

Registered number: 04584694
Charity number: 1095435

The Alnwick Garden Trust

(A company limited by guarantee)

Annual report

31 March 2019

The Alwick Garden Trust

(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1
Chairman's statement	2
Trustees' report	3 - 13
Trustees' responsibilities statement	14
Independent auditor's report	15 - 17
Consolidated statement of financial activities	18
Consolidated balance sheet	19
Company balance sheet	20
Consolidated statement of cash flows	21
Notes to the financial statements	22 - 41

The Alnwick Garden Trust

(A company limited by guarantee)

Reference and administrative details Year ended 31 March 2019

Trustees	The Duchess of Northumberland Jonathan Blackie CBE, Chair Ken McMeikan Louise Halbert Richard Hutton John Lovett (appointed 30 April 2019) Sir James Leigh-Pemberton (appointed 30 April 2019) Sir James Mackey (appointed 17 July 2019)
Company registered number	04584694
Charity registered number	1095435
Registered office	The Alnwick Garden Gardeners Cottage Greenwell Road Alnwick Northumberland NE66 1HB
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 2019

The chairman presents his statement for the period.

This year was one of the best ever. We welcomed a significant increase in visitors during the long, hot summer. We also attracted a record number to our Christmas and Halloween events, and in both summer and winter The Garden never looked better.

We sold over 7,000 tickets for our Christmas Light Show and 1,700 tickets for our first Halloween Evening Show. In September we were honoured when HRH The Prince of Wales opened the Elderberries Drop In Centre and met some of the regular visitors and volunteers.

We were delighted to win the North East Tourism Large Visitor Attraction Award which is a great credit to Mark and his team. This was highlighted by our score of 89% from the VisitEngland Welcome Accolade inspection, including 98% for staff service.

Searcys also arrived, one the UK's leading caterers, taking over the Treehouse restaurant, Pavilion café and opening the new Bakery, to enhance our food and drink offer. We also appointed Tracy Machnicki as Head of Community and Education to help us develop our charitable activities and build on the role The Garden plays in improving health and wellbeing.

We also appointed three further members to The Alnwick Garden Trust, John Lovett, Sir James Mackey and Sir James Leigh Pemberton. I would also like to thank our other trustees, Louise Halbert, Richard Hutton, Ken McMeikan and the Duchess of Northumberland for their advice, interest and commitment to The Garden.

Jane, Duchess of Northumberland, continues to inspire us to extend and complete The Garden. We are grateful for support from Northumberland County Council, both in gaining planning permission for the new play area, Lillidorei, and helping us to be included in the new 'Borderlands Growth Deal'.

We have agreed with Northumberland Estates to extend our lease to 2047 and we considering how we will improve our infrastructure for visitors across the site.

As always we appreciate the advice and backing from the Duke of Northumberland and Northumberland Estates, and the town and traders of Alnwick.



Jonathan Blackie CBE
Chairman

Date 19 September 2019

The Alnwick Garden Trust

(A company limited by guarantee)

Trustees' report Year ended 31 March 2019

The trustees present their annual report together with the audited financial statements of the group and the charitable company for the year 1 April 2018 to 31 March 2019. 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 charitable objectives

In order to achieve The Garden's charitable objectives, The Alnwick Garden's strategic plan identifies the following key themes:

Social Theme 1 - To significantly upscale The Garden's social impacts by expanding its community programmes, creating jobs and supporting local businesses.

Social Theme 2 - Sustain the winning culture. Ensuring the team of staff and volunteers continue to uphold and live by the values of The Garden, centred around teamwork, caring and being an active member of the local community.

Commercial Theme 1 - Transform the catering offer across site so that The Garden becomes a food destination in its own right

Commercial Theme 2 - Transform the Retail operation into a complete shopping experience

Commercial Theme 3 - Become the top Halloween and Christmas destination in the North East

The Alnwick Garden Trust

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 March 2019

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.

Achievements and performance

Review of the five charitable objectives against activities delivered in 2018/19

Promoting skills and lifelong learning

Objectives

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

Activities

Inspiring learning and skills development is a culture embedded within The Alnwick Garden's ethos and values. All provision encourages learning and growth through a diverse range of activities and events. Our young people's and children's programmes are designed to utilise our resources and expose them to concepts and opportunities that are sometimes unfamiliar to them. This includes using our outdoor space as an educational environment, enabling children and young people to explore different ways of learning life skills. From Drugs education in the Poison Garden to conservation and den building in the Woodland Walk, provision covers multiple aspects of the National Curriculum. Fostering a love of the outdoors from an early age and learning fundamental skills enthuses children on to a lifelong path of an affinity with their environment and nature.

Through our older people's provision, we strive to not only reduce isolation, but also nurture and encourage their inner child through fun activities and creating friendships. We support our Blooming Well Dementia group through stimulating activities to keep mind-active and new experiences.

It is not only our beneficiaries and visitors who are encouraged to absorb new skills; The Alnwick Garden staff also have a range of opportunities to develop through informal and formal learning, whether in-house or through an external provider. All staff have an induction and in-house training that includes health and safety and safeguarding with additional topics relevant to their areas of work. Permanent staff are encouraged to access training that develops their professional and personal skills as well as gain qualifications in Health and Safety, Food Hygiene and Dementia Awareness and Management Development, to name a few.

Encouraging people to think differently about disability

Objectives

Encouraging children of different abilities to play together.

The Alnwick Garden Trust

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 March 2019

Activities

The Young Gardeners programme works with families where a child or children has an additional need or disability. Through specialised support, children engage in a variety of gardening activities that ensure inclusivity and accessibility. It also allows families to have time together, learning new skills and creating a gardening plot that is theirs for the season. Through engaging and new experiences, children build trusting relationships with staff which builds their confidence and self-esteem. It's hoped that families use these new skills in their own gardens to make creative and imaginative environments for them all to enjoy.

Through the use of appropriate tools and making adaptations, children of varying abilities can participate on an equal footing which tackles feelings of isolation or segregation, with the opportunity to move on to a range of other activities that are offered to everyone.

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

Throughout the year, The Garden continues to showcase new artists and support established ones. This has included storytelling, musical events and street theatre. Live bands, buskers and choirs featured regularly as well as a Giant Poppy Installation. Our Street Theatre productions included Treemendous, Bramble and Badger and Gorillas to name a few.

Our Crafty Cottage hosts families with a range of arts and crafts activities led by professional artists and project staff. Visitors are encouraged to work together as a family, use their imaginations and create some wonderful masterpieces as mementoes of their day with us, as well as a sense of achievement. All activities have their own outcomes and encourage a variety of skills with a strong focus on the environment and nature. In 2018/2019 over 32,000 visitors access our Crafty Cottage activities. Craft activities have included bird feeders, daffodil planting and much more with every activity relative to the events in the Garden, as well as all having learning outcomes encouraging families to create together and learn about recycling, caring for their environment and nature.

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 programme continues to grow year on year and provides opportunities for older people aged 55 and over to come together and participate in social activities that promote wellbeing, create friendships and keep mentally, physically and socially active. Pilates and Yoga are two popular weekly sessions with on average, 16 beneficiaries at each session. As well as the physical activities, we have regular events including tea dances, a Christmas party and other social occasions aimed at tackling isolation and loneliness. Supported by the Stuart Halbert Foundation, this programme reached 342 individuals attending approximately 4,700 sessions.

The Alnwick Garden Trust

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 March 2019

Further provision for Elderberries includes the Drop In Centre which hosted over 3,000 attendances, with the opportunity to attend up to 3 sessions per week. With homemade baking, teas and coffees, a variety of games and a home from home feel, the Drop In continues to go from strength to strength in tackling isolation, loneliness and those in financial hardship. Beneficiaries have the opportunity to make friends, improve mental health and wellbeing and partake in a more fulfilling quality of life. What's more it is managed and facilitated by volunteers whose passion for the Drop In Centre and its users is explicit through their commitment and dedication which ensures that all are welcome and feel valued.

This ethos is echoed within our Gentleman's Garden group. The group meet on a weekly basis to tend to their plots with advice and support from a qualified gardener. Adaptations are made for less mobile beneficiaries, whether this be through making raised beds or buying appropriate tools to make the gardening tasks easier, ensuring all are included and can fully enjoy activities.

The Roots and Shoots programme was a resounding success once again, with children learning about growing and planting methods through to harvesting and cooking what they've grown. Throughout delivery, key messages and activities were geared towards the importance of healthy eating, increasing physical activity and using the outdoors as a classroom. Ten Northumberland schools participated, reaching over 200 children who learned the skills to be able to develop their own plots at school. Further plans include doing outreach gardening work to have a wider reach to more children and access schools where transport is a barrier which further relays the importance of reducing childhood obesity. The Shears Foundation continue to support this ground breaking programme in order to support children in making the link between healthy portions, where their food comes from and the impact on their wellbeing.

Community Development

Objectives

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

Activities

Through the recruitment of an experienced Enterprise Programme Development Manager in May 2018, the Grow Into Work Enterprise programme has really hit the ground running. Funded by Mercers, the programme seeks to equip beneficiaries with the skills and experience to successfully gain sustainable employment that suits their interest and abilities. Primarily working with young people, particular target groups include those who are Not in Education, Employment or Training (NEET) and those who did not perform academically well at school. It has also been an opportunity to link in with local employers, as well as providing work placements in-house. External placements included Costa, Alnwick Arts and Crafts, The Farm Bakery and G Penrose and Sons. In 2018/2019, 86% of beneficiaries secured employment within three months of completion with the remaining going into further training or demonstrating improved confidence around securing employment. We will continue to develop this success by expanding our work to include more employers and ensuring we support beneficiaries who are furthest from the labour market.

Through our Takeover Day, 20 children were invited to come to The Garden for the day and shadow various members of staff. This was a hugely inspiring day to a number of those who attended in preparing them for the world of work and raising their aspirations to fulfil their potential. As an extension to this we had the Christmas Market Takeover Day where children and young people had the opportunity to sell goods they had designed and created, with 7 schools and 109 beneficiaries taking part.

Economic impact of The Garden

Since opening 19 years ago, The Alnwick Garden has had a tremendous impact on the local community from both a financial and social perspective. The Garden welcomed its 6 millionth visitor in 2018. This footfall can nearly be doubled when taking into account non paying visitors using the retail shop and The Treehouse.

The Alnwick Garden Trust

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 March 2019

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 Gardens multiple catering venues, plus many local tradesmen have supported The Garden's maintenance programme.

Recent research calculated that The Alnwick Garden has contributed £282m to the local economy since its inception. Of this, £120m has been spent directly with local suppliers. This economic activity has supported 2,800 jobs in the 18 years since opening.

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 Shears Foundation
- Alnwick Town Rotary Club
- CEO Sleepout
- The Mercers' Company
- Sir John Hall

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 £5,179,929 (2018: £5,099,111), total resources expended of £6,193,369 (2018: £6,213,493) and net outgoing resources for the year of £1,071,363 (2018: £1,114,382).

The consolidated statement of financial activities shows net incoming resources before transfers of £485,542 on unrestricted funds. After including incoming resources of £25,473 on restricted funds and outgoing resources of £1,582,578 on the capital fund, the total outgoing resources were £1,071,563 (2018: £1,114,382).

When assessing the consolidated balance sheet it is important to note that in the year to 31 March 2019, 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 £3,719,265 at 31 March 2019 (£3,508,742 at 31 March 2018), 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.

The Alwick Garden Trust

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 March 2019

Non-financial key performance indicators

The Community and Education team continue to develop services and provision to aspire to support communities as best as possible, tailoring services to meet the diverse range of needs that are evident, as well as nurturing strong, strategic relationships to ensure we complement existing services and are able to identify gaps proficiently. With the implementation of a thorough social impact measuring system, we are able to track our outcomes to ensure we are doing justice to our beneficiaries and we are delivering quality provision. This runs alongside our community development work in increasing our reach, enhancing the scope of our delivery and implementing further opportunities for outreach delivery. Through all of our work, the following achievements have been evidenced:

- Elderberries Drop In Centre – 3,235 individual visits over 156 sessions
- Roots and Shoots Programme – 346 individual children from 10 schools attended over 40 sessions.
- Blooming Well Dementia Group – 49 beneficiaries over 98 sessions with 967 total attendances
- Elderberries Health and Self (Pilates, Yoga, Walking Group, Footcare, Dancefit) – 2,142 attendances with 258 beneficiaries at 176 different sessions
- Elderberries Gentleman's Garden Group – 23 beneficiaries over 49 sessions with 354 total attendances
- Young Gardeners – 10 families attended 10 sessions at 40 hours contact
- Enterprise Programme (Young Buskers) – 30 individuals for 2,160 hours with over £4,000 being raised
- Enterprise Programme (Employability) – 15 individuals for 2,730 contact hours
- Clinic Café – 156 attendances over 12 sessions
- Singing for the Brain – 388 attendances over 12 sessions
- Elderberries social events and parties – 545 beneficiaries over 6 events
- Elderberries sessions – 4,751 attendances with 342 beneficiaries
- Budding Artists programme - 37,926 children participated in the activities
- Poison Garden – over 89,000 visitors attended a tour and received an increased awareness of both legal and illegal drugs and the dangers of substance misuse and impact

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

The Alnwick Garden Trust

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 March 2019

Financial performance summary

	2018-19 £	2017-18 £	2016-17 £	2015-16 £	2014-15 £
Revenue					
<i>Admissions (including Friends and Gift Aid)</i>	2,545,925	2,506,961	2,373,922	2,185,927	2,075,229
<i>Retail Sales</i>	697,793	701,672	597,586	546,704	509,677
<i>Catering Sales</i>	1,318,618	1,375,645	1,304,604	1,401,992	1,323,592
<i>Rental and Other Revenue</i>	421,318	328,879	239,401	221,478	219,123
<i>Other Income</i>	27,139	4,714	51,184	161,022	49,410
Total Revenue	5,010,793	4,917,871	4,566,697	4,517,123	4,177,032
Direct Costs					
<i>Admissions Direct Costs</i>	815,472	749,878	683,541	573,605	536,538
<i>Retail Cost of Sales and direct costs</i>	549,605	519,790	457,781	433,377	411,947
<i>Catering Cost of Sales and direct costs</i>	1,069,116	1,177,810	1,083,400	1,043,317	1,010,948
<i>Other Direct Costs</i>	12,144	14,999	-	-	-
Total Direct Costs	2,446,337	2,462,477	2,224,722	2,050,299	1,959,432
Gross Profit	2,564,456	2,455,394	2,341,975	2,466,824	2,217,599
Operating Costs					
<i>Garden Maintenance</i>	339,292	303,251	284,774	270,760	267,431
<i>Marketing and Communication</i>	371,536	351,099	318,023	325,048	385,869
<i>Management and Administration</i>	420,154	424,140	412,296	329,654	289,674
<i>Other Staff Costs</i>	14,015	17,992	21,629	21,752	25,622
<i>Other Overheads</i>	94,267	101,093	106,900	128,110	133,304
<i>Premises Costs</i>	316,482	320,237	280,534	291,395	319,721
<i>Repairs and Maintenance</i>	217,720	213,311	205,703	306,682	375,703
Total Operating Costs	1,773,466	1,731,123	1,629,859	1,673,401	1,797,325
Operating Revenue before Capital Investment and Impact Activity	790,990	724,271	712,116	793,423	420,274
Capital Investment - Charged to Profit and Loss	194,636	236,284	97,975	61,367	50,000
Capital Investment - Capitalised	272,584	408,555	464,569	389,156	211,336
Post-maintenance surplus before Social Impact Activity	323,770	79,432	149,572	342,900	158,938
Costs of Social Impact Activity	181,786	161,059	167,306	181,280	196,483
Donations toward Social Impact Activity	(109,134)	(146,974)	(92,760)	(100,374)	(181,393)
Surplus after Social Impact Activity	251,117	65,347	75,025	261,994	143,849

The table above demonstrates The Garden's consistently strong Operating Revenue over the last five years. This has been underpinned by a stringent control over costs and a solid visitor footfall. The operating revenue surpluses are reinvested in the operations of the Garden, with decisions made by trustees on a case by case

The Alnwick Garden Trust

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 March 2019

basis. There are primarily three areas for ongoing investment to expand and enhance the Charity's public benefit which are:

- Firstly, delivering The Garden's social impacts through its Community and Education activities. A significant amount is also received from external donations to supplement this however in recent years there has been less reliance on external donations due to the healthy cash flows The Garden has been able to generate.
- Secondly, capital investment required as part of the infrastructure maintenance plan.
- Thirdly, investment in the development of new projects such as the new adventure golf course and the envisaged Education Centre and Lilidorei Play Village.

Footnote:

The numbers above are presented in non-statutory form to demonstrate the underlying profitability of the garden operations prior to the Trust taking on significant debt as set out elsewhere in the report. Classifications between income and expenditure of different operations in this format and the statutory headings and charitable functions described elsewhere in financial statements differ due to some charitable activities being income generating in order to support the wider operations of the garden. The total income and expenditure set out above are drawn from management information and can be reconciled to the previously audited financial statements of the group.

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 £13.8m, of which £12.5m is represented by the capital fund and is not available to spend, and a further £506k of cash is held for restricted projects. Free reserves of £837k are represented by £742k of cash, and short-term debtors and creditors. Included in this is £503k held as a cash reserve that covers 2 to 3 months expenditure, in line with the target in the unrestricted reserves policy.

The trustees are satisfied with 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 £503k has been set aside for this. This covers roughly two to three months operational expenditure depending on the time of year.

The Alnwick Garden Trust

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 March 2019

To further mitigate this risk considerable investment is being made in improving The Garden's Halloween and Christmas offer. This will improve the financial sustainability throughout the year.

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 held monthly and a Risk Committee 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 (2018: 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.

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 2019

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 Chief Executive Officer was Mark Brassell for the entire reporting period. There is a scheme of delegation whereby the trustees have granted powers for the Chief Executive Officer 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

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 March 2019

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 Garden's community programmes;
- A new play village (Lilidorei);
- A specialist lighting project including the cascade;
- 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

UNW LLP has indicated its willingness to continue in office and a resolution concerning its reappointment will be proposed in accordance with section 485 of the Companies Act 2006.

This report was approved by the trustees, on 13 December 2019 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 2019

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 Alwick Garden Trust

Opinion

We have audited the financial statements of The Alwick Garden Trust (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2019 set out on pages 18 to 41. 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 2019 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

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 Alnwick Garden Trust

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. 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.

Anne Hallowell

**Anne Hallowell BSc FCA DChA (Senior Statutory Auditor)
for and on behalf of UNW LLP (Statutory Auditor)**
Chartered Accountants
Newcastle upon Tyne
13 December 2019

The Alnwick Garden Trust

(A company limited by guarantee)

Consolidated statement of financial activities incorporating income and expenditure account

Year ended 31 March 2019

	Note	Capital fund 2019 £	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and legacies	3	-	111,487	4,922	116,409	152,476
Charitable activities	4	-	-	2,486,469	2,486,469	2,418,672
Other trading activities	6,5	-	12,716	2,564,335	2,577,051	2,527,963
Total income		-	124,203	5,055,726	5,179,929	5,099,111
Expenditure on:						
Raising funds	6,7	116,796	-	2,210,141	2,326,937	2,454,583
Charitable activities	8	1,465,782	98,730	2,360,043	3,924,555	3,758,910
Total expenditure		1,582,578	98,730	4,570,184	6,251,492	6,213,493
Net income / (expenditure) before transfers		(1,582,578)	25,473	485,542	(1,071,563)	(1,114,382)
Transfers between funds	20	214,481	(34,807)	(179,674)	-	-
Net income / (expenditure) before other recognised gains and losses		(1,368,097)	(9,334)	305,868	(1,071,563)	(1,114,382)
Net movement in funds		(1,368,097)	(9,334)	305,868	(1,071,563)	(1,114,382)
Reconciliation of funds:						
Total funds brought forward		13,769,092	515,937	530,817	14,815,846	15,930,228
Total funds carried forward		12,400,995	506,603	836,685	13,744,283	14,815,846

The notes on pages 22 to 41 form part of these financial statements.

The Alnwick Garden Trust

(A company limited by guarantee)

Consolidated balance sheet At 31 March 2019

	Note	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	13		16,120,260		17,277,834
Current assets					
Stocks	15	94,752		110,572	
Debtors	16	488,882		310,541	
Cash at bank and in hand		1,217,232		1,312,660	
			<u>1,800,866</u>	<u>1,733,773</u>	
Creditors: amounts falling due within one year	17	(457,578)		(687,019)	
Net current assets			<u>1,343,288</u>		<u>1,046,754</u>
Total assets less current liabilities			<u>17,463,548</u>		<u>18,324,588</u>
Creditors: amounts falling due after more than one year	18	(3,719,265)		(3,508,742)	
Net assets			<u>13,744,283</u>		<u>14,815,846</u>
Charity funds					
Capital fund	20		12,400,995		13,769,092
Restricted funds	20		506,603		515,937
Unrestricted funds	20		836,685		530,817
Charity funds			<u>13,744,283</u>		<u>14,815,846</u>

The financial statements were approved and authorised for issue by the trustees on 13 December 2019 and signed on their behalf, by:



The Duchess of Northumberland

The notes on pages 22 to 41 form part of these financial statements.

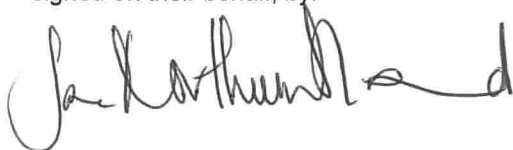
The Alnwick Garden Trust

(A company limited by guarantee)

Company balance sheet At 31 March 2019

	Note	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	13		15,779,786		16,914,802
Investments			2		2
			<u>15,779,788</u>		<u>16,914,804</u>
Current assets					
Debtors	16	89,284		16,813	
Cash at bank		609,485		752,080	
		<u>698,769</u>		<u>768,893</u>	
Creditors: amounts falling due within one year	17	<u>(410,283)</u>		<u>(511,992)</u>	
Net current assets			<u>288,486</u>		<u>256,901</u>
Total assets less current liabilities			<u>16,068,274</u>		<u>17,171,705</u>
Creditors: amounts falling due after more than one year	18		<u>(2,603,486)</u>		<u>(2,456,120)</u>
Net assets			<u>13,464,788</u>		<u>14,715,585</u>
Charity funds					
Capital fund			13,190,005		14,458,682
Restricted funds			506,603		515,938
Unrestricted funds			<u>(231,820)</u>		<u>(259,035)</u>
Total funds			<u>13,464,788</u>		<u>14,715,585</u>

The financial statements were approved and authorised for issue by the trustees on 13 December 2019 and signed on their behalf, by:



The Duchess of Northumberland

Company registered number: 04584694

The notes on pages 22 to 41 form part of these financial statements.

The Alnwick Garden Trust

(A company limited by guarantee)

Consolidated statement of cash flows Year ended 31 March 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	<u>(33,368)</u>	<u>221,638</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(272,584)	(408,555)
Sale of tangible fixed assets		-	129,530
Net cash used in investing activities		<u>(272,584)</u>	<u>(279,025)</u>
Cash flows from financing activities:			
Interest payable		210,524	198,609
Net cash provided by financing activities		<u>210,524</u>	<u>198,609</u>
Change in cash and cash equivalents in the year		(95,428)	141,222
Cash and cash equivalents brought forward		<u>1,312,660</u>	<u>1,171,438</u>
Cash and cash equivalents carried forward		<u><u>1,217,232</u></u>	<u><u>1,312,660</u></u>

The notes on pages 22 to 41 form part of these financial statements.

The Alwick Garden Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2019

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 Alwick 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 £(1,254,390) (2018 - £(1,129,452)).

1.4 Going concern

The group recorded a net deficit of expenditure over income in 2019 and has net assets at the year end of £13,744,283. 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 Alwick Garden Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2019

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 was created during the prior 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.

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 volunteer time of the Friends is not recognised.

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.

The Alnwick Garden Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2019

1. Accounting policies (continued)

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.

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
Motor vehicles	-	between 3 and 4 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.

The Alnwick Garden Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2019

1. Accounting policies (continued)

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.

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.

The Alnwick Garden Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2019

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.

3. Income from donations and legacies

	Capital fund 2019 £	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	-	111,487	4,922	116,409	152,476
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2018	-	145,273	7,203	152,476	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	

4. Income from charitable activities

	Capital fund 2019 £	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Gift Aid and admissions donations	-	-	439,488	439,488	478,841
Admissions	-	-	2,046,981	2,046,981	1,939,831
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	-	2,486,469	2,486,469	2,418,672
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2018	-	-	2,418,672	2,418,672	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	

The Alwick Garden Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2019

5. Fundraising income

	Capital fund 2019 £	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Fundraising	-	12,716	61	12,777	19,575
Sponsorship	-	-	5,900	5,900	3,393
	<u>-</u>	<u>12,716</u>	<u>5,961</u>	<u>18,677</u>	<u>22,968</u>
Total 2018	<u>-</u>	<u>-</u>	<u>22,968</u>	<u>22,968</u>	

6. Trading activities

	Capital fund 2019 £	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Charity trading income					
Subsidiary trading to third parties	-	-	2,558,374	2,558,374	2,504,995
Charity trading expenses					
Subsidiary trading costs	116,796	-	2,193,924	2,310,720	2,429,698
	<u>116,796</u>	<u>-</u>	<u>2,193,924</u>	<u>2,310,720</u>	<u>2,429,698</u>
Net income from trading activities	<u>(116,796)</u>	<u>-</u>	<u>364,450</u>	<u>247,654</u>	<u>75,297</u>

7. Costs of raising funds

	Capital fund 2019 £	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Direct fundraising costs	-	-	16,217	16,217	24,885
	<u>-</u>	<u>-</u>	<u>16,217</u>	<u>16,217</u>	<u>24,885</u>
Total 2018	<u>-</u>	<u>-</u>	<u>24,885</u>	<u>24,885</u>	

The Alwick Garden Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2019

8. Analysis of expenditure by activities

	Direct costs 2019 £	Support costs 2019 £	Total 2019 £	Total 2018 £
Visitor services	852,012	624,147	1,476,159	1,333,990
Charitable programmes	173,994	-	173,994	138,048
Garden maintenance	2,063,878	210,524	2,274,402	2,286,872
Total 2019	<u>3,089,884</u>	<u>834,671</u>	<u>3,924,555</u>	<u>3,758,910</u>
Total 2018	<u>2,956,870</u>	<u>802,040</u>	<u>3,758,910</u>	

9. Direct costs

	2019 £	2018 £
Visitor services costs	361,485	222,412
Charitable programme costs	35,708	41,627
Garden maintenance costs	470,000	540,165
Staff costs	967,433	913,630
Depreciation	1,255,258	1,239,036
Total	<u>3,089,884</u>	<u>2,956,870</u>

10. Support costs

	2019 £	2018 £
Office costs	332,455	362,646
Staff costs	291,692	240,786
Interest	210,524	198,608
Total	<u>834,671</u>	<u>802,040</u>

The Alwick Garden Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2019

11. Net income/(expenditure)

This is stated after charging:

	2019	2018
	£	£
Depreciation of tangible fixed assets:		
- owned by the charitable group	1,372,055	1,351,851
Auditor's remuneration - audit	9,150	9,000
Auditor's remuneration - other services	1,750	1,750
	<u>1,382,955</u>	<u>1,362,601</u>

The Alnwick Garden Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2019

12. Staff costs

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	2,013,919	1,959,403
Social security costs	127,497	123,608
Other pension costs	69,367	48,903
	<u>2,210,783</u>	<u>2,131,914</u>

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

	2019 No.	2018 No.
Visitor services	49	46
Gardeners	15	14
Retail	8	8
Food and beverages	45	34
Education and arts	16	16
Fundraising	7	4
Marketing	2	3
Finance and administration	11	9
	<u>153</u>	<u>134</u>

The number of higher paid employees was:

	2019 No.	2018 No.
In the band £70,001 - £80,000	0	1
In the band £100,001 - £200,000	1	0

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 2018/19 they are:

Mark Brassell

The total employee benefits of the key management personnel of the charity were £114,590 (2018: £77,522).

During the year, one trustee received remuneration amounting to £6,000 for non-trustee consultancy services supplied to the charity in the year (2018: £6,000). One trustee received reimbursement of expenses amounting to £792 (2018: £555).

The Alnwick Garden Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2019

13. Tangible fixed assets

Group	Garden infrastructure £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2018	30,784,300	1,203,808	81,659	32,069,767
Additions	156,503	108,022	8,059	272,584
Disposals	(102,500)	(3,360)	(4,341)	(110,201)
At 31 March 2019	30,838,303	1,308,470	85,377	32,232,150
Depreciation				
At 1 April 2018	13,810,804	916,255	64,874	14,791,933
Charge for the year	1,259,580	103,197	9,278	1,372,055
On disposals	(44,397)	(3,360)	(4,341)	(52,098)
At 31 March 2019	15,025,987	1,016,092	69,811	16,111,890
Net book value				
At 31 March 2019	15,812,316	292,378	15,566	16,120,260
At 31 March 2018	16,973,496	287,553	16,785	17,277,834
Company				
Cost				
At 1 April 2018	30,625,658	250,898		30,876,556
Additions	155,407	22,938		178,345
Disposals	(102,500)	-		(102,500)
At 31 March 2019	30,678,565	273,836		30,952,401
Depreciation				
At 1 April 2018	13,711,679	250,075		13,961,754
Charge for the year	1,252,899	2,359		1,255,258
On disposals	(44,397)	-		(44,397)
At 31 March 2019	14,920,181	252,434		15,172,615
Net book value				
At 31 March 2019	15,758,384	21,402		15,779,786
At 31 March 2018	16,913,979	823		16,914,802

The Alnwick Garden Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2019

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 2019	£ 1,712,237
Total liabilities as at 31 March 2019	£ 1,432,739
Total equity as at 31 March 2019	£ 279,498
Turnover for the year ended 31 March 2019	£ 2,558,374
Expenditure for the year ended 31 March 2019	£ 2,373,877
Profit for the year ended 31 March 2019	£ 184,497

15. Stocks

	<u>Group</u>		<u>Company</u>	
	2019	2018	2019	2018
	£	£	£	£
Goods for resale	<u>94,752</u>	<u>110,572</u>	<u>-</u>	<u>-</u>

The Alwick Garden Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2019

16. Debtors

	<u>Group</u>		<u>Company</u>	
	2019 £	2018 £	2019 £	2018 £
Trade debtors	151,631	66,900	210	110
Other debtors	92,265	87,150	1,072	2,378
Prepayments and accrued income	244,986	156,491	88,002	14,325
	<u>488,882</u>	<u>310,541</u>	<u>89,284</u>	<u>16,813</u>

17. Creditors: amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2019 £	2018 £	2019 £	2018 £
Trade creditors	222,982	282,430	47,158	36,692
Amounts owed to group undertakings	-	-	269,667	388,591
Amounts owed to related parties	31,568	50,157	-	-
Other taxation and social security	24,088	27,753	2,767	2,344
Other creditors	33,606	6,068	-	-
Accruals and deferred income	145,334	320,611	90,691	84,365
	<u>457,578</u>	<u>687,019</u>	<u>410,283</u>	<u>511,992</u>

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

	<u>Group</u>		<u>Company</u>	
	2019 £	2018 £	2019 £	2018 £
Other loan	3,719,265	3,508,742	2,603,486	2,456,120

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 2019

19. Financial instruments

	2019 £	2018 £
Financial assets that are debt instruments measured at amortised cost	<u>257,382</u>	<u>173,595</u>
Financial liabilities measured at amortised cost	<u>4,176,843</u>	<u>4,195,761</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 2019

20. Statement of funds

Statement of funds - current year

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2019 £
Designated funds					
Appeals	24,207	5,913	(6,590)	-	23,530
Programme fundraising	27,516	4,928	(1,268)	-	31,176
Tractors	408	-	-	-	408
	<u>52,131</u>	<u>10,841</u>	<u>(7,858)</u>	<u>-</u>	<u>55,114</u>
General funds					
General funds	478,686	5,044,885	(4,562,326)	(179,674)	781,571
	<u>530,817</u>	<u>5,055,726</u>	<u>(4,570,184)</u>	<u>(179,674)</u>	<u>836,685</u>
Unrestricted funds - capital					
Capital fund	13,769,092	-	(1,582,578)	214,481	12,400,995
Restricted funds					
Roots & Shoots (Young People & Enterprise)	43,845	35,329	(35,000)	-	44,174
Urban Project (Young People & Enterprise)	2,325	-	-	-	2,325
Young Gardeners (Young People & Enterprise)	8,692	94	(1,266)	-	7,520
Drugs Education (Young People & Enterprise)	20,512	7,800	-	-	28,312
Enterprise Programme	13,310	26,702	(31,510)	-	8,502
Elderberries	78,915	32,956	(26,660)	-	85,211
Travelling Elderberries	4,940	-	(1,146)	-	3,794
Blooming Well (Elderberries)	32,464	1,324	(1,315)	-	32,473
Play Area	22,902	-	-	-	22,902
Family Fun Day	153	-	-	-	153
All Our Stories	281	-	-	-	281
Winter Lighting Project	47,201	8,750	-	-	55,951
Disability Scooters	6,367	37	-	-	6,404
Elderberries Drop In Centre - capital	17,251	-	-	(547)	16,704
Elderberries Drop In Centre - running costs	3,268	4,591	(1,833)	-	6,026
Capital Donations	213,511	6,620	-	(34,260)	185,871
	<u>515,937</u>	<u>124,203</u>	<u>(98,730)</u>	<u>(34,807)</u>	<u>506,603</u>
Total of funds	<u>14,815,846</u>	<u>5,179,929</u>	<u>(6,251,492)</u>	<u>-</u>	<u>13,744,283</u>

The Alnwick Garden Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2019

20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2018 £
Designated funds					
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>
General funds					
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>
Unrestricted funds - capital					
Capital fund	-	-	(1,550,461)	15,319,553	13,769,092
Restricted funds					
Roots & Shoots	42,677	36,168	(35,000)	-	43,845
Urban Project	2,325	-	-	-	2,325
Young Gardeners	5,043	9,485	(5,836)	-	8,692
Drugs Education	15,078	7,156	(1,722)	-	20,512
Enterprise Programme	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	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>
Total of funds	<u><u>15,930,228</u></u>	<u><u>5,099,111</u></u>	<u><u>(6,213,493)</u></u>	<u><u>-</u></u>	<u><u>14,815,846</u></u>

The Alwick Garden Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2019

20. Statement of funds (continued)

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.

Unrestricted capital fund

This represents the capital cost of The Garden; as assets are purchased the amounts are transferred into this fund.

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 horticultural, inclusive activities for families with children who have additional needs.

Drugs Education (Young People & Enterprise)

The Drugs Education programme is funded via donations from visitors to The Poison Garden and seeks to reach young people across Northumberland, to educate them around the dangers of substance misuse and encourage their resilience to make positive lifestyle choices.

Enterprise Programme

The Grow into Work programme funded by The Mercers' Company seeks to support young people into sustainable employment. Through empowering young people, it supports them to harness their entrepreneurial talent, offers flexible work experience placements and gives them the necessary skills to enable them to succeed in the workplace.

Elderberries

The Elderberries programme is funded through fundraising activities, along with the remaining grant from The Stuart Halbert Foundation and a donation from Sir John and Lady Mae Hall.

The Alnwick Garden Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2019

20. Statement of funds (continued)

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 build of a new centre for the Elderberries programme. The Drop In Centre is a wonderful facility with a home from home feel to support those aged over 55 to reduce isolation.

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 Alwick Garden Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2019

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Capital fund 2019 £	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	16,120,260	-	-	16,120,260
Current assets	-	506,603	1,294,261	1,800,864
Creditors due within one year	-	-	(457,576)	(457,576)
Creditors due in more than one year	(3,719,265)	-	-	(3,719,265)
	<u>12,400,995</u>	<u>506,603</u>	<u>836,685</u>	<u>13,744,283</u>

Analysis of net assets between funds - prior year

	Capital fund 2018 £	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £
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>

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

	Group	
	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(1,071,563)	(1,114,382)
Adjustment for:		
Depreciation charges	1,372,055	1,351,851
Loss on the sale of fixed assets	58,103	2,400
Decrease/(increase) in stocks	15,820	(13,292)
Increase in debtors	(178,341)	(74,997)
(Decrease)/increase in creditors	(229,442)	70,058
Net cash (used in)/provided by operating activities	(33,368)	221,638

The Alnwick Garden Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2019

23. Analysis of cash and cash equivalents

	Group	
	2019	2018
	£	£
Cash in hand	1,217,232	1,312,660
Total	1,217,232	1,312,660

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 £69,367 (2018: £48,903). Contributions totalling £5,207 (2018: £6,663) were payable to the fund at the balance sheet date and are included in creditors

25. Operating lease commitments

At 31 March 2019 the total of the group's future minimum lease payments under non-cancellable operating leases was:

Group	2019	2018
Amounts payable:	£	£
Within 1 year	7,417	7,189

The Alnwick Garden Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2019

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 £44,495 (2018: £64,110). The group recharged goods and services during the year to Northumberland Estates totalling £80,232 (2018: £68,335).

The group also operated a joint ticketing scheme with Alnwick Castle Ventures; ticket income of £1,689,529 (2018: £1,956,802) and car park income of £77,380 (2018: £84,857) was collected on behalf of Alnwick Castle Ventures during the year.

At the year end, the group owed £31,568 to Northumberland Estates (2018: £50,157).

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 £3,719,266 (2018: £3,508,742), of which £nil falls due within one year. Further details are given in note 18.