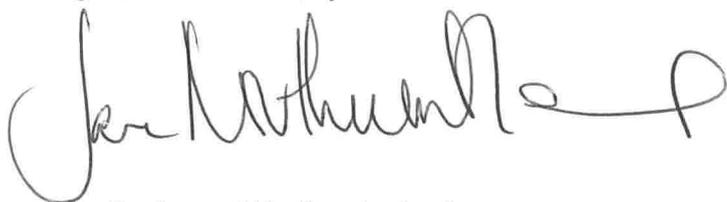
# The Alnwick Garden Trust

(A company limited by guarantee)

## Consolidated balance sheet At 31 March 2018

|  | Note | £                | 2018<br>£          | £                | 2017<br>£          |
|--|------|------------------|--------------------|------------------|--------------------|
| <b>Fixed assets</b>  |      |                  |                    |                  |                    |
| Tangible assets  | 13   |                  | 17,277,834         |                  | 18,353,060         |
| <b>Current assets</b>  |      |                  |                    |                  |                    |
| Stocks   | 15   | 110,572          |                    | 97,280           |                    |
| Debtors  | 16   | 310,541          |                    | 235,544          |                    |
| Cash at bank and in hand                                       |      | 1,312,660        |                    | 1,171,438        |                    |
|  |      | <u>1,733,773</u> |                    | <u>1,504,262</u> |                    |
| <b>Creditors: amounts falling due within one year</b>          | 17   | <u>(687,019)</u> |                    | <u>(616,960)</u> |                    |
| <b>Net current assets</b>                                      |      |                  | <u>1,046,754</u>   |                  | <u>887,302</u>     |
| <b>Total assets less current liabilities</b>                   |      |                  | <u>18,324,588</u>  |                  | <u>19,240,362</u>  |
| <b>Creditors: amounts falling due after more than one year</b> | 18   |                  | <u>(3,508,742)</u> |                  | <u>(3,310,134)</u> |
| <b>Net assets</b>  |      |                  | <u>14,815,846</u>  |                  | <u>15,930,228</u>  |
| <b>Charity funds</b>   |      |                  |                    |                  |                    |
| Capital fund   | 20   |                  | 13,769,092         |                  | -                  |
| Restricted funds   | 20   |                  | 515,937            |                  | 455,316            |
| Unrestricted funds   | 20   |                  | 530,817            |                  | 15,474,912         |
| <b>Charity funds</b>   |      |                  | <u>14,815,846</u>  |                  | <u>15,930,228</u>  |

The financial statements were approved and authorised for issue by the trustees on 12 December 2018 and signed on their behalf, by:



**The Duchess of Northumberland**

The notes on pages 21 to 40 form part of these financial statements.

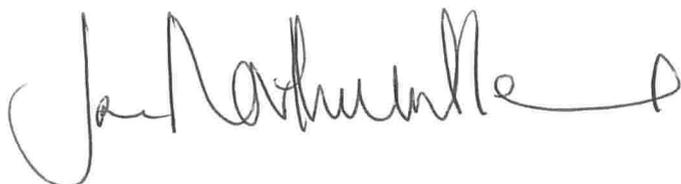
# The Alnwick Garden Trust

(A company limited by guarantee)

## Company balance sheet At 31 March 2018

|  | Note | £              | 2018<br>£         | £              | 2017<br>£         |
|--|------|----------------|-------------------|----------------|-------------------|
| <b>Fixed assets</b>  |      |                |                   |                |                   |
| Tangible assets  | 13   |                | 16,914,802        |                | 17,961,315        |
| Investments  |      |                | 2                 |                | 2                 |
|  |      |                | <u>16,914,804</u> |                | <u>17,961,317</u> |
| <b>Current assets</b>  |      |                |                   |                |                   |
| Debtors  | 16   | 16,813         |                   | 18,817         |                   |
| Cash at bank   |      | 752,080        |                   | 668,511        |                   |
|  |      | <u>768,893</u> |                   | <u>687,328</u> |                   |
| <b>Creditors: amounts falling due within one year</b>          | 17   | (511,992)      |                   | (486,514)      |                   |
| <b>Net current assets</b>                                      |      |                | <u>256,901</u>    |                | <u>200,814</u>    |
| <b>Total assets less current liabilities</b>                   |      |                | <u>17,171,705</u> |                | <u>18,162,131</u> |
| <b>Creditors: amounts falling due after more than one year</b> | 18   |                | (2,456,120)       |                | (2,317,094)       |
| <b>Net assets</b>  |      |                | <u>14,715,585</u> |                | <u>15,845,037</u> |
| <b>Charity funds</b>   |      |                |                   |                |                   |
| Capital fund   |      |                | 14,458,682        |                | -                 |
| Restricted funds   |      |                | 515,938           |                | 455,316           |
| Unrestricted funds   |      |                | (259,035)         |                | 15,389,721        |
| <b>Total funds</b>   |      |                | <u>14,715,585</u> |                | <u>15,845,037</u> |

The financial statements were approved and authorised for issue by the trustees on 12 December 2018 and signed on their behalf, by:



**The Duchess of Northumberland**

Company registered number: 04584694

The notes on pages 21 to 40 form part of these financial statements.

# The Alnwick Garden Trust

(A company limited by guarantee)

## Consolidated statement of cash flows Year ended 31 March 2018

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|  | Note | 2018<br>£               | 2017<br>£               |
|--|------|-------------------------|-------------------------|
| <b>Cash flows from operating activities</b>            |      |                         |                         |
| Net cash provided by operating activities              | 22   | <u>221,638</u>          | <u>316,728</u>          |
| <b>Cash flows from investing activities:</b>           |      |                         |                         |
| Purchase of tangible fixed assets                      |      | (408,555)               | (464,569)               |
| Sale of tangible fixed assets                          |      | <u>129,530</u>          | <u>-</u>                |
| <b>Net cash used in investing activities</b>           |      | <u>(279,025)</u>        | <u>(464,569)</u>        |
| <b>Cash flows from financing activities:</b>           |      |                         |                         |
| Interest payable                                       |      | <u>198,609</u>          | <u>187,366</u>          |
| <b>Net cash provided by financing activities</b>       |      | <u>198,609</u>          | <u>187,366</u>          |
| <b>Change in cash and cash equivalents in the year</b> |      | <b>141,222</b>          | <b>39,525</b>           |
| Cash and cash equivalents brought forward              |      | <u>1,171,438</u>        | <u>1,131,913</u>        |
| <b>Cash and cash equivalents carried forward</b>       |      | <u><u>1,312,660</u></u> | <u><u>1,171,438</u></u> |

The notes on pages 21 to 40 form part of these financial statements.

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2018

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### 1. Accounting policies

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Alnwick Garden 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.

The financial statements are presented in pounds sterling which is the functional currency of the company and are rounded to the nearest £1.

#### 1.2 Company status

The company is a company limited by guarantee, incorporated and domiciled in England. The members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

#### 1.3 Basis of consolidation

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own income and expenditure account.

The income and expenditure account for the year dealt with in the accounts of the company was a deficit of £(1,129,452) (2017 - £(998,701)).

#### 1.4 Going concern

The group recorded a net deficit of expenditure over income in 2018 and has net assets at the year end of £14,715,585. The group forecasts predict future income of the group will be sufficient to enable the trustees to reasonably conclude that the charitable group will be able to continue to meet its liabilities as they fall due for the foreseeable future. Consequently, the trustees continue to believe the going concern basis of accounting is appropriate in preparing these financial statements.

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2018

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### 1. Accounting policies (continued)

#### 1.5 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

A capital fund has been created during the year to isolate the capital cost of The Garden from the revenue expenditure required to open The Garden for public benefit. The costs of depreciating The Garden over the lease term, and the finance costs relating to borrowings to create the asset are channelled through this fund. The fund remains unrestricted.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2018

---

### 1. Accounting policies (continued)

#### 1.6 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income from visitors comprises admissions to The Garden, net of VAT, and is recognised as it is received.

Income from Friends is deferred over the period in which the Friends are entitled to obtain access to The Garden.

Trading income comprises amounts received for catering, car park and retail services and is recognised as the goods or services are supplied.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

#### 1.7 Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

During the year the trustees have reviewed the activities undertaken by the group and have reclassified expenditure within these financial statements to better reflect the different activities of the Trust. Charitable activities comprise visitor services, provision of programmes, and garden maintenance.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity, including those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements. They are apportioned against the activities of the charity in line with the estimated usage of those costs.

Costs of raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 March 2018

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### 1. Accounting policies (continued)

#### 1.8 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

|                       |   |                              |
|-----------------------|---|------------------------------|
| Garden infrastructure | - | 25 years straight line basis |
| Building improvements | - | between 3 and 9 years        |
| Fixtures and fittings | - | between 3 and 10 years       |

#### 1.9 Fixed asset investments

Investments in subsidiaries are valued at cost less provision for impairment.

#### 1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

#### 1.11 Debtors

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

#### 1.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

#### 1.13 Creditors and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2018

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### 1. Accounting policies (continued)

#### 1.14 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade, intercompany and other accounts receivable and payable, cash and bank balances and loans from related parties.

All such instruments are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, in which case the transaction is measured at the present value of the future receipts discounted at a market rate of interest. All financial instruments are subsequently carried at amortised cost using the effective interest method.

#### 1.15 Concessionary loan

The Trust has received a concessionary loan which it recognises at amortised cost using the effective interest rate method.

#### 1.16 Operating leases

All of the group's leasing arrangements are operating leases. Rental payments under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term, even if payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

#### 1.17 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

### 2. Critical accounting estimates and areas of judgement

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.

Estimates included within these financial statements include depreciation charges and the imputed interest rate in respect of the concessionary loan. None of the estimates made are considered to carry significant estimation uncertainty, nor to bear significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year.

In preparing these financial statements the trustees do not consider there were any significant areas of judgement that were required in applying the charity's accounting policies as set out above.

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2018

### 3. Income from donations and legacies

|            | Capital<br>fund<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Unrestricted<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ | Total<br>funds<br>2017<br>£ |
|------------|------------------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Donations  | -                            | 145,273                          | 7,203                              | 152,476                     | 106,533                     |
| Total 2017 | -                            | 101,985                          | 4,548                              | 106,533                     |                             |

### 4. Income from charitable activities

|                                      | Capital<br>fund<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Unrestricted<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ | Total<br>funds<br>(as restated)<br>2017<br>£ |
|--------------------------------------|------------------------------|----------------------------------|------------------------------------|-----------------------------|--|
| Gift Aid and admissions<br>donations | -                            | -                                | 478,841                            | 478,841                     | 467,443                                      |
| Admissions                           | -                            | -                                | 1,939,831                          | 1,939,831                   | 1,869,448                                    |
|                                      | -                            | -                                | 2,418,672                          | 2,418,672                   | 2,336,891                                    |
| Total 2017                           | -                            | -                                | 2,336,891                          | 2,336,891                   |  |

### 5. Fundraising income

|             | Capital<br>fund<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Unrestricted<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ | Total<br>funds<br>(as restated)<br>2017<br>£ |
|-------------|------------------------------|----------------------------------|------------------------------------|-----------------------------|--|
| Fundraising | -                            | -                                | 19,575                             | 19,575                      | 18,688                                       |
| Sponsorship | -                            | -                                | 3,393                              | 3,393                       | 1,268  |
|             | -                            | -                                | 22,968                             | 22,968                      | 19,956                                       |
| Total 2017  | -                            | -                                | 19,956                             | 19,956                      |  |

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2018

### 6. Trading activities

|                                     | Capital<br>fund<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Unrestricted<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ | Total<br>funds<br>(as restated)<br>2017<br>£ |
|-------------------------------------|------------------------------|----------------------------------|------------------------------------|-----------------------------|--|
| <b>Charity trading income</b>       |                              |                                  |                                    |                             |  |
| Subsidiary trading to third parties | -                            | -                                | 2,504,995                          | 2,504,995                   | 2,238,300                                    |
| <b>Charity trading expenses</b>     |                              |                                  |                                    |                             |  |
| Subsidiary trading costs            | 112,817                      | -                                | 2,316,881                          | 2,429,698                   | 2,026,637                                    |
|                                     | 112,817                      | -                                | 2,316,881                          | 2,429,698                   | 2,026,637                                    |
| Net income from trading activities  | (112,817)                    | -                                | 188,114                            | 75,297                      | 211,663                                      |

### 7. Costs of raising funds

|                          | Capital<br>fund<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Unrestricted<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ | Total<br>funds<br>(as restated)<br>2017<br>£ |
|--------------------------|------------------------------|----------------------------------|------------------------------------|-----------------------------|--|
| Direct fundraising costs | -                            | -                                | 24,885                             | 24,885                      | 7,706  |
| Fundraising staff costs  | -                            | -                                | -                                  | -                           | 19,921                                       |
|                          | -                            | -                                | 24,885                             | 24,885                      | 27,627                                       |
| Total 2017               | -                            | -                                | 27,627                             | 27,627                      |  |

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2018

### 8. Analysis of expenditure by activities

|                       | Direct costs<br>2018<br>£ | Support<br>costs<br>2018<br>£ | Total<br>2018<br>£ | Total<br>2017<br>£ |
|-----------------------|---------------------------|-------------------------------|--------------------|--------------------|
| Visitor services      | 730,558                   | 603,432                       | 1,333,990          | 1,342,362          |
| Charitable programmes | 138,048                   | -                             | 138,048            | 84,131             |
| Garden maintenance    | 2,088,264                 | 198,608                       | 2,286,872          | 2,212,885          |
| Total 2018            | <u>2,956,870</u>          | <u>802,040</u>                | <u>3,758,910</u>   | <u>3,639,378</u>   |
| Total 2017            | <u>2,894,310</u>          | <u>745,068</u>                | <u>3,639,378</u>   |                    |

### 9. Direct costs

|                            | 2018<br>£        | 2017<br>£        |
|----------------------------|------------------|------------------|
| Visitor services costs     | 222,412          | 271,765          |
| Charitable programme costs | 41,627           | 84,131           |
| Garden maintenance costs   | 540,165          | 550,011          |
| Staff costs                | 913,630          | 765,033          |
| Depreciation               | 1,239,036        | 1,223,370        |
| Total                      | <u>2,956,870</u> | <u>2,894,310</u> |

### 10. Support costs

|              | 2018<br>£      | 2017<br>£      |
|--------------|----------------|----------------|
| Office costs | 362,646        | 335,163        |
| Staff costs  | 240,786        | 222,538        |
| Interest     | 198,608        | 187,366        |
| Total        | <u>802,040</u> | <u>745,067</u> |

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2018

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### 11. Net income/(expenditure)

This is stated after charging:

|   | 2018             | 2017             |
|---|------------------|------------------|
|   | £                | £                |
| Depreciation of tangible fixed assets:  |                  |                  |
| - owned by the charitable group         | 1,351,851        | 1,341,341        |
| Auditor's remuneration - audit          | 9,000            | 11,500           |
| Auditor's remuneration - other services | 1,750            | 1,875            |
|   | <u>1,362,601</u> | <u>1,364,716</u> |

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2018

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### 12. Staff costs

Staff costs were as follows:

|                       | 2018<br>£        | 2017<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 1,959,403        | 1,796,957        |
| Social security costs | 123,608          | 111,235          |
| Other pension costs   | 48,903           | 32,673           |
|                       | <u>2,131,914</u> | <u>1,940,865</u> |

The average number of persons employed by the company during the year was as follows:

|                            | 2018<br>No. | 2017<br>No. |
|----------------------------|-------------|-------------|
| Visitor services           | 46          | 46          |
| Gardeners                  | 14          | 14          |
| Retail                     | 8           | 7           |
| Food and beverages         | 34          | 34          |
| Education and arts         | 16          | 18          |
| Fundraising                | 4           | 3           |
| Marketing                  | 3           | 3           |
| Finance and administration | 9           | 8           |
|                            | <u>134</u>  | <u>133</u>  |

The number of higher paid employees was:

|                               | 2018<br>No. | 2017<br>No. |
|-------------------------------|-------------|-------------|
| In the band £70,001 - £80,000 | 1           | 1           |

Key management personnel are deemed to be those having authority and responsibility delegated to them by the trustees for planning, directing and controlling the activities of the charity. During 2017/18 they are:

Mark Brassell

The total employee benefits of the key management personnel of the charity were £77,522 (2017: £75,000).

During the year, one trustee received remuneration amounting to £6,000 for non-trustee consultancy services supplied to the charity in the year (2017: £6,000). One trustee received reimbursement of expenses amounting to £555 (2017: £1,207).

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2018

### 13. Tangible fixed assets

| Group                 | Garden<br>infrastructure<br>£ | Freehold<br>property<br>£ | Fixtures,<br>fittings and<br>equipment<br>£ | Motor<br>vehicles<br>£ | Total<br>£        |
|-----------------------|-------------------------------|---------------------------|---|------------------------|-------------------|
| <b>Cost</b>           |                               |                           |   |                        |                   |
| At 1 April 2017       | 30,434,984                    | 152,503                   | 1,421,868                                   | 80,894                 | 32,090,249        |
| Additions             | 261,838                       | 6,139                     | 126,583                                     | 13,995                 | 408,555           |
| Disposals             | (71,164)                      | -                         | (344,643)                                   | (13,230)               | (429,037)         |
| At 31 March 2018      | <u>30,625,658</u>             | <u>158,642</u>            | <u>1,203,808</u>                            | <u>81,659</u>          | <u>32,069,767</u> |
| <b>Depreciation</b>   |                               |                           |   |                        |                   |
| At 1 April 2017       | 12,473,669                    | 87,565                    | 1,104,665                                   | 71,290                 | 13,737,189        |
| Charge for the year   | 1,239,000                     | 11,560                    | 94,477                                      | 6,814                  | 1,351,851         |
| On disposals          | (990)                         | -                         | (282,887)                                   | (13,230)               | (297,107)         |
| At 31 March 2018      | <u>13,711,679</u>             | <u>99,125</u>             | <u>916,255</u>                              | <u>64,874</u>          | <u>14,791,933</u> |
| <b>Net book value</b> |                               |                           |   |                        |                   |
| At 31 March 2018      | <u>16,913,979</u>             | <u>59,517</u>             | <u>287,553</u>                              | <u>16,785</u>          | <u>17,277,834</u> |
| At 31 March 2017      | <u>17,961,315</u>             | <u>64,938</u>             | <u>317,203</u>                              | <u>9,604</u>           | <u>18,353,060</u> |
| <b>Company</b>        |                               |                           |   |                        |                   |
| <b>Cost</b>           |                               |                           |   |                        |                   |
| At 1 April 2017       |                               |                           | 30,434,984                                  | 251,054                | 30,686,038        |
| Additions             |                               |                           | 261,838                                     | 859                    | 262,697           |
| Disposals             |                               |                           | (71,164)                                    | (1,015)                | (72,179)          |
| At 31 March 2018      |                               |                           | <u>30,625,658</u>                           | <u>250,898</u>         | <u>30,876,556</u> |
| <b>Depreciation</b>   |                               |                           |   |                        |                   |
| At 1 April 2017       |                               |                           | 12,473,669                                  | 251,054                | 12,724,723        |
| Charge for the year   |                               |                           | 1,239,000                                   | 36                     | 1,239,036         |
| On disposals          |                               |                           | (990)                                       | (1,015)                | (2,005)           |
| At 31 March 2018      |                               |                           | <u>13,711,679</u>                           | <u>250,075</u>         | <u>13,961,754</u> |
| <b>Net book value</b> |                               |                           |   |                        |                   |
| At 31 March 2018      |                               |                           | <u>16,913,979</u>                           | <u>823</u>             | <u>16,914,802</u> |
| At 31 March 2017      |                               |                           | <u>17,961,315</u>                           | <u>-</u>               | <u>17,961,315</u> |

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2018

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### 13. Tangible fixed assets (continued)

The charitable company occupies land from Northumberland Estates under a lease expiring on 9 October 2098 and containing an entitlement to terminate by either side on 4 March 2035. No capital payments have been made by the charitable company for this lease and no value has been attributed to the lease within these financial statements.

### 14. Principal subsidiaries

The charity holds 2 shares of £1 each in its wholly owned trading subsidiary which is incorporated in England.

#### Alnwick Garden Enterprises Limited

|  |                                    |
|--|------------------------------------|
| Subsidiary name                              | Alnwick Garden Enterprises Limited |
| Company registration number                  | 04579518                           |
| Basis of control                             | 100% owned                         |
| Total assets as at 31 March 2018             | £ 1,715,242                        |
| Total liabilities as at 31 March 2018        | £ 1,620,241                        |
| Total equity as at 31 March 2018             | £ 95,001                           |
| Turnover for the year ended 31 March 2018    | £ 2,504,995                        |
| Expenditure for the year ended 31 March 2018 | £ 2,429,698                        |
| Profit for the year ended 31 March 2018      | £ 15,715                           |

### 15. Stocks

|                  | <u>Group</u>   |               | <u>Company</u> |          |
|------------------|----------------|---------------|----------------|----------|
|                  | 2018           | 2017          | 2018           | 2017     |
|                  | £              | £             | £              | £        |
| Goods for resale | <u>110,572</u> | <u>97,280</u> | <u>-</u>       | <u>-</u> |

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2018

### 16. Debtors

|                                | <u>Group</u>   |                | <u>Company</u> |               |
|--------------------------------|----------------|----------------|----------------|---------------|
|                                | 2018<br>£      | 2017<br>£      | 2018<br>£      | 2017<br>£     |
| Trade debtors                  | 66,900         | 38,826         | 110            | 185           |
| Amounts owed by related party  | -              | 2,882          | -              | 1,505         |
| Other debtors                  | 87,150         | 41,211         | 2,378          | 4,095         |
| Prepayments and accrued income | 156,491        | 152,625        | 14,325         | 13,032        |
|                                | <u>310,541</u> | <u>235,544</u> | <u>16,813</u>  | <u>18,817</u> |

### 17. Creditors: amounts falling due within one year

|                                    | <u>Group</u>   |                | <u>Company</u> |                |
|------------------------------------|----------------|----------------|----------------|----------------|
|                                    | 2018<br>£      | 2017<br>£      | 2018<br>£      | 2017<br>£      |
| Trade creditors                    | 282,430        | 287,487        | 36,692         | 31,644         |
| Amounts owed to group undertakings | -              | -              | 388,591        | 441,722        |
| Amounts owed to related party      | 50,157         | 8,741          | -              | -              |
| Other taxation and social security | 27,753         | 28,128         | 2,344          | 1,353          |
| Other creditors                    | 6,068          | 5,115          | -              | -              |
| Accruals and deferred income       | 320,611        | 287,489        | 84,365         | 11,795         |
|                                    | <u>687,019</u> | <u>616,960</u> | <u>511,992</u> | <u>486,514</u> |

### 18. Creditors: amounts falling due after more than one year

|            | <u>Group</u> |           | <u>Company</u> |           |
|------------|--------------|-----------|----------------|-----------|
|            | 2018<br>£    | 2017<br>£ | 2018<br>£      | 2017<br>£ |
| Other loan | 3,508,742    | 3,310,134 | 2,456,120      | 2,317,094 |

At 4 August 2014 the previous two loans, an interest free long-term loan of £4.8m and an interest-bearing loan facility of £3.2m, were consolidated in one interest free loan totalling £8m. The loan is made from Northumberland Estates.

FRS 102 requires that long term interest-free loans are discounted to present value and amortised using the effective interest method. The imputed interest rate is 6%.

The loan is secured by a fixed and floating charge over the assets of the charitable company and by a fixed charge over land and buildings.

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2018

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### 19. Financial instruments

|   | 2018<br>£        | 2017<br>£        |
|---|------------------|------------------|
| Financial assets that are debt instruments measured at amortised cost | <u>173,595</u>   | <u>92,397</u>    |
| Financial liabilities measured at amortised cost                      | <u>4,201,314</u> | <u>3,683,591</u> |

Financial assets measured at amortised cost comprise trade debtors, amounts owed by related parties, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to related parties, other creditors and accruals.

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2018

### 20. Statement of funds

#### Statement of funds - current year

|  | Balance at<br>1 April 2017<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>in/out<br>£ | Balance at<br>31 March<br>2018<br>£ |
|--|---------------------------------|------------------|--------------------|--------------------------|-------------------------------------|
| <b>Designated funds</b>                          |                                 |                  |                    |                          |                                     |
| Appeals  | 22,870                          | 3,871            | (2,534)            | -                        | 24,207                              |
| Trading places                                   | 916                             | -                | -                  | (916)                    | -                                   |
| Programme fundraising                            | 7,530                           | 20,804           | (1,734)            | 916                      | 27,516                              |
| Tractors   | 405                             | 3                | -                  | -                        | 408                                 |
|  | <u>31,721</u>                   | <u>24,678</u>    | <u>(4,268)</u>     | <u>-</u>                 | <u>52,131</u>                       |
| <b>General funds</b>                             |                                 |                  |                    |                          |                                     |
| General funds                                    | 15,443,191                      | 4,929,160        | (4,582,617)        | (15,311,048)             | 478,686                             |
|  | <u>15,474,912</u>               | <u>4,953,838</u> | <u>(4,586,885)</u> | <u>(15,311,048)</u>      | <u>530,817</u>                      |
| <b>Unrestricted funds - capital</b>              |                                 |                  |                    |                          |                                     |
| Capital fund                                     | -                               | -                | (1,550,461)        | 15,319,553               | 13,769,092                          |
| <b>Restricted funds</b>                          |                                 |                  |                    |                          |                                     |
| Roots & Shoots (Young People & Enterprise)       | 42,677                          | 36,168           | (35,000)           | -                        | 43,845                              |
| Urban Project (Young People & Enterprise)        | 2,325                           | -                | -                  | -                        | 2,325                               |
| Young Gardeners (Young People & Enterprise)      | 5,043                           | 9,485            | (5,836)            | -                        | 8,692                               |
| Drugs Education (Young People & Enterprise)      | 15,078                          | 7,156            | (1,722)            | -                        | 20,512                              |
| Enterprise Programme (Young People & Enterprise) | 13,954                          | 69               | (713)              | -                        | 13,310                              |
| Elderberries                                     | 43,342                          | 51,952           | (16,379)           | -                        | 78,915                              |
| Travelling Elderberries                          | -                               | 6,265            | (1,325)            | -                        | 4,940                               |
| Blooming Well (Elderberries)                     | 31,168                          | 15,431           | (14,135)           | -                        | 32,464                              |
| Play Area  | 22,902                          | -                | -                  | -                        | 22,902                              |
| Family Fun Day                                   | 153                             | -                | -                  | -                        | 153                                 |
| All Our Stories                                  | 281                             | -                | -                  | -                        | 281                                 |
| Winter Lighting Project                          | 31,950                          | 14,762           | 489                | -                        | 47,201                              |
| Disability Scooters                              | 6,340                           | 27               | -                  | -                        | 6,367                               |
| Elderberries Drop In Centre - capital            | 17,251                          | -                | -                  | -                        | 17,251                              |
| Elderberries Drop In Centre - running costs      | 1,334                           | 3,458            | (1,524)            | -                        | 3,268                               |
| Capital Donations                                | 221,518                         | 500              | (2)                | (8,505)                  | 213,511                             |
|  | <u>455,316</u>                  | <u>145,273</u>   | <u>(76,147)</u>    | <u>(8,505)</u>           | <u>515,937</u>                      |

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2018

### 20. Statement of funds (continued)

|                |                   |                  |                    |          |                   |
|----------------|-------------------|------------------|--------------------|----------|-------------------|
| Total of funds | <u>15,930,228</u> | <u>5,099,111</u> | <u>(6,213,493)</u> | <u>-</u> | <u>14,815,846</u> |
|----------------|-------------------|------------------|--------------------|----------|-------------------|

### Statement of funds - prior year

|                         | Balance at<br>1 April 2016<br>£ | Income<br>£ | Expenditure<br>£ | Transfers<br>in/out<br>£ | Balance at<br>31 March<br>2017<br>£ |
|-------------------------|---------------------------------|-------------|------------------|--------------------------|-------------------------------------|
| Designated funds        | 26,927                          | 11,526      | (6,732)          | -                        | 31,721                              |
| <b>General funds</b>    |                                 |             |                  |                          |                                     |
| General funds           | 16,097,208                      | 4,575,254   | (5,552,463)      | 323,192                  | 15,443,191                          |
| <b>Restricted funds</b> |                                 |             |                  |                          |                                     |
| Restricted funds        | 798,055                         | 114,900     | (134,447)        | (323,192)                | 455,316                             |

#### Designated funds

The trustees have designated the following funds for specific purposes:

##### **Appeals**

Unrestricted donations received through appeals and from donations to sponsor benches and trees in The Garden are set aside by the trustees to be used for specific charitable purposes and activities rather than to support the general running of The Garden.

##### **Programme fundraising**

This fund represents general donations, mainly from donation boxes in The Garden. These funds are used to top up specific programmes when needed.

##### **Tractors**

This fund represents donations received to purchase and maintain ride-on tractors.

#### Restricted funds

Funds with specific restrictions on their utilisation are as follows:

##### **Roots & Shoots (Young People & Enterprise)**

This project is focused on educating school children and families on the benefits of healthy living, whilst having fun in the Roots and Shoots garden. The project is funded mainly by The Shears Foundation as well as other smaller donations in the year.

##### **Urban Project (Young People & Enterprise)**

This project delivers visits for schools from disadvantaged areas of Newcastle upon Tyne, supported by the William Leech Trust.

##### **Young Gardeners (Young People & Enterprise)**

This project provides fun and inclusive activities for children with additional needs and their families.

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2018

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### 20. Statement of funds (continued)

#### ***Drugs Education (Young People & Enterprise)***

This project is funded by donations from visitors to The Poison Garden and delivers drugs education to young people in the North East.

#### ***Enterprise Programme***

This programme was established in 2015 by a substantial donation from Apache North Sea Limited. The programme works to empower young people in Northumberland; to harness their entrepreneurial talent; to offer flexible work experience placements and to educate them in the necessary skills to enable them to succeed in the workplace. This programme is being reviewed and relaunched in 2018/19.

#### ***Elderberries***

Activities for the Elderberries Programme for older people were funded from the remaining grant previously received from The Stuart Halbert Foundation along with a donation from Sir John Hall.

#### ***Travelling Elderberries***

This project is funded by the Combatting Isolation Fund at The Community Foundation for Tyne & Wear and Northumberland to extend Elderberries activities into the local communities who have not yet accessed our older peoples work.

#### ***Blooming Well (Elderberries)***

This project provides therapeutic horticultural and wellbeing activities for those in the early stages of dementia, and is funded by the Kavli Trust.

#### ***Play Area***

Funds were received from the Hobson Trust and Northumberland County Council's Aiming High project towards the construction of a children's play area, this being one of the future project aims of the trustees.

#### ***Winter Lighting Project***

This fund represents donations received from weddings held at The Garden and is to be used to fund further installations of winter lighting.

#### ***Disability Scooters***

In 2014 Motability Operations Limited donated some mobility scooters to be used by visitors to The Garden.

#### ***Elderberries Drop In Centre***

In 2014 The Rank Foundation awarded a substantial grant to part fund the capital costs of a new centre for the Elderberries project.

#### ***Capital Donations***

This was established in 2014 as a result of a significant donation received. A further substantial donation was received from The Barbour Foundation in 2015. The funds are to be used for the upkeep or purchase of assets for The Garden. Transfers to unrestricted funds in the year relate to capital expenditure funded by these donations.

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2018

### 21. Analysis of net assets between funds

#### Analysis of net assets between funds - current year

|                                     | Capital<br>fund<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Unrestricted<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ |
|-------------------------------------|------------------------------|----------------------------------|------------------------------------|-----------------------------|
| Tangible fixed assets               | 17,277,834                   | -                                | -                                  | 17,277,834                  |
| Current assets                      | -                            | 515,937                          | 1,217,836                          | 1,733,773                   |
| Creditors due within one year       | -                            | -                                | (687,019)                          | (687,019)                   |
| Creditors due in more than one year | (3,508,742)                  | -                                | -                                  | (3,508,742)                 |
|                                     | <u>13,769,092</u>            | <u>515,937</u>                   | <u>530,817</u>                     | <u>14,815,846</u>           |

#### Analysis of net assets between funds - prior year

|                                     | Capital<br>fund<br>2017<br>£ | Restricted<br>funds<br>2017<br>£ | Unrestricted<br>funds<br>2017<br>£ | Total<br>funds<br>2017<br>£ |
|-------------------------------------|------------------------------|----------------------------------|------------------------------------|-----------------------------|
| Tangible fixed assets               | -                            | -                                | 18,353,061                         | 18,353,061                  |
| Current assets                      | -                            | 455,316                          | 1,048,946                          | 1,504,262                   |
| Creditors due within one year       | -                            | -                                | (616,961)                          | (616,961)                   |
| Creditors due in more than one year | -                            | -                                | (3,310,134)                        | (3,310,134)                 |
|                                     | <u>-</u>                     | <u>455,316</u>                   | <u>15,474,912</u>                  | <u>15,930,228</u>           |

### 22. Reconciliation of net movement in funds to net cash flow from operating activities

|   | <b>Group</b>          |                |
|---|-----------------------|----------------|
|   | <b>2018</b>           | <b>2017</b>    |
|   | £                     | £              |
| Net expenditure for the year (as per Statement of Financial Activities) | <b>(1,114,382)</b>    | (991,962)      |
| <b>Adjustment for:</b>  |                       |                |
| Depreciation charges  | <b>1,351,851</b>      | 1,341,175      |
| Loss on the sale of fixed assets  | <b>2,400</b>          | -              |
| (Increase)/decrease in stocks   | <b>(13,292)</b>       | 14,498         |
| (Increase)/decrease in debtors  | <b>(74,997)</b>       | 77,721         |
| Increase/(decrease) in creditors  | <b>70,058</b>         | (124,704)      |
| <b>Net cash provided by operating activities</b>                        | <b><u>221,638</u></b> | <u>316,728</u> |

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2018

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### 23. Analysis of cash and cash equivalents

|              | <b>Group</b>     |           |
|--------------|------------------|-----------|
|              | <b>2018</b>      | 2017      |
|              | £                | £         |
| Cash in hand | <b>1,312,660</b> | 1,171,438 |
| Total        | <b>1,312,660</b> | 1,171,438 |

### 24. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £48,903 (2017: £32,673). Contributions totalling £6,663 (2017: £5,116) were payable to the fund at the balance sheet date and are included in creditors

### 25. Operating lease commitments

At 31 March 2018 the total of the group's future minimum lease payments under non-cancellable operating leases was:

|                         | <b>2018</b>  | 2017  |
|-------------------------|--------------|-------|
|                         | £            | £     |
| <b>Group</b>            |              |       |
| <b>Amounts payable:</b> |              |       |
| Within 1 year           | <b>7,189</b> | 7,292 |

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2018

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### 26. Related party transactions

The charitable company is controlled by its trustees who hold a majority of the voting rights.

Various entities of Northumberland Estates are related parties of the group. Control of these entities is exercised by a Board of Trustees, of which the Duke of Northumberland, husband of the Duchess of Northumberland (a director of the charitable company) is a member.

The charitable company and Northumberland Estates have a close working relationship. With effect from 1 October 2009 certain categories of expenditure involving both The Garden and Alnwick Castle Ventures have been incurred by Alnwick Garden Enterprises Limited and recharges have been made to ensure The Garden only bears its share of the costs. All admissions charges for Alnwick Castle are banked by Alnwick Garden Enterprises Limited in the first instance and are reimbursed to Alnwick Castle Ventures after the end of each month. These arrangements provide managerial and financial benefits to the charitable company.

The group received goods and services during the year from entities within Northumberland Estates costing £60,036 (2017: £133,629). The group recharged goods and services during the year to Northumberland Estates totalling £68,335 (2017: £58,975).

The group also operated a joint ticketing scheme with Alnwick Castle Ventures; ticket income of £2,041,659 (2017: £1,696,113) and car park income of £84,857 (2017: £79,351) was collected on behalf of Alnwick Castle Ventures during the year.

At the year end, the group owed £52,077 to Northumberland Estates (2017: £18,992).

The group held long term loans from the 9th Duke of Northumberland's Will Trust, 10th Duke of Northumberland's referential settlement: Duke's appointed fund, this being an entity within Northumberland Estates, of £3,508,742 (2017: £3,310,134), of which £nil falls due within one year. Further details are given in note 18.

The group received goods and services during the year from Hotspur Forestry Ltd, a company controlled by the Duke of Northumberland, of £4,075 (2017: £3,957), of which £269 (2017: £66) was owed at the year end.

### 27. Prior year adjustment

The classification of income and expenditure has been reviewed by the trustees and amounts have been reclassified to better reflect the nature of operations of the charity and group. This has not impacted on the final reported result in either year but comparative figures have been restated to remain consistent with the new classifications.

From 1 April 2017, visitor services, that were previously accounted for within Alnwick Garden Enterprises Limited have been accounted for within the charitable company, to better reflect the nature of operations. This has no impact on the group position.