

Registered number: 04584694  
Charity number: 1095435

# **The Alnwick Garden Trust**

(A company limited by guarantee)

**Annual report**

**31 March 2020**

# The Alwick 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 2020

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<b>Trustees</b>	The Duchess of Northumberland Jonathan Blackie CBE, Chair Ken McMeikan (resigned 13 November 2019) Louise Halbert (resigned 17 February 2020) Richard Hutton John Lovett (appointed 30 April 2019) Sir James Leigh-Pemberton (appointed 30 April 2019) Sir James Mackey (appointed 17 July 2019)
<b>Company registered number</b>	04584694
<b>Charity registered number</b>	1095435
<b>Registered office</b>	The Alnwick Garden Gardeners Cottage Greenwell Road Alnwick Northumberland NE66 1HB
<b>Chief executive officer</b>	Mark Brassell
<b>Independent auditor</b>	UNW LLP Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
<b>Bankers</b>	Barclays Bank Morpeth Northumberland NE61 3YY
<b>Solicitors</b>	Ward Hadaway Sandgate House 102 Quayside Newcastle upon Tyne NE1 3DX

# The Alnwick Garden Trust

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## Chairman's statement Year ended 31 March 2020

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The year to the end of March 2020 had been a great success. We had seen 340,000 people visit The Garden, we attracted £15m to build a major extension, Lilidorei, a new play area, and had held the most successful Christmas season ever, with over 10,000 tickets sold for the Light Trail.

Then, towards the end of March, we closed The Garden to help fight the COVID-19 global pandemic. Mark Brassell and his team took action to reduce financial liabilities to the charity, most of the staff were placed on furlough, thanks to the Government scheme. The trustees are very grateful that Mark and a couple of colleagues kept The Garden maintained during this period.

Following Government guidance, we were able to reopen The Garden in early July. We have seen the number of visitors grow from 400 a day to over 2,200 visitors a day. We have adapted The Garden to the various social distancing criteria that are now in force, and it is very encouraging to see so many people return after such a difficult period. I hope that The Garden is able to play a part in our efforts to recover from the virus.

The year had begun very well. In April 2019 we had one of our best years for cherry blossom. We saw growth in the number of visitors as the reputation of The Garden continues to develop both nationally and internationally. We managed to attract a very diverse range of visitors, young families, older couples and foreign tourists. It has been this diversity that has helped us bounce back from the recent closure.

We also supported a range of community programmes. Elderberries and Roots and Shoots continue to attract large numbers. The Drop In Centre has become very well established, almost 4,000 attendances over the year. Particular thanks to the volunteers who keep the centre open and always offer such a warm welcome. Elderberries also offered the Blooming Well Dementia Group, Gentlemens' Garden, Health and Self sessions, including a Tea N Tec, to help navigate around all the technology and social media that is now available. Roots and Shoots for young people now offers a healthy eating programme and 76 schools visited during the year. There is also a Young Gardeners Group, an Enterprise Programme for those seeking work, and Drugs Education. Some 84,000 visitors toured the Poison Garden, making it the largest drugs prevention programme in Northumberland.

All of this, together with the 4,000 people who took part in the Lantern Parade in the town, and the 109 jobs we provide, underlines the value of The Garden to Alnwick and Northumberland.

We were very pleased to attract the first Borderlands Growth Deal grant, £5m towards Lilidorei. The Duchess of Northumberland is working alongside another of our trustees John Lovett with a dedicated project team. We hope to appoint a main contractor in the near future. Sir James Leigh Pemberton, another trustee, and Mark presented the case for investment in Lilidorei earlier in the year and managed to attract a £10m repayable investment through the issue of Retail Charity Bonds. Particular thanks to John and James for their efforts.

During the lockdown we have been very grateful for advice from Richard Hutton, one of our trustees, who has chaired our Finance and Audit Committee for a number of years. We also said goodbye during the year to Louise Halbert, who had served as a trustee for four years. The Stuart Halbert Foundation had been very generous supporters of the Elderberries programme and their support had seen the opening of the Drop In Centre in the Stuart Halbert Room.

As always, I thank The Duchess of Northumberland for her vision and commitment to The Garden during these difficult times. Thanks also to The Duke of Northumberland and Northumberland Estates for their support, particularly in extending The Garden's lease to 2047. Finally, I pay tribute to Mark and the staff team, who have managed the disruption and challenges arising from the lockdown in such a positive manner.

*Jonathan Blackie*

Jonathan Blackie CBE, Chairman

28 September 2020

# The Alnwick Garden Trust

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## Trustees' report

Year ended 31 March 2020

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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 2019 to 31 March 2020. 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).

### 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 immersive shopping experience

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

# The Alnwick Garden Trust

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## Trustees' report (continued) Year ended 31 March 2020

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### 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 activities undertaken during the year are set out elsewhere in this report and the trustees are satisfied that the charity is fulfilling its public benefit requirement.

### Achievements and performance

#### Review of the five charitable objectives against activities delivered in 2019/20

##### *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 enthralls children on to a lifelong path of an affinity with their environment and nature.

The Trust launched its Drugs Education programme in July 2019 to tackle the lack of drugs prevention support in Northumberland for children and young people. Provision consists of innovative and engaging workshops and programmes to teach the dangers of substance misuse and also build young people's self-esteem and resilience to give them the confidence to make informed and positive choices around friendship groups, lifestyle options and engaging in positive activities. The programme dovetails with the Poison Garden within The Alnwick Garden which encompasses fascinating insight into poisonous plants to educate people on the dangers that can be found in our own gardens.

The overall aim of the Drugs Education programme is to prevent young people and children from engaging in substance abuse and longer-term measurables include decrease in anti-social behaviour levels, decrease in arrests of young people linked to substance misuse and a decrease in young people accessing crisis services. Since the commencement of the programme, The Trust has worked with 10 organisations and schools across Northumberland, reaching 677 children and young people. In 2019, out of 509 children and young people:

- 71% felt they had more awareness around drugs misuse and the impact upon the body;
- 65% felt more equipped to make informed choices;
- 53% had a better understanding of the law and legal consequences;
- 50% had increased their confidence in talking to adults and seeking support;

# The Alnwick Garden Trust

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## Trustees' report (continued) Year ended 31 March 2020

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- 71% felt more confident in having an awareness of substance misuse;
- 73% felt they could explain facts around drugs, cigarettes and energy drinks;
- 64% were able to explain and had increased their knowledge around how substance misuse impacts upon mental health.

Close ties have been made with Northumberland County Council Personal, Social, Health and Economic Lead and the NHS. Provision will be expanded through Continuous Professional Development delivery to teaching staff and educators. A partnership has also been formed with Northumbria University in securing funding to make story boards and deliver further workshops on Chromatography and Drugs Analysis, which will be embedded within the programme.

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

#### *Objectives*

Encouraging children of different abilities to play together.

#### *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 Titan the Robot, Giant Leeks and Flowers as well as Phineas Fogg and Bumble Bees. These street theatre artists were selected due to their strong educational themes.

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 2019/2020 over 37,000 visitors accessed our Crafty Cottage activities. Craft activities have included miniature gardens, Bee friendly planters, art using natural materials and wand making using plantable shoots. All activities have specific learning outcomes. Many activities this year 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.

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## Trustees' report (continued) Year ended 31 March 2020

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### *Activities*

The Elderberries is the longest-running and most established programme at The Alwick Garden. The programme works with people aged over 55 to combat isolation, provide stimulating and mind provoking activities, as well as increase physical exercise and promote mental wellbeing. The Trust ensures that every activity and group follow at least one of the NHS 5 Steps to Wellbeing, which are:

- Connect with other people
- Be physically active
- Learn new skills
- Give to others
- Mindfulness

In 2019/2020 the Trust reached 512 beneficiaries through Elderberries, as well as hosting a wealth of one-off events, detailed in the 'Wider Community' section.

The Trust's Stuart Halbert Drop In Centre is a hugely valued and needed service which is evidenced with 3,257 attendances from April 2019 to March 2020. Aimed at over 55's, the Drop In is entirely led and delivered by a team of dedicated and committed volunteers. The idea for the centre came from The Duchess of Northumberland, who wanted a community-based area for older people in Alwick and the surrounding areas, where friendships can be made and nurtured. The Drop In has been purpose built, funded by the Stuart Halbert Foundation and Rank Foundation, to replicate a comfortable, heart-warming living room feel. Home baked refreshments are served, free of charge, and a variety of games, books and magazines are available. At the Drop In, beneficiaries have the opportunity to spend time with others, playing games, passing the time of day, or sharing stories or memories.

Working in partnership with the NHS and funded by The Shears Foundation, The Roots and Shoots programme supports schools across Northumberland to tackle childhood obesity and promote healthy living in children and young people. The Trust works with 10 schools per year, each with approximately 20 children per season. Throughout the growing season, each school has their own plot where they prepare the soil, plant produce and harvest the vegetables. The practical sessions are coupled with classroom education around healthy eating, living well and the importance of exercise. The children can then take this learning home and help transform their own garden and prepare tasty meals with the produce they've grown.

Outcomes: To increase knowledge around healthy eating and lifestyles  
To embed learning and make positive changes as a result

153 pupils successfully completed the programme in 2019, 10 schools (including three SEN schools) participated. 100% of participants commented that they had increased knowledge around healthy eating and lifestyles with 32% embedding changes.

### **Community Development**

#### *Objectives*

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

#### *Activities*

Grow Into Work is an employment support programme part funded by The Mercers Company, to help people in North Northumberland to gain the skills, knowledge and confidence to secure sustainable employment. The six-week programme is a mix of work experience and classroom-based sessions where beneficiaries develop CV writing skills, application form completion and interview and presentation skills. Support continues once beneficiaries have completed the programme with telephone, face to face and email support. Support may continue until the beneficiary gains employment, and beyond if required.

80% of participants of the Grow Into Work programme have moved into paid employment with 15% moving into further education or additional training.



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## **Trustees' report (continued) Year ended 31 March 2020**

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

Since opening 19 years ago, The Alwick Garden has had a tremendous impact on the local community from both a financial and social perspective. Over 6.5 million visitors have visited The Garden in this time and this footfall can nearly be doubled when taking into account non-paying visitors using the retail shop and The Treehouse.

The Garden is a proud supporter of local businesses. Strong relationships have been built with suppliers in and around Alwick 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.

A renewed focus on supporting local suppliers was initiated in the retail shop for 2019/20. This involved the development of a new supply chain and the sourcing of exciting local product ranges.

Recent research calculated that The 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 first 18 years since opening.

The Alwick Garden is an inspirational initiative that has put Alwick, 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 Alwick 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
- Police Crime Commissioner
- CEO Sleepout
- The Mercers' Company
- Alex Clark
- Round Table
- Northumberland Cultural Fund

# The Alnwick Garden Trust

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## Trustees' report (continued) Year ended 31 March 2020

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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 £6,268,701 (2019: £5,179,929), total resources expended of £5,312,615 (2019: £6,251,492) and net incoming resources for the year of £956,086 (2019: net outgoing resources of £1,071,363). However, this result is distorted by a notional credit of £2.2mill, relating to the discounted loan with Northumberland Estates which has been renegotiated during the year.

When assessing the consolidated balance sheet it is important to note that in the year to 31 March 2020, 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 £1,565,041 at 31 March 2020 (£3,719,265 at 31 March 2019), based on a discount rate of 6%, the agreed repayment structure and the settlement date in 2047.

#### 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 – 3,257 individual visits
- Blooming Well Dementia Group – 30 beneficiaries with 868 total attendances
- Elderberries reached 532 individuals
- Elderberries Christmas Party – 100 beneficiaries including 82 new attendees
- Young Gardeners – 9 families attended that included 27 children beneficiaries
- Engaged with 101 beneficiaries through partnership development
- Reached 1,102 beneficiaries through the Community Day
- Completed 8 Community Outreach Gardening Projects that impacted on 326 individual beneficiaries
- Young Gardeners – 10 families attended 10 sessions at 40 hours contact
- Enterprise Programme (Young Buskers) – 6 buskers participated with over £2,000 being raised
- Grow Into Work (Employability) – 44 individuals supported with 80% success rate
- Clinic Café – 151 participants
- Drugs Education – 677 children participants
- Roots and Shoots Healthy Living Programme – 153 pupils, 10 schools including three SEN Schools.
- Singing for the Brain – 271 attendances over 12 sessions
- Elderberries social events and parties – 294 beneficiaries over 3 events
- Elderberries health and self – 545 beneficiaries over 6 events
- Budding Artists programme - 37,742 children participated in the activities
- Poison Garden – over 83,893 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 Alnwick Garden is having on the local community and sets the bar for further growth in years to come.

For further information on The Trust's Social Impacts please refer to the 2019/2020 Social Impact report on The Alnwick Garden website.

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## Trustees' report (continued)

Year ended 31 March 2020

### Financial performance summary

	2019-20	2018-19	2017-18	2016-17	2015-16
	£	£	£	£	£
<b>Revenue</b>					
<i>Admissions (including Friends and Gift Aid)</i>	2,558,414	2,545,925	2,506,961	2,373,922	2,185,927
<i>Retail Sales</i>	560,697	697,793	701,672	597,586	546,704
<i>Catering Sales</i>	-	1,318,618	1,375,645	1,304,604	1,401,992
<i>Rental and Other Revenue</i>	728,782	421,318	328,879	239,401	221,478
<i>Other Income</i>	34,989	27,139	4,714	51,184	161,022
<b>Total Revenue</b>	<b>3,882,882</b>	<b>5,010,793</b>	<b>4,917,871</b>	<b>4,566,697</b>	<b>4,517,123</b>
<b>Direct Costs</b>					
<i>Admissions Direct Costs</i>	972,711	815,472	749,878	683,541	573,605
<i>Retail Cost of Sales and direct costs</i>	474,382	549,605	519,790	457,781	433,377
<i>Catering Cost of Sales and direct costs</i>	-	1,069,116	1,177,810	1,083,400	1,043,317
<i>Other Direct Costs</i>	15,613	12,144	14,999	-	
<b>Total Direct Costs</b>	<b>1,462,706</b>	<b>2,446,337</b>	<b>2,462,477</b>	<b>2,224,722</b>	<b>2,050,299</b>
<b>Gross Profit</b>	<b>2,420,176</b>	<b>2,564,456</b>	<b>2,455,394</b>	<b>2,341,975</b>	<b>2,466,824</b>
<b>Operating Costs</b>					
<i>Garden Maintenance</i>	334,928	339,292	303,251	284,774	270,760
<i>Marketing and Communication</i>	337,956	371,536	351,099	318,023	325,048
<i>Management and Administration</i>	392,117	420,154	424,140	412,296	329,654
<i>Other Staff Costs</i>	9,141	14,015	17,992	21,629	21,752
<i>Other Overheads</i>	90,357	94,267	101,093	106,900	128,110
<i>Premises Costs</i>	448,552	316,482	320,237	280,534	291,395
<i>Repairs and Maintenance</i>	153,003	217,720	213,311	205,703	306,682
<b>Total Operating Costs</b>	<b>1,766,054</b>	<b>1,773,466</b>	<b>1,731,123</b>	<b>1,629,859</b>	<b>1,673,401</b>
<b>Operating Revenue before Capital Investment and Impact Activity</b>	<b>654,122</b>	<b>790,990</b>	<b>724,271</b>	<b>712,116</b>	<b>793,423</b>
Capital Investment - Charged to Profit and Loss	233,720	194,636	236,284	97,975	61,367
Capital Investment - Capitalised	297,517	272,584	408,555	464,569	389,156
<b>EBITDA Before Impact Activity</b>	<b>122,886</b>	<b>323,770</b>	<b>79,432</b>	<b>149,572</b>	<b>342,900</b>
Costs of Impact Activity	250,830	181,786	161,059	167,306	181,280
Donations toward Impact Activity	(98,350)	(109,134)	(146,974)	(92,760)	(100,374)
<b>EBITDA After Impact Activity</b>	<b>(29,594)</b>	<b>251,117</b>	<b>65,347</b>	<b>75,025</b>	<b>261,994</b>

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 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

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## Trustees' report (continued) Year ended 31 March 2020

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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 Garden's Festive season offering.

It must be noted that in the 2019/20 financial year the impact of the COVID 19 pandemic impacted on March figures quite considerably. This was the difference between The Trust making a small operational surplus after impact activity and the deficit that was ultimately made.

### 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 can be reconciled to the previously audited financial statements of the group.

### Reserves policy

For the 2019/20 financial year The Trust aimed to hold sufficient unrestricted working capital to allow it to operate effectively, without cash flow concerns. The trustees considered that this should be maintained at between 2-3 months expected cash expenditure. In light of the COVID 19 pandemic this will be reviewed as part of a greater exercise to test the robustness of The Trust's commercial operations.

At the year end the group's reserves stood at £14.7m, of which £13.6m is represented by the capital fund and is not available to spend, and a further £500k of cash is held for restricted projects. Free reserves of £629k 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 Trust's cash balance at year end also includes £10m being the proceeds of the Retail Charity Bond issue. This amount has been ringfenced for the development of the Lilidorei play village.

The trustees are satisfied with the year end position and the unrestricted surplus generated during the year but the reserves policy will be reviewed in 20/21 as mentioned above.

### Going concern

Despite the considerable strain the COVID-19 pandemic has placed on the tourism industry, the trustees are comfortable with the financial position of The Garden. The Garden has rebounded well and is capitalising on its position as a safe outdoor venue. In addition, the company has arranged a CBILS loan in the amount of £500,000 in order to cover any unforeseen contingencies. The proceeds of this loan are held as a cash reserve and it is not intended to utilise this reserve. Consequently, 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.

A more detailed report on post year end events can be found at the end of this report.

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## **Trustees' report (continued) Year ended 31 March 2020**

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### **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. The most critical risk that has emerged over the last year has been the impact of the pandemic and its financial impact on The Trust. The buffer fund that was created to mitigate cash flow challenges has certainly helped and the unprecedented extent of the COVID-19 pandemic has meant that the trustees will reassess the levels of reserves The Trust should aspire to have in the future. As noted above, the unrestricted reserve policy that was introduced in 2017 will be reviewed in light of recent developments.

Another key risk to emerge recently is around the new Lilidorei Play Village development for which The Trust has been able to finance through a £10m Retail Charity Bond issue and a £5m Grant from the Borderlands Growth Deal. The delivery of the project and the management of the new stakeholder relationships will be critical. The project related risks have been incorporated with The Trust's overall risk matrix and are being managed appropriately.

### **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 (2019: 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 of an interest free loan to the value of £8m. In addition to this The Trust occupies land under a number of long-term leases with Northumberland Estates.

During the reporting year the legal relationship with Northumberland Estates was altered significantly. Firstly, the repayment date of the interest free loan was extended for a further 12 years to 31 March 2047. In addition to this the leases were also extended to the year 2047 to align with the loan repayment date. This secures the future of The Alnwick Garden in its current form until 2047 and ensures charitable outputs for a further 12 years.

Each year 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 group.

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## **Trustees' report (continued) Year ended 31 March 2020**

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

#### **Constitution**

The Trust is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 29 October 2002. The Trust 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 Trust 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 Trust 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 Trust but each trustee, as a member, is a guarantor of the Trust to an amount not exceeding £1 in the event of the Trust being wound up.

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

The Trust is responsible for the development and activities of The Garden. The Trust 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 Trust 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 Trust and its subsidiary. Between these meetings, trustees are informed on a monthly basis of actual performance of both entities.

The Trust'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 instigated 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. Policies and practices are adjusted based on the outcomes of this assessment.

#### **Post Year End Update on the impact of the COVID 19 Pandemic and Future Plans**

March 2020 was an extremely busy time at The Garden. Not only was the pandemic beginning to rear its head but the Retail Charity Bond issue was in full swing. The bond transaction was concluded at the same time as the government's lockdown was announced. The Garden was then closed to the public for 99 days until the government announced its first easing measures in early June.

Throughout the lockdown period a great deal of focus was placed on saving costs and scenario planning. A number of plans were developed to ensure The Trust was in the best possible position to survive the economic shock of losing three of the season's busiest commercial months. The government's furlough scheme was used to safeguard jobs while plans were developed to ensure The Garden was safe for visitors and staff on reopening.

# The Alnwick Garden Trust

(A company limited by guarantee)

## Trustees' report (continued)

Year ended 31 March 2020

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Once government clearance was obtained, plans were rolled out for The Garden to reopen on 1st July. Numerous changes were made to the site, systems and procedures in order to ensure the safety of staff and visitors. Since reopening, visitor numbers have been strong. Due to demand, The Garden's opening hours have been extended on two occasions. Secondary spend levels have also been strong with retail shop, food and beverage and adventure golf performing particularly well.

With such a strong start plans are in place to proceed with The Garden's Halloween and Christmas events although on a smaller scale than previous years. A comprehensive financial plan has been developed to ensure that the free cash reserves used to survive the pandemic are replenished by the commencement of the 2022/23 financial year.

With the Bond issue being secured before the lockdown, work on the Lilidorei Play Village was able to proceed without delay. The first £1m instalment of the £5m grant was received in July and the project is on track to meet the timeframes initially envisaged.

The Trust secured a £5m grant from the Borderlands Growth Fund. The grant was conditional on The Trust raising the remaining £10m of the project cost through debt finance. This finance was secured in March 2020 through the issue of Retail Charity Bonds at a 5% coupon rate. The bonds have a 10-year maturity with a legal redemption period of 12 years. This exciting breakthrough has meant that The Trust's next phase of development, the Lilidorei Play Village, can commence. The design and construction phases of the project will commence in the 2020/21 financial year with the new attraction opening date being set for Easter 2023.

In terms of the completion of The Garden, the charitable company remains committed to completing the development. 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;
- 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 28 September 2020 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 2020

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The trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the trustees' report including the strategic 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 group and the company and of their incoming resources and application of resources, including their income and expenditure, 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 (FRS 102)
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company 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 group and the company 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 charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2020 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 (continued)**

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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 including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the 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 including the Strategic report.

We have nothing to report in respect of the following matters in relation to which 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 (continued)

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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, appearing to read 'Anne Hallowell'.

### Anne Hallowell BSc FCA DChA (Senior Statutory Auditor)

for and behalf of UNW LLP (Statutory Auditor)  
Chartered Accountants  
Newcastle upon Tyne

28 September 2020

# The Alnwick Garden Trust

(A company limited by guarantee)

## Consolidated Statement of financial activities (incorporating income and expenditure account)

Year ended 31 March 2020

	Note	Capital fund 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>						
Donations and legacies	3	-	87,808	28,658	116,466	116,409
Charitable activities	4	-	-	2,476,453	2,476,453	2,486,469
Other trading activities	5	-	14,414	1,412,888	1,427,302	2,577,051
Other income	6	2,248,480	-	-	2,248,480	-
<b>Total income</b>		<b>2,248,480</b>	<b>102,222</b>	<b>3,917,999</b>	<b>6,268,701</b>	<b>5,179,929</b>
<b>Expenditure on:</b>						
Raising funds		102,603	-	1,109,370	1,211,973	2,326,937
Charitable activities	8	1,375,489	158,353	2,570,245	4,104,087	3,924,555
<b>Total expenditure</b>		<b>1,478,092</b>	<b>158,353</b>	<b>3,679,615</b>	<b>5,316,060</b>	<b>6,251,492</b>
<b>Net income / expenditure)</b>		<b>770,388</b>	<b>(56,131)</b>	<b>238,384</b>	<b>952,641</b>	<b>(1,071,563)</b>
Transfers between funds	20	364,836	49,719	(414,555)	-	-
<b>Net movement in funds</b>		<b>1,135,224</b>	<b>(6,412)</b>	<b>(176,171)</b>	<b>952,641</b>	<b>(1,071,563)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		12,400,995	506,603	836,685	13,744,283	14,815,846
Net movement in funds		1,135,224	(6,412)	(176,171)	952,641	(1,071,563)
<b>Total funds carried forward</b>		<b>13,536,219</b>	<b>500,191</b>	<b>660,514</b>	<b>14,696,924</b>	<b>13,744,283</b>

The notes on pages 22 to 46 form part of these financial statements.

# The Alnwick Garden Trust


(A company limited by guarantee)

## Consolidated balance sheet At 31 March 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	14	15,101,260	16,120,260
		<u>15,101,260</u>	<u>16,120,260</u>
<b>Current assets</b>			
Stocks	16	118,128	94,752
Debtors	17	488,859	488,882
Cash at bank and in hand		10,799,048	1,217,232
		<u>11,406,035</u>	<u>1,800,866</u>
Creditors: amounts falling due within one year	18	(468,851)	(457,578)
<b>Net current assets</b>		<u>10,937,184</u>	<u>1,343,288</u>
<b>Total assets less current liabilities</b>		<u>26,038,444</u>	<u>17,463,548</u>
Creditors: amounts falling due after more than one year	19	(11,341,520)	(3,719,265)
<b>Total net assets</b>		<u>14,696,924</u>	<u>13,744,283</u>
<b>Charity funds</b>			
Capital fund	20	13,536,219	12,400,995
Restricted funds	20	500,191	506,603
Unrestricted funds	20	660,514	836,685
<b>Total funds</b>		<u>14,696,924</u>	<u>13,744,283</u>

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the trustees on 28 September 2020 and signed on their behalf by:



**The Duchess of Northumberland**

The notes on pages 22 to 46 form part of these financial statements.

# The Alnwick Garden Trust

(A company limited by guarantee)

## Company balance sheet At 31 March 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	14	14,795,854	15,779,786
Investments	15	2	2
		<u>14,795,856</u>	<u>15,779,788</u>
<b>Current assets</b>			
Debtors	17	40,574	89,284
Cash at bank and in hand		10,145,903	609,485
		<u>10,186,477</u>	<u>698,769</u>
Creditors: amounts falling due within one year	18	(552,990)	(410,283)
<b>Net current assets</b>		<u>9,633,487</u>	<u>288,486</u>
<b>Total assets less current liabilities</b>		<u>24,429,343</u>	<u>16,068,274</u>
Creditors: amounts falling due after more than one year	19	(10,872,008)	(2,603,486)
<b>Total net assets</b>		<u><u>13,557,335</u></u>	<u><u>13,464,788</u></u>
<b>Charity funds</b>			
Capital fund	20	13,700,326	13,190,005
Restricted funds	20	500,191	506,603
Unrestricted funds	20	(643,182)	(231,820)
<b>Total funds</b>		<u><u>13,557,335</u></u>	<u><u>13,464,788</u></u>

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the trustees on 28 September 2020 and signed on their behalf by:



The Duchess of Northumberland

The notes on pages 22 to 46 form part of these financial statements.

# The Alnwick Garden Trust

(A company limited by guarantee)

## Consolidated statement of cash flows Year ended 31 March 2020

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	260,076	177,156
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(454,739)	(272,584)
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	(454,739)	(272,584)
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Receipt of Retail Charity Bond	9,776,479	-
	<hr/>	<hr/>
<b>Net cash provided by financing activities</b>	9,776,479	-
	<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>	9,581,816	(95,428)
Cash and cash equivalents brought forward	1,217,232	1,312,660
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<u>10,799,048</u>	<u>1,217,232</u>

The notes on pages 22 to 46 form part of these financial statements

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2020

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### 1. Accounting policies

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), 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 consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements. The income and expenditure account for the year dealt with in the accounts of the company was £115,616 (2019: (£1,254,390)).

#### 1.4 Going concern

Due to the Covid-19 pandemic, on 23 March the operations at the Garden closed, reopening on 1 July. As a result, the group generated no admissions or trading income during this period, but was able to access some grant support for staff costs and has secured a government backed loan to support cash flow through the crisis. Since reopening, visitor numbers and income generation have been encouraging. Forecasts for the remainder of the 20/21 financial year and beyond have been redrafted to account for the ongoing situation and predict the future income of the group will be sufficient to meet its liabilities as they fall due without the need to utilise the CBILS loan arranged in May 2020. Consequently the trustees are able to reasonably conclude that the group remains a going concern and continue to prepare the financial statements on a going concern basis.



# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 March 2020

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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 group 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.

The capital fund isolates 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 group 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 2020

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### 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.

Grants are included in the consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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 facilities are recognised on the basis of the value of the gift to the company which is the amount it 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 2020

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### 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 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the consolidated statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the consolidated statement of financial activities as the related expenditure is incurred.

#### 1.9 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided 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

#### 1.10 Fixed asset investments

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

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2020

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### 1. Accounting policies (continued)

#### 1.11 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.

#### 1.12 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.

#### 1.13 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.

#### 1.14 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.

#### 1.15 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 third 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.

#### 1.16 Concessionary loan

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

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 March 2020

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### 1. Accounting policies (continued)

#### 1.17 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.

#### 1.18 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group 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.

### 3. Income from donations and legacies

	<b>Restricted funds 2020 £</b>	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Donations	87,808	10,072	<b>97,880</b>
Government grants	-	18,586	<b>18,586</b>
	<u>87,808</u>	<u>28,658</u>	<u><b>116,466</b></u>

	<b>Restricted funds 2019 £</b>	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>
Donations	111,487	4,922	<b>116,409</b>

# The Alwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2020

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### 4. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £
Gift Aid and admissions donations	365,740	365,740
Admissions	2,110,713	2,110,713
<b>Total 2020</b>	<b>2,476,453</b>	<b>2,476,453</b>
	Unrestricted funds 2019 £	Total funds 2019 £
Gift Aid and admissions donations	439,488	439,488
Admissions	2,046,981	2,046,981
<b>Total 2019</b>	<b>2,486,469</b>	<b>2,486,469</b>

### 5. Income from other trading activities

#### Income from fundraising events

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Fundraising	14,414	382	14,796
Sponsorship	-	4,000	4,000
	<b>14,414</b>	<b>4,382</b>	<b>18,796</b>

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 March 2020

### 5. Income from other trading activities (continued)

#### Income from fundraising events (continued)

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Fundraising	12,716	61	12,777
Sponsorship	-	5,900	5,900
	<u>12,716</u>	<u>5,961</u>	<u>18,677</u>

#### Income from non charitable trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Subsidiary trading to third parties	<u>1,408,506</u>	<u>1,408,506</u>

	Unrestricted funds 2019 £	Total funds 2019 £
Subsidiary trading to third parties	<u>2,558,374</u>	<u>2,558,374</u>

### 6. Other incoming resources

	Capital fund 2020 £	Total funds 2020 £	Total funds 2019 £
Interest income (note 19)	<u>2,248,480</u>	<u>2,248,480</u>	-

# The Alwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2020

### 7. Expenditure on raising funds

	Capital fund 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Direct fundraising costs	-	270	270
Subsidiary trading costs	102,603	1,109,100	1,211,703
	<u>102,603</u>	<u>1,109,370</u>	<u>1,211,973</u>

	Capital fund 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Direct fundraising costs	-	16,217	16,217
Subsidiary trading costs	116,796	2,193,924	2,310,720
	<u>116,796</u>	<u>2,210,141</u>	<u>2,326,937</u>

### 8. Analysis of expenditure on charitable activities

#### Summary by fund type

	Capital fund 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Visitor services	94,255	-	1,554,879	1,649,134
Charitable programmes	-	158,353	104,259	262,612
Garden maintenance	1,281,234	-	911,107	2,192,341
	<u>1,375,489</u>	<u>158,353</u>	<u>2,570,245</u>	<u>4,104,087</u>



# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 March 2020

### 8. Analysis of expenditure on charitable activities (continued)

#### Summary by fund type (continued)

	Capital fund 2019 £	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Visitor services	210,524	-	1,265,635	1,476,159
Charitable programmes	-	98,730	75,264	173,994
Garden maintenance	1,255,258	-	1,019,144	2,274,402
	<u>1,465,782</u>	<u>98,730</u>	<u>2,360,043</u>	<u>3,924,555</u>

### 9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Visitor services	1,024,396	624,738	1,649,134
Charitable programmes	262,612	-	262,612
Garden maintenance	2,098,086	94,255	2,192,341
	<u>3,385,094</u>	<u>718,993</u>	<u>4,104,087</u>

	Direct costs 2019 £	Support costs 2019 £	Total funds 2019 £
Visitor services	852,011	624,147	1,476,158
Charitable programmes	173,994	-	173,994
Garden maintenance	2,063,878	210,524	2,274,402
	<u>3,089,883</u>	<u>834,671</u>	<u>3,924,555</u>

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2020

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### 10. Direct costs

	2020 £	2019 £
Visitor services costs	395,335	361,485
Charitable programme costs	56,121	35,708
Garden maintenance costs	472,959	470,000
Staff costs	1,179,445	967,433
Depreciation	1,281,234	1,255,258
	<u>3,385,094</u>	<u>3,089,884</u>

### 11. Support costs

	2020 £	2019 £
Office costs	373,196	332,455
Staff costs	251,542	291,692
Interest	94,255	210,524
	<u>718,993</u>	<u>834,671</u>

### 12. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £9,350 (2019 - £9,150), and an accounting services fee of £1,750 (2019 - £1,750).

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2020

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### 13. Staff costs

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
<b>Staff costs were as follows:</b>				
Wages and salaries	1,591,908	1,998,079	189,142	154,253
Social security costs	102,173	136,864	13,331	9,367
Contribution to defined contribution pension schemes	67,700	75,840	4,018	6,473
	<u>1,761,781</u>	<u>2,210,783</u>	<u>206,491</u>	<u>170,093</u>

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

	Group 2020 No.	Group 2019 No.
Visitor services	30	49
Gardeners	14	15
Retail	9	8
Food and beverages	28	45
Education and arts	8	16
Fundraising	6	7
Marketing	3	2
Finance and administration	11	11
	<u>109</u>	<u>153</u>

# The Alwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2020

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### 13. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>Group 2020 No.</b>	Group 2019 No.
In the band £60,001 - £70,000	1	-
In the band £100,001 - £110,000	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 2019/20 they have been determined to be the members of the senior management team, comprising the following:

Director  
Head of Community and Education  
Head of People Services  
Head of Finance  
Head of Garden Operations  
Head of Visitor Services  
Head of Commercial Operations  
Head of Facilities and Maintenance  
Executive Assistant and Office Manager

The total employee benefits of the key management personnel of the charity were £363,293 (2019: £344,956). In both years only eight out of the nine roles were filled due to vacancies.

During the year one trustee received reimbursement of expenses amounting to £743 (2019: £792).

# The Alnwick Garden Trust

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## Notes to the financial statements Year ended 31 March 2020

### 14. Tangible fixed assets

#### Group

	Garden infrastructure £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 April 2019	30,838,303	1,308,470	85,377	32,232,150
Additions	274,614	180,125	-	454,739
Disposals	(111,818)	(255,260)	-	(367,078)
At 31 March 2020	<u>31,001,099</u>	<u>1,233,335</u>	<u>85,377</u>	<u>32,319,811</u>
<b>Depreciation</b>				
At 1 April 2019	15,025,987	1,016,092	69,811	16,111,890
Charge for the year	1,276,021	99,479	8,337	1,383,837
On disposals	(62,864)	(214,311)	-	(277,175)
At 31 March 2020	<u>16,239,144</u>	<u>901,260</u>	<u>78,148</u>	<u>17,218,552</u>
<b>Net book value</b>				
At 31 March 2020	<u>14,761,955</u>	<u>332,075</u>	<u>7,229</u>	<u>15,101,259</u>
At 31 March 2019	<u>15,812,316</u>	<u>292,378</u>	<u>15,566</u>	<u>16,120,260</u>

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2020

### 14. Tangible fixed assets (continued)

#### Company

	Garden infrastructure £	Fixtures, fittings and equipment £	Total £
<b>Cost or valuation</b>			
At 1 April 2019	30,678,565	273,836	30,952,401
Additions	267,058	72,050	339,108
Disposals	(87,988)	(41,823)	(129,811)
At 31 March 2020	<u>30,857,635</u>	<u>304,063</u>	<u>31,161,698</u>
<b>Depreciation</b>			
At 1 April 2019	14,920,181	252,434	15,172,615
Charge for the year	1,271,168	10,066	1,281,234
On disposals	(46,347)	(41,658)	(88,005)
At 31 March 2020	<u>16,145,002</u>	<u>220,842</u>	<u>16,365,844</u>
<b>Net book value</b>			
At 31 March 2020	<u>14,712,633</u>	<u>83,221</u>	<u>14,795,854</u>
At 31 March 2019	<u>15,758,384</u>	<u>21,402</u>	<u>15,779,786</u>

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.

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2020

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### 15. Fixed asset investments

#### Principal subsidiaries

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

The following was a subsidiary undertaking of the company:

Name	Company number	Holding	Included in consolidation
Alnwick Garden Enterprises Limited	04579518	100%	Yes

The financial results of the subsidiary for the year were:

Name	Turnover £	Expenditure £	Profit for the year £	Net assets £
Alnwick Garden Enterprises Limited	1,382,678	1,211,703	860,094	1,139,592

### 16. Stocks

	Group 2020 £	Group 2019 £
Goods for resale	118,128	94,752

### 17. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	272,644	151,631	14	210
Amounts owed by participating interests	1,006	-	1,006	-
Other debtors	72,911	92,265	2,460	1,072
Prepayments and accrued income	142,298	244,986	37,094	88,002
	<u>488,859</u>	<u>488,882</u>	<u>40,574</u>	<u>89,284</u>

# The Alwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2020

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### 18. Creditors: Amounts falling due within one year

	<b>Group 2020 £</b>	Group 2019 £	<b>Company 2020 £</b>	Company 2019 £
Trade creditors	<b>163,133</b>	222,982	<b>68,540</b>	47,158
Amounts owed to group undertakings	-	-	<b>392,024</b>	269,667
Amounts owed to other participating interests	<b>80,522</b>	31,568	-	-
Other taxation and social security	<b>27,800</b>	24,088	<b>4,069</b>	2,767
Other creditors	<b>28,303</b>	33,606	-	-
Accruals and deferred income	<b>169,093</b>	145,334	<b>88,357</b>	90,691
	<b>468,851</b>	457,578	<b>552,990</b>	410,283



# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 March 2020

### 19. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Other loans	1,565,041	3,719,265	1,095,529	2,603,486
Retail Charity Bond	9,776,479	-	9,776,479	-
<b>Other loans</b>	<b>11,341,520</b>	<b>3,719,265</b>	<b>10,872,008</b>	<b>2,603,486</b>

#### Other loans

The group is in receipt of an interest-free loan of £8m from Northumberland Estates. Control of this entity is exercised by a Board of trustees, of which the Duke of Northumberland, husband of the Duchess of Northumberland (a director of the company) is a member.

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 was renegotiated during the year and is repayable in full at the end of the term in 2047. Previously the loan was repayable by instalments from 2020. The resulting change to the terms has resulted in a credit of £2,248,480 to the statement of financial activities in the year.

The loan was previously secured by a fixed and floating charge over the assets of the charitable company and by a fixed charge over land and buildings. This charge was released in the year. This loan is now unsecured and is subordinated to the other indebtedness of the company.

#### Retail Charity Bond

In March 2020 Retail Charity Bonds plc (RCB) launched the AGT1 Retail Charity Bond, which was issued through and is listed on the London Stock Exchange Retail Bonds platform. RCB raised £10m from the issue of this bond.

The full amount of the funds raised by RCB have been loaned to the Trust under the terms of a loan agreement between the Trust and RCB.

The loan is repayable in full in March 2030. Interest is payable at a rate of 5% per annum.

The Trust was advanced £9.8m net of the bond issue costs. The bond issue costs, together with other costs associated with the advance of this loan, including legal and accountancy fees totalling £224k, have been capitalised and are being amortised over the term of the loan.

# The Alwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2020

### 20. Statement of funds

#### Statement of funds - current year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Appeals	23,530	4,015	(6,592)	-	20,953
Programme Fundraising	31,176	6,707	(1,387)	(2,679)	33,817
Tractors	408	-	-	-	408
<b>General funds</b>					
General funds	781,571	3,907,277	(3,671,636)	(411,876)	605,336
<b>Unrestricted funds - capital</b>					
Capital fund	12,400,995	2,248,480	(1,478,092)	364,836	13,536,219
<b>Restricted funds</b>					
Roots & Shoots	44,174	35,668	(29,720)	-	50,122
Urban Project	2,325	-	-	-	2,325
Young Gardeners	7,520	776	(866)	-	7,430
Drugs Education	28,312	11,821	(27,409)	-	12,724
Enterprise Programme	8,502	26,700	(37,881)	2,679	-
Elderberries	85,211	13,155	(58,377)	-	39,989
Travelling Elderberries	3,794	-	-	-	3,794
Blooming Well	32,473	2,470	(1,320)	-	33,623
Play Area	22,902	-	-	-	22,902
Family Fun Day	153	-	-	-	153
All Our Stories	281	-	-	-	281
Winter Lighting Project	55,951	3,750	-	(55,768)	3,933
Mobility Scooters	6,404	28	-	-	6,432
Elderberries Centre - Capital	16,704	-	-	-	16,704
Elderberries Centre - Costs	6,026	4,040	(2,780)	-	7,286
Capital donations	185,871	3,814	-	102,808	292,493
	506,603	102,222	(158,353)	49,719	500,191
<b>Total of funds</b>	<b>13,744,283</b>	<b>6,268,701</b>	<b>(5,316,060)</b>	<b>-</b>	<b>14,696,924</b>

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 March 2020

### 20. Statement of funds (continued)

#### Statement of funds - prior year

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2019 £
<b>Designated funds</b>					
Appeals	24,207	5,913	(6,590)	-	23,530
Programme Fundraising	27,516	4,928	(1,268)	-	31,176
Tractors	408	-	-	-	408
<b>General funds</b>					
General funds	478,686	5,044,885	(4,562,326)	(179,674)	781,571
<b>Unrestricted funds - capital</b>					
Capital fund	13,769,092	-	(1,582,578)	214,481	12,400,995
<b>Restricted funds</b>					
Roots & Shoots	43,845	35,329	(35,000)	-	44,174
Urban Project	2,325	-	-	-	2,325
Young Gardeners	8,692	94	(1,266)	-	7,520
Drugs Education	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	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
Mobility Scooters	6,367	37	-	-	6,404
Elderberries Centre	20,519	4,591	(1,833)	(547)	22,730
Capital donations	213,511	6,620	-	(34,260)	185,871
<b>Total of funds</b>	<b>14,815,846</b>	<b>5,179,929</b>	<b>(6,251,492)</b>	<b>-</b>	<b>13,744,283</b>

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 March 2020

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### 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 success 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 2020

### 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.

### Mobility 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 from unrestricted funds in the year relate to capital expenditure funded by these donations.

## 21. Analysis of net assets between funds

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

	Endowment funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	15,101,260	-	-	15,101,260
Current assets	-	500,191	10,905,844	11,406,035
Creditors due within one year	-	-	(468,851)	(468,851)
Creditors due in more than one year	(1,565,041)	-	(9,776,479)	(11,341,520)
<b>Total</b>	<b>13,536,219</b>	<b>500,191</b>	<b>660,514</b>	<b>14,696,924</b>

# The Alwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2020

### 21. Analysis of net assets between funds (continued)

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

	Endowment funds 2019 £	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	16,120,260	-	-	16,120,260
Current assets	-	506,603	1,294,263	1,800,866
Creditors due within one year	-	-	(457,578)	(457,578)
Creditors due in more than one year	(3,719,265)	-	-	(3,719,265)
<b>Total</b>	<b>12,400,995</b>	<b>506,603</b>	<b>836,685</b>	<b>13,744,283</b>

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

	Group 2020 £	Group 2019 £
Net income/expenditure for the period (as per Statement of Financial Activities)	952,641	(1,071,563)
<b>Adjustments for:</b>		
Depreciation charges	1,383,837	1,372,055
Loss on the sale of fixed assets	89,903	58,103
Decrease/(increase) in stocks	(23,376)	15,820
Decrease/(increase) in debtors	23	(178,341)
Increase/(decrease) in creditors	11,273	(229,442)
Non cash changes to loan finance	(2,154,225)	210,524
<b>Net cash provided by operating activities</b>	<b>260,076</b>	<b>177,156</b>

### 23. Analysis of cash and cash equivalents

	Group 2020 £	Group 2019 £
Cash in hand	10,799,048	1,217,232
<b>Total cash and cash equivalents</b>	<b>10,799,048</b>	<b>1,217,232</b>

# The Alnwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2020

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### 24. Analysis of changes in net debt

	At 1 April 2019	Cash flows	Other non- cash changes	At 31 March 2020
	£	£	£	£
Cash at bank and in hand	1,217,232	9,581,816	-	10,799,048
Debt due after 1 year	(3,719,265)	(94,256)	2,248,480	(1,565,041)
	<u>(2,502,033)</u>	<u>9,487,560</u>	<u>2,248,480</u>	<u>9,234,007</u>

### 25. 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 £67,700 (2019: £75,840). Contributions totalling £6,983 (2019: £11,216) were payable to the fund at the balance sheet date and are included in creditors.

### 26. Operating lease commitments

At 31 March 2020 the group and the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020	Group 2019
	£	£
<b>Amounts payable:</b>		
Not later than 1 year	<u>10,394</u>	<u>7,417</u>

# The Alwick Garden Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2020

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### 27. 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 Alwick Castle Ventures have been incurred by Alwick Garden Enterprises Limited and recharges have been made to ensure The Garden only bears its share of the costs. All admissions charges for Alwick Castle are banked by Alwick Garden Enterprises Limited in the first instance and are reimbursed to Alwick 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 £32,874 (2019: £44,495). The group recharged goods and services during the year to Northumberland Estates totalling £61,614 (2019: £80,232).

The group also operated a joint ticketing scheme with Alwick Castle Ventures; ticket income of £1,702,749 (2019: £1,689,529) and car park income of £73,429 (2019: £77,380) was collected on behalf of Alwick Castle Ventures during the year.

At the year end, the group owed £79,516 to Northumberland Estates (2019: £31,568).

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 £1,565,041 (2019: £3,719,265), of which £nil falls due within one year. Further details are given in note 19.

During the year, Jonathan Blackie, a trustee, received remuneration amounting to £6,000 for non-trustee consultancy services supplied to the charity in the year (2019: £6,000).

Subsequent to the year end, John Lovett, a trustee, was paid £56,044 in relation to consultancy work undertaken in the development of the Lilidorei Project and for the next phase of The Garden's development.