Malvern Hills Trust

Finance, Administration and Resources Committee
Park View Community Room, Malvern Town Council, Victoria Park Road, Malvern WR14 2JY
Thursday 25 September 2025 at 6.00pm

Present: Lucy Hodgson (Chair), Simon Baggaley, Robert Berry, David Core, David Fellows, Richard Fowler, John Michael, John Raine.

In attendance: Chris Rouse (arrived 6.25 pm), CEO, Secretary to the Board, Finance & Administration Manager (FAM), Finance Officer, Wolfie Papirnik of RBC Brewin Dolphin (*for item 11 only*).

Absent: Paul Bennett

1. **Apologies for absence**
   Allan Cottam, Andrew Willmott.

2. **Chair's communications**
   - The agenda had been reorganised to accommodate the availability of Wolfie Papirnik of RBC Brewin Dolphin.
   - Given the short time until the Annual Meeting, it was not proposed to hold a Vice-Chair of FAR election at this stage, but to defer this until the 2025-26 committee had been appointed.

3. **Declarations of interest**
   There were none.

4. **Public comments**
   There were none, no members of the public being present.

5. **Matters Arising from the FAR meeting held on 12 December 2024**
   There were none.

6. **Final Management Accounts for the year ended 31 March 2025**
   The FAM reported that the Board had already seen the accounts in draft a couple of times; they were now presented with changes made since the audit highlighted in green. Changes since the last discussion were listed on the notes page. The FAM drew the following points to the Committee's particular attention:
   - There had been a presentational change from the first draft accounts to the reallocation of Bill-related costs and the funding for them.
   - The loan supporting the Planning & Promotion of the Bill had previously been shown as a separate item from spend to date. Following discussion with the auditors, it had been rolled into a single figure, which gave a more sensible view. It had also been agreed that the transfer of the £30,983 BPS fund to

Bill spend should be shown as actioned at 31 March 2025. No further changes made on 29 May 2025 would be actioned until approval was received from the Charity Commission to increase the cap on Bill expenditure.

- The Management and Statutory accounts now both showed the same carry forward figure of **£4,275,183**.

Questions from trustees were invited.

- A trustee asked if it would be possible to see internal breakdowns on adjustments made in relation to the Bill. The FAM said this information would be uploaded to the Board Member area of the web site shortly.
- A trustee recorded thanks to the FAM and her team for the clear presentation of the accounts.

7. **Trustees' Annual Report and Accounts for the year ended 31 March 2025**

7.1 Annual Report

The Committee received the draft Annual Report and Accounts. The FAM explained that these were currently presented as two separate documents for ease of reference but would be combined in due course. She stated that she as FAM had provided the numbers, but the Report text was the responsibility of trustees; statutory disclosure requirements were covered by the FAM and the auditors. There were some points that would need to be updated nearer to the date of the Annual Meeting, including the progress of the Malvern Hills Bill, the level of free reserves, and the triennial valuation of the pension scheme under FRS102 disclosure.

The FAM stressed that the Annual Meeting in November was for sign-off of the Report, *not* for debating it. There would be a hard deadline in advance of that meeting for trustees to submit any comments or request changes.

Questions from trustees were invited, but there were none.

Chris Rouse joined the meeting at 6.25 pm.

7.2 Financial Statements

The FAM drew trustees' attention to the following:

- The list of trustees required updating following the recent by-elections.
- The independent auditor's report was in standard format as in previous years and had identified no issues.
- There was no change to the Trust's accounting policies.
- The FAM advised of an amendment due to the auditors' fees under Net income/expenditure for the year. What did read £14200 audit fees in 2025 should read £13950 audit fees and £250 Other advice which would be changed before the accounts were signed.

- The only change in staff information from the previous year was the introduction of the post of Land and Property Manager.
- The investment portfolio stood at £1.3 million at year end, slightly higher than the previous year.
- The detailed list of transfers between funds had been introduced in the previous year in the interests of transparency and was included again in this report.

Questions were invited, but there were none.

8. **Auditors' Key Issues discussion document and letter of representation**
The Committee received draft documents under confidential cover. The FAM explained that final documents would come from the auditors at the point of the accounts being signed off. The auditors had visited the Trust in June. The audit partner had met with the FAM, CEO, Chair and Vice-Chair of the Board, and the Chair of FAR. There was also a private meeting scheduled between the auditors and trustees. An unqualified opinion had been issued following the audit. The FAM drew the meeting's attention to the audit adjustments included in the report. She recorded her thanks to the Finance Officer for all her work supporting the audit.

The FAM noted that two trustees had refused to sign the related party transaction form, choosing instead to provide a different document with similar information; the reason why was unknown. Disclosure was an audit requirement; the FAM hoped it would be possible to sort the problem for next year, perhaps by the Trust creating its own form.

The FAM confirmed that the letter of representation followed a standard format and that the list of adjusted and unadjusted misstatements were mainly changes that she had made. She noted that the letter again referred to late stewardship payments but confirmed that the Trust was in a much better position in this regard than last year.

Questions were invited, but there were none.

9. **Reserves Policy Review and Going Concern**
The Committee received a paper from the FAM, who explained that there was a requirement for the Reserves Policy to be reviewed annually (the current version was approved by Board on 12 September 2024). However, she was reviewing the reserves position on a quarterly basis and including the review in the management accounts for that quarter. She drew trustees' attention to the three year reserves level comparison included in the paper. The free reserves had reduced to 179% of the agreed level of £350k at year end, but the FAM said that they had picked up again by the end of the first quarter of 2025-26 and that she was not recommending an increase to the reserve level at this time.

The FAM said that she had carried out a preliminary Going Concern review; this would have to be done again in November.

Questions were invited from trustees.

- A trustee asked when the free reserves level had been set (four years ago) and queried whether any allowance should be made for inflation. Another trustee suggested that the level of free reserves should be index-linked. It was suggested that further work should be done to establish how the figure of £350k had been arrived at and review it for next year, taking indexing into account that is relevant to the work the Trust does.

On the proposal of David Core, seconded by Simon Baggaley, it was RESOLVED with six in favour and one abstention, to recommend that the Board approve the Reserves Policy as drawn for the next year. In the meantime, FAR would revisit the policy at its December 2025 meeting and if it decided to recommend any changes at that stage, these could be brought to the January Board meeting for approval. **It was also RESOLVED to recommend that Board record an assessment of the reserves position as 31 March 2025 as satisfactory.**

10. **Reports for Information**

10.1 **Review of Contracts**
The Committee received a list of contracts and other agreements in place with an annual value in excess of £1,000, as at September 2025. Questions were invited, but there were none.

10.2 **GDPR – Review of data breach log**
The CEO confirmed that there had been no data breaches.

10.3 **Risk Management red flag items**
The CEO reported that a Board Risk Management Workshop had taken place on 18 September, at which there had been a useful discussion on emerging risk and possible movements. She confirmed that the final register would be presented to the November Board for approval.

Wolfie Papirnik joined the meeting at 7.20 pm

11. **Investment Report**
The Committee received, under confidential cover, a report from Wolfie Papirnik, Charity Investment Manager for RBC Brewin Dolphin, on the current situation of the markets in general and the performance of the Trust' investment portfolio in particular. Mr Papirnik presented the report to trustees and questions were invited.

11.1 **Questions and comments from Trustees**

- *Have recent actions of the US President been designed to cause problems with the markets?* It would not be a surprise if there has been

some insider dealing; some people around him will have made a lot of money.

- *Might AI (artificial intelligence) be a bubble?* We don't think so. The price of some companies and the price of earnings has come down, which suggests it is not a bubble. There is room to grow for these tech companies.
- *How much of the big tech investment shown is capacity rather than capability?* It is split; we are trying to have exposure in the portfolio to all areas of AI.
- Trustees confirmed that they were happy with the presentation and the level of detail.

Trustees thanked Wolfie Papirnik for an interesting discussion.

Wolfie Papirnik left the meeting at 8 pm.

12. **Date of Next Meeting**
Thursday 11 December 2025

The meeting moved into confidential session. There was no resolution, due to no members of the public being present.

The meeting closed at 8.20 pm.