



**Trustees' Report and Financial statements
for the year ended 31 March 2026**

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For the year ended 31 March 2026

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Reference and administrative details

Charity number: 515804 (England and Wales)

Principal office: Manor House
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The Malvern Hills Trust is the working name of Malvern Hills Conservators

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Our advisors

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Bankers: Lloyds Bank plc
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Solicitors:

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Actuary:

LGPS Central Accounting Team
Hymans Robertson LLP
20 Waterloo Street
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G2 6DB



Key management personnel – Senior Managers

Chief Executive Officer	Deborah Fox BSc (Hons), MA
Secretary to the Board	Alison Marlow BA (Hons), PGCert
Governance Change Officer	Susan Satchell LL.B (Hons)
Conservation Manager	Jonathan Bills MSc
Operations Manager	Martin Barnett BSc Forestry (Hons)
Finance and Administration Manager	Nicky Gutteridge FCA BSc (Hons)
Land and Property Manager	Sarah Jordan MRICS FAAV BSc (Hons)

Trustees

FAR – sits on Finance, Administration and Resources Committee
LM – sits on Land Management Committee
GC – sits on Governance Committee
SC – sits on Staffing Committee
* has served for more than 9 years
details below cover the financial year and until accounts approval

Elected trustees (Wards as at November 2019)

Priory Ward:	Andrew Myatt (elected 18 September 2025) FAR from 13 November 2025 Mary Turner FAR. SC (resigned 1 August 2025)
Chase Ward:	Richard Fowler FAR
Wells Ward:	Robert Berry FAR, GC
West Ward:	Jenny Burford (elected 18 September 2025) FAR from 14 May 2026 *Charles Penn FAR, SC, GC (resigned 13 May 2025) *John Raine FAR, SC GC *Richard Bartholomew FAR, SC, GC
Dyson Perrins Ward:	David Core FAR, GC (Board Vice-Chair)
Malvern Link Ward:	Allan Cottam FAR
Pickersleigh Ward:	Felicity Robinson LM
Colwall Parish:	David Fellows FAR, GC
Guarlford Parish:	



Mathon Parish:

*Christopher Rouse LM

Nominated trustees

Malvern Hills District Council:

Paul Bennett FAR to 13 November 2025
Mark Driscoll LM, GC
David Mead (appointed 13 May 2025) LM from 14 May 2026
*John Michael FAR, GC (Board Chair)
Jeremy Owenson (appointed 22 September 2026)
Cynthia Palmer (reappointed 13 May 2025) LM
Frances Victory LM, SC
Malcolm Victory LM
Andrew Willmott (appointed 13 May 2025, resigned 19 March 2026) FAR

Colwall Parish Council:

Simon Baggaley FAR; SC from 12 March 2026

Mathon Parish Council:

*David Baldwin LM, SC

Church Commissioners:

No longer appoint

Herefordshire Council:

Peter Rogers (appointed 17 February 2026) LM from 12 March 2026
John Stock LM
Sheila Wren LM, SC (resigned 27 November 2025)

Worcestershire County Council:

*Lucy Hodgson FAR, SC; GC from 13 November 2025
Chris McSweeney (appointed 13 June 2025) LM

Worcestershire County Council on behalf of the following parishes: -

Castlemorton:

David Edwards (appointed 5 June 2026)
Mike Wilkinson LM (Resigned 31 October 2025)

Newland:

David Reynolds (appointed 15 July 2025) LM

Powick:

Vacant

Staff

Throughout the year Malvern Hills Trust employed on average 21.9 staff (19.2 full time equivalent) (2024/25: 21.5 and 18.6 full time equivalent). Details of staff numbers are given in note 11 to the financial statements.



Report of the trustees for the year ended 31 March 2026

The trustees are pleased to present their annual report together with the financial statements of the charity for the year ending 31 March 2026.

The Board of Trustees resolved to adopt the working name of 'Malvern Hills Trust' on 19th January 2017. This came into effect on 6th April 2017. This name is registered with the Charity Commission. The statutory name remains 'Malvern Hills Conservators'.

Malvern Hills Trust was set up in 1884 and is governed by The Malvern Hills Acts 1884, 1909, 1924, 1930 and 1995. It is a statutory corporation incorporated by private Act of Parliament and is a charity registered with the Charity Commission for England and Wales, number 515804.

The financial statements comply with the Charities Act 2011, the Commissioners' Clauses Act 1847, the five Malvern Hills Acts and *Accounting and Reporting by Charities: Statement of Recommended Practice (SORP)* applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2022)

Our purposes and activities

Malvern Hills Trust was set up to protect the hills commons and other land under its jurisdiction, in particular to:

- Preserve the natural aspect,
- Protect and manage trees, shrubs, turf and other vegetation,
- Prevent unlawful digging and quarrying,
- Keep the land open, unenclosed and unbuilt on as open spaces for the recreation and enjoyment of the public.
- By all lawful means, prevent, resist and abate all enclosures and encroachments.
- Conserve Sites of Special Scientific Interest and protect Scheduled Monuments and listed buildings and structures on its land.

Malvern Hills Trust is also obliged under public legislation to protect Sites of Special Scientific Interest and Scheduled Monuments on its land.

In order to meet its purposes, each year Malvern Hills Trust carries out a programme of conservation and maintenance work as guided by the adopted Land Management Plan <https://www.malvernhills.org.uk/looking-after/land-management-plan/>. This includes tree and woodland care, implementation of livestock grazing programmes, mowing and path maintenance to facilitate access, habitat restoration, litter picking and other general maintenance work across approximately 1,200 hectares (3,000 acres) of multi-designated, nationally important landscape.



Malvern Hills Trust provides and maintains a number of car parks for the public to use for easy access to the charity's land. Where parking charges apply, visitors can buy either a day or evening ticket at a meter or an annual parking permit.

In planning and delivering its activities, the trustees have referred to the Charity Commission's guidance on public benefit. The trustees confirm they have complied with their duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales.

Under section 29 of the Malvern Hills Act 1884, Malvern Hills Trust may acquire 'for the purpose of preserving unenclosed and free from building any lands within 9 miles of Great Malvern Abbey (Priory) which (they) may regard as proper to be so preserved as part of or in connection with the range of the Malvern Hills or for the purpose of maintaining any common or commonable rights which may subsist over or affecting such lands.'

Potential land acquisitions are considered by the trustees, in accordance with the charity's Land Acquisition Policy. The trustees will consider acquiring a piece of land where the acquisition is consistent with the powers specified above and where acquisition would further the objectives of the charity. The criteria in the policy are:

- To own and protect the ridge of the Hills and the steep slopes on either side,
- To own and protect land on the lower slopes which contributes to the landscape and setting of the Hills and Commons,
- To maintain common or commonable rights,
- To keep land open for the recreation and enjoyment of the public,
- To conserve habitats or species which are nationally or regionally scarce and/or are typical of the local area,
- To conserve features of archaeological or geological interest/importance,
- To improve access to the existing land holding for management and
- To divert public pressure/damaging activities away from over-used or sensitive areas of the existing land holding.

Land Acquisitions

During the year, the Trust acquired the freehold interest in two parcels of principally woodland land at Little Malvern extending to approximately 64 acres (25.9 hectares). Previously managed by the Trust under a tenancy arrangement, the acquisition secures the land for public benefit in perpetuity and supports the Trust's long-term conservation objectives by safeguarding important woodland habitat and strengthening landscape connectivity within the Malvern Hills.

The Trust also completed the acquisition of the Cherry Orchard at Foxhall, Castlemorton, extending to approximately 1 acre (0.4 hectares). The orchard is a traditional fruit orchard containing veteran cherry trees and is recognised as a priority habitat. Its acquisition protects an important and visually significant feature of the Malvern Hills landscape, secures its long-term conservation and restoration, and ensures its continued management for public benefit.



Proposed Land Acquisition

At 31 March 2026, the Trust was progressing a proposed small acquisition of woodland adjoining existing Trust land. The acquisition would secure a strategically important parcel of land, enhancing habitat connectivity and protecting the site from potential domestic encroachment. Following the year end, the proposal received Board approval and the purchase is progressing, at the time of this report it is still in progress.

Achievements and performance

The Malvern Hills are an iconic and much-loved landscape, receiving over an estimated 1 million visits each year. Malvern Hills Trust works closely with many user groups and through its Recreation Advisory Panel seeks to understand public access needs and minimise potential conflict between different users of the Hills and Commons.

Malvern Hills Trust has a responsibility to conserve the important features and special qualities of the Hills and Commons, including the geology, flora, fauna, landscape and archaeology. Keeping a balance between access and conservation is a major challenge for the charity. This is achieved through an active communications policy, using both local and social media and the charity's website. The Trust also aims to run a series of free themed events each year for the public, to help inform their use and enjoyment of the Hills and covering all aspects of the charity's conservation work. Several of these events took place during 2025/26, most popular were an orchid walk led by a local botanist and a walk on the central hills with the conservation manager.

Business plan

The Business Plan sets out the strategic priorities and plans for the charity.

A 5-year Business Plan was adopted by the Board of Trustees in March 2022 and was to be reviewed annually with an interim review in 2025.

On 8 May 2025 the Board agreed that an interim review was not needed.

On 9 July 2026 the Board approved the tracking of a set of key performance indicators, in replacement of over 80 targets, many of which were completed earlier in the business plan timeline. There are systems in place for further monitoring e.g. land management targets with Land Management Committee receiving annual reports on progress against the Land Management Plan.

The CEO will lead preparation of a transitional business plan for 2027, followed by a new business plan in 2028.

Volunteers

The estimated volunteer contribution during the year was the equivalent of 463 (2024/25; 349) working days (of 7.5 hours per day) spent on the Hills and Commons and Nil (2024/25; 2)



working days on office work. The contribution of all volunteers, including the trustees, is gratefully acknowledged.

The rangers organised a festive season get together for the volunteers at the Malvern Hills Hotel in December and the Chair thanked volunteers at a Wassail at Morgan's Orchard at Golden Valley in January.

Staffing Committee received a report on volunteering in October 2025. The Trust has many enthusiastic volunteers who regularly join working parties to keep the Hills and Commons special. The contribution of all volunteers, including the trustees, is gratefully acknowledged. Our working groups carry out many different activities which help to look after this amazing landscape include coppicing, clearing public rights of way, tree planting, pond clearance, and scrub clearance. This is especially beneficial in hard to reach places and where machinery cannot be used. We've also been pleased to welcome a number of corporate volunteer groups. Well-maintained tools and PPE are provided.

The Wildlife Advisory Panel and the Recreation Advisory Panel are two long-standing groups made up of local volunteers who have expertise in their field or represent user groups of the Hills & Commons. Their valuable knowledge and insight give MHT staff a sounding board and help us to plan our management strategy.

We'd also like to thank the volunteers who helped with a special project to digitally map the memorial benches on the Hills.

Use of Defra Stewardship Grants

In 2025/26 around 78 % (2024/25; 78 %) of the charity's land was managed under the Department for the Environment, Food and Rural Affairs (Defra) Countryside Stewardship Scheme (CS) or Higher Level Stewardship Scheme (HLS). These schemes provide valuable funding for certain land management and conservation activities including grazing, which is the most effective way to maintain significant parts of the Hills and Commons. The grazing programme is complemented by a range of other management work carried out by staff, contractors and a dedicated team of volunteers.

Six separate agreements are held (2024/25; 6 agreements), and together they provide over £270,000 (2024/25 over £250,000) per annum toward MHT's conservation activities.

Key achievements

During the year, the Trust continued to deliver the objectives of its Land Management Plan across its 1,200-hectare (3,000-acre) estate, conserving and enhancing the nationally important landscape, habitats, heritage and public access opportunities of the Malvern Hills and Commons. Alongside delivering the final years of the current Plan, trustees and staff commenced preparation of a new Land Management Plan for 2027-2031, undertaking evidence gathering, stakeholder engagement and a programme of public consultation events to help shape the future management of the Hills and Commons.



Significant achievements during the year included:

- Continued delivery of the Trust's conservation grazing programme across the Hills and Commons. Grazing remains one of the most effective tools for maintaining species-rich grassland habitats, controlling scrub encroachment and preserving the open character of the landscape. Staff worked closely with graziers throughout the year, including during the exceptionally dry summer of 2025.
- Progressing habitat restoration and woodland management projects across the estate, including work at Old Hills to restore the historic wood pasture landscape, improve biodiversity, enhance resilience to environmental change and support the long-term use of conservation grazing.
- Continuing the Trust's programme of invasive non-native species management. Follow-up surveys found no evidence of *Crassula helmsii* at previously treated sites, representing a significant conservation success given the recognised difficulty of eradicating this species.
- Strengthening estate management through the appointment of a RICS accredited Land and Property Manager at the end of last year and the introduction of a more strategic approach to the management of Trust land and assets. During the year, the Trust continued to protect its interests in relation to easements, wayleaves, utility infrastructure and development proposals, while ensuring that estate management activities supported its statutory and charitable objectives.
- Undertaking a programme of estate and asset improvements overseen by Land Management Committee. This included the review of operational facilities at Top Shed and Lower Shed, a review of waste and litter infrastructure across key sites with trials undertaken at Old Hills. Condition assessments of visitor facilities including St Ann's Well and toilet block, and investigations into accessibility improvements at Manor House Reception.
- The Trust completed an updated reinstatement valuation of its built assets during the year, ensuring that insurance arrangements remain based on current replacement costs and reflect best practice recommendations for periodic review of property assets.
- Delivering significant tree safety works across the estate, including the management of trees affected by Ash Dieback disease. The Trust also continued to monitor the impact of emerging tree health challenges, including Acute Oak Decline.
- Expanding public engagement through guided walks, consultation events and opportunities for local communities and visitors to learn more about the Trust's conservation work and contribute to future planning. Public engagement formed a key part of the development of the next Land Management Plan.
- Active engagement in the South Worcestershire Development Plan Review and responding to planning applications, infrastructure proposals and utility company works capable of affecting Trust land.
- Progressing the Malvern Hills Bill through Parliament. The Trust's governing Acts date back to 1884 (and reference other Acts of Parliament dating back to 1847). They need to be updated to improve the charity's governance arrangements, to allow the charity



to look after the Hills in the most effective way, and because of the changes which will be made to local government by the creation of the South Worcestershire Council. The Bill received its Second Reading in the House of Lords in June 2025 and was considered by the Malvern Hills Bill Select Committee from January to March 2026. The Committee made some amendments to the Bill in response to concerns raised by Petitioners but concluded that the Trust had proved the need for the Bill.

- Strengthening governance, health and safety, risk management and organisational resilience through policy review, improved contractor management procedures, continued oversight of strategic risks and the ongoing work of the Health and Safety Working Group.
- Working closely with emergency services and partner organisations to promote visitor safety and protect the Hills and Commons during periods of heightened wildfire risk, alongside public awareness campaigns relating to unauthorised fires, barbecues and camping.
- In September 2025, Dr Ellie Chowns, MP for north Herefordshire, re-opened a stretch of pathway regularly used by walkers heading to the Malvern Hills from the British Camp car park. The work was undertaken by the Trust's field team, to include a new handrail and a re-surfaced path that leads from the car park, together with improved drainage.

Other key achievements were:

- The Trust received £48,450 from the Malvern Hills National Landscape Capital Investment Fund which fully funded the new robotic mower.
- The vehicle and equipment fleet is being continually reviewed and updated. We purchased a new woodchipper during the year, and a new Suzuki Carry. Shortly after the year end a new John Deere tractor was added to the fleet. We also commenced a trial of other new vehicles for vegetation cutting, including working on steep slopes.
- The Conservation Team led a programme of public and stakeholder engagement to inform a refresh of the Land Management Plan. This resulted in over 300 postcards being received from members of the public, over 100 people attending meet and greet events and numerous pieces of evidence being provided.
- A new seasonal newsletter has been provided direct to thousands of local homes. This explains who the Trust is and what we do.
- A series of improvements to Manor House office, staff kitchen and reception area were completed during the year
- Numerous improvements on fire and health and safety compliance were implemented and action taken on further opportunities for improvement. A Health and Safety Working Group comprising trustees and staff was formed in January 2025 to support and inform the senior management team and trustees in respect of health and safety. All trustees were offered health and safety training from the external health and safety advisor.



- The Staff Trustee Protocol Working Group continues to meet and consider staffing matters.
- Trust staff continue to monitor planning applications which could impact Trust land, and where appropriate make representations to the Local Planning Authority.
- Trust staff continue to monitor and manage work proposed and being undertaken by utility companies across the Trust's land.

Communications

The Board has an agreed communications strategy, which is to increase public awareness of what Malvern Hills Trust is, what it does and to build trust and reputation amongst key stakeholders and the community. This is achieved by engaging with key groups and making sure the Trust is creating more opportunities for people to engage with us, whilst sharing the clear, positive understanding of the Trust's purposes.

Our reception team engaged with just over 2,000 people from January 2025 to mid-September 2025, including 1,829 people visiting for a levy payers' pass.

Staff provided guided walks as part of the Malvern Walking Festival during May and June 2025 and ran events to look at Butterflies on the Old Hills and to explain how the Trust manages the Hills. The Trust engaged with hundreds of people at events including Malvern Fire Station Open Day.

The Chair handed out medals to those who took part in Malvern Hills Challenge in aid of Help for Heroes in September.

The Trust ran drop-in sessions to answer questions on the Malvern Hills Bill on 31 July, and 11 and 13 Aug 2025. Around 30 members of the public attended and staff and trustees were able to explain why the provisions of the Bill are important and gave clarity on some of the misconceptions which are circulating.

Our social media presence continues to report on the important work we do on the hills and commons as well as advise on Trust administrative matters such as office closures, stock-watch, application deadlines etc.



Structure, Governance and Management

The Malvern Hills Trust is a body corporate set up under the Malvern Hills Act 1884, and governed by that Act as well as the Acts of 1909, 1924, 1930 and 1995. It is a registered charity.

The Board of Trustees is the decision-making body. The governing legislation currently provides for 29 trustees who are appointed for a four-year term. Eleven trustees are directly elected under the Local Elections (Principal Areas) Rules by the residents of the wards (as they



were at December 2022)¹ and parishes listed below, who contribute to Malvern Hills Trust through a levy paid with their Council Tax. The Chief Executive Officer is the Electoral Returning Officer.

Electoral area	<u>Seats</u>
Priory Ward	1
Chase Ward	1
Wells Ward	1
West Ward	1
Dyson Perrins Ward	1
Malvern Link Ward	1
Pickersleigh Ward	1
Guarlford Parish	1
Colwall Parish	2
Mathon Parish	1

The remaining 18 trustees are nominated by the following bodies:

Herefordshire Council	2
Worcestershire County Council	2
Worcestershire County Council on behalf of the parishes of Castlemorton, Newland and Powick	3
Malvern Hills District Council	8
Colwall Parish Council	1
Mathon Parish Council	1
The Church Commissioners	1

¹ The electors are defined by the Malvern Hills Act 1924 (as amended). It states that seven trustees are elected by the local government electors for the urban district of Malvern (one for each ward). Malvern Urban District was abolished by the Local Government Act 1972. Until 2022 the seven Malvern District Council wards in central Malvern conformed to the old Urban District boundaries. Following the changes made to the wards by the Malvern Hills Electoral Changes Order 2023 this is no longer true, and only parts of what are now named Link Ward and Castlemorton Welland and Wells wards take part in the Trust elections. The names of the other wards in Malvern Town were changed by the Order but the table above continues to reference the old ward names.

About two thirds of the current trustees took up their seats on 1st November 2023. The remainder have been appointed or elected at various point since. All trustees will remain in place until 31 October 2027.

There were two vacancies (for nominated members) at the time this report was approved.

Following elections in November 2023, trustees underwent an intensive period of training to ensure that they understand their duties and responsibilities under the Malvern Hills Acts, their responsibilities as charity trustees and their duties under other legislation which affects the land which they manage. Induction training has been provided as needed to those joining the Board mid-term.



Board and Committee meetings are open to the public and dates are published on the website. The Board holds six scheduled Board meetings in January, March, May, July, September and November to make decisions and to receive reports from officers, committees and from representatives serving on outside bodies. There is an opportunity for members of the public to make statements by prior arrangement at these meetings. Special Meetings are also held whenever required.

The Trust approves the Trustees' Annual Report and Financial Statement at its annual meeting in November each year, this was held on 13 November 2025. It was resolved at that meeting to carry out a tender process to appoint a new auditor. On 24 February 2026, the Annual Meeting was reconvened and Wenn Townsend were appointed as the new auditors.

The Chair and Vice Chair are elected at the Board's annual meeting in November, at which committee members and representatives to serve on outside bodies are also appointed. John Michael (chair) and David Core (vice chair) were both re-elected at the meeting on 13 November 2025.

Chief Executive Officer

The Chief Executive Officer is responsible for the day-to-day management of the charity's affairs and for implementing strategies and policies agreed by the Board of Trustees.

Committees

There are five committees of the Board. Their functions are set out below. The Board of Trustees considers committee reports and adopts, declines or amends their recommendations at the following Board meeting.

Land Management Committee

This committee considers land management issues and strategy, including the statutory duty to maintain the natural aspect. This includes:

- Overseeing production of the Land Management Plan and monitoring progress against the plan
- Recommending the annual land management budget to the Board and monitoring progress against the budget
- Reviewing policies relating to the management of the charity's land holding
- Preliminary consideration of some applications for easements and wayleaves and making recommendations to the Board thereon
- Considering appropriate levels of access infrastructure, interpretation and information
- Reviewing funding agreements, licences etc relating to the management of the Hills and Commons
- Considering and making recommendations to Board regarding policy and best practice relating to environmental and sustainable development practices, (such as management of ash in light of Ash Dieback disease)

Finance, Administration and Resources Committee

This committee has oversight of the following areas:



- Finance, including reviewing the adequacy of financial controls, annual financial statements, budgets and budget monitoring
- Investments, including reviewing the Investment Manager's reports and performance
- Overseeing production of the business plan and monitoring progress against the plan
- Administration, including legal matters and review and enforcement of the byelaws
- Rents and charges
- Reviewing major contracts
- Ensuring that Malvern Hills Trust has appropriate levels of insurance cover
- Fundraising
- Communications

The committee also has authority to approve unbudgeted expenditure within agreed limits.

Governance Committee

The Governance Committee has oversight of and advises the Board on the following areas:

- Ensuring the organisation complies with the Malvern Hills Acts, charity legislation and other relevant legislation relating to governance
- Reviewing Board and committee performance
- Reviewing and monitoring compliance with the Governance Handbook, Standing Orders and the Code of Conduct
- Ensuring that the charity has appropriate risk management systems in place and that risks are reviewed and updated annually
- Approving training for trustees

Staffing Committee

The Committee makes recommendations to the Board regarding:

- Staffing and office requirements
- Policy matters relating to staff salaries and benefits
- Budget allocation for personnel and health and safety
- Policy matters relating to terms and conditions of employment/engagement for all staff and volunteers
- Matters arising from Malvern Hills Trust's Disciplinary and Grievance procedures for staff
- Health and safety and first aid matters in relation to staff, volunteers and members of the public
- Pension arrangements with the Finance Administration and Resources Committee

The Committee also:

- Reviews all employment and human resources policies and procedures and ensures that Malvern Hills Trust acts as a good employer
- Receives reports from the Chief Executive Officer on human resource matters
- Receives reports on health and safety from the Trustee Health and Safety Working Group. Ensures that Malvern Hills Trust has a Health and Safety Policy and Health and Safety management systems in relation to staff, volunteers and members of the public



and that these are reviewed regularly, properly implemented and the Board of Trustees is kept fully informed

Disciplinary Committee

The Committee meets as and when required to consider breaches of the trustee Code of Conduct.

Charity Governance Code

The Charity Governance Code was first launched in 2005. The latest version was published in November 2025 and is the most significant update for some years. The Code sets out universal principles of governance for charities to consider and aims to shape a common view of what good governance looks like. Compliance is not a regulatory requirement, but rather a practical tool for trustees to encourage discussion about standards, behaviours and processes that support good governance. The Code recommends that charities should either apply its principles or explain why they have not done so.

As a charity governed by statute, including legislation which is now nearly 180 years old, it is not possible for the Trust to follow all of the recommendations for good practice set out in the Code, particularly those relating to best practice for recruiting trustees, but the Code has been used to formulate many of the proposals for modernisation of the Trust's constitution.

The Charity Governance Code states that if a trustee has served for more than 9 years their reappointment should be subject to a particularly rigorous review, taking into account the need for progressive refreshing of the Board and should be explained in the trustees' annual report.

There is nothing in the Acts which prevents a trustee from standing for office for more than 9 years and, because of the way trustees are appointed, nothing the Trust can do to prevent appointment of trustees who have been on the Board for more than 9 years.

Trustees who have served for more than 9 years (listed in order of longest serving) are:

Christopher Rouse – first elected November 2003

David Baldwin – first appointed May 2010

John Raine – first appointed September 2013

Richard Bartholomew – first elected March 2015

John Michael – first appointed November 2015

Lucy Hodgson – first appointed July 2017

Malvern District Council ward boundary changes January 2023

See footnote to table on page 14. Following ward boundary changes in January 2023, the Trust was able to conduct its elections in November 2023 in accordance with the Acts thanks



to significant assistance from the Electoral Services staff at Malvern Hills District Council. The Trust understands that the District Council will again be able to conduct Trust elections in 2027.

Amalgamation of Madresfield and Guarlford Parishes

The draft recommendations are due to go to full council on 24th November. At the time of writing this report, no further reliable update is available.

Future changes to local government

The government announced in July 2026 that a unitary authority would be created in South Worcestershire, but in September 2026, decided to pause this whilst the government ensured that the proposal aligned with the new government's aims.

Any changes to local government boundaries are of concern to the Trust because they are integral to governance framework contained in the Malvern Hills Acts 1884 - 1995

The Trust is seeking to address potential problems which may be caused by future local government boundary changes in the Malvern Hills Bill.

In the light of these changes, continuing to operate under the current Malvern Hills Acts is not sustainable and the Trust is seeking to address the problems posed in the Malvern Hills Bill.

Malvern Hills Bill

The Trust is governed by the five Malvern Hills Acts, which reference other public Acts, dating back to 1847. The Trust has long recognised the need to rationalise, modernise and consolidate its governing legislation. The current Acts do not reflect or permit modern best practice in relation to charity governance and do not contain all the powers that the trustees need to administer the charity in the most effective way and to best achieve its objects. There are provisions in the Acts that no longer apply, others which reflect a legal and cultural context that no longer exists and some of the key provisions are defined by reference to a body which was abolished 50 years ago. Because the Acts are out of date, they hamper the Trust's ability to operate effectively and to provide good value for money.

The Trust began work on its proposals for updating the Acts in 2014, including public consultations in 2019 and 2024. The Trust obtained consent from the Charity Commission in August 2023 to expend charity money on the preparation and promotion of a Bill in Parliament. Costs were initially capped at £306,000. This was raised to £471,972 in October 2025 and £503,472 in June 2026. This permission was subject to a condition that the Trust did not seek to extend or materially change the existing power to levy.



Loan from Land Purchase (1992) Fund

By an order made under s105 Charities Act 2011, the Charity Commission authorised the Trust to borrow up to £306,000 from the Land Purchase (1992) Fund (which was established pursuant to s9 MHA 1930), in order to help spread the cost of the Parliamentary Private Bill. This is an internal loan, and the interest and compensation payments are not lost to the Trust.

The loan agreement was made on 23 April 2024. It required the Trust to repay the loan over 25 years, together with interest fixed at a rate of 6 % pa and a compensation payment to cover any loss of investment income sustained by the Land Purchase Fund as a result of some investments having been moved from the main portfolio into more easily accessible/lower risk investments.

The following sums, in total have been drawn down:

£100,000 on 31 December 2024, £90,000 on 31 March 2025, £50,000 on 31 March 2026 and the final £66,000 on 30 June 2026.

The following repayments were made from General Fund to Land Purchase Fund during the financial year 2024/25:

Interest: £Nil	Capital: £Nil	Compensation payments: £710
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The following repayments were made from General Fund to Land Purchase Fund during the financial year 2025/26:

Interest: £1,144	Capital: £1,508	Compensation payment: £Nil
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In 2026/27 at the time this report was approved, the following payments from General Fund to Land Purchase Fund have been made:

Interest: £6,033	Capital: £7,985	Compensation payment: £Nil
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Fund-raising Standards Information

The Trust has powers to raise a levy in accordance with the Malvern Hills Acts, and to charge for providing parking to visitors on the Hills. Other than this the trustees do not consider that the charity carries out significant fundraising activities with the general public as at 31 March 2026.

Financial Review

The financial results are set out on pages 34 - 66. There was a total net increase in funds of £22,038 (2024/25 increase of £419,866).

Net expenditure before transfers on the unrestricted funds was £77,896 (2024/25 net expenditure of £33,546). The net movement on the unrestricted funds after transfers and the FRS 102 pension adjustment was a decrease of £25,207 (2024/25 increase of £406,312 restated).



In addition, there was a net increase of funds on the restricted funds of £47,245 (2024/25 net increase £13,554 restated).

Total reserves at the financial year end were £4,297,221 (2024/25 £4,275,183), of which £3,151,833 is restricted. This includes £1,469,147 inalienable assets. (2024/25 £3,104,588 restated restricted which includes £1,346,835 inalienable assets).

Further information regarding inalienable assets is in notes 1g and 1h.

Principal sources of funds

Under powers in the Malvern Hills Acts, Malvern Hills Trust charges a levy to Council Tax payers in the parishes of Malvern, Guarlford, West Malvern, Malvern Wells, Colwall and Mathon. The average band D levy payable in 2025/26 was £50.25 (2024/25 it was £47.59). The total levy received by the charity was £739,100 (2024/25 £697,070).

Malvern Hills Trust is very grateful to the levy payers for this funding and recognises its importance in helping the Trust to maintain the Hills and Commons. Information for levy payers can be found on the website here <https://www.malvern hills.org.uk/living-in/levy-payers/>

Revenue from car parking is the second main funding source. The total received in 2025/26 was £457,976 (2024/25 £446,381). Car park takings are used to fund the charity's work generally, including maintaining the car parks for public use.

Agri-environment grants, most significant of which are those from Countryside Stewardship Scheme, are the third largest source of funds. £277,286 was received in 2025/26 (£270,413 in 2024/25). An additional sum of £146,037 for the year ended 31 December 2025 (2024/25 £146,037) was received by the CS Castlemorton Delivery Group which is accounted for as custodian funds under the terms of the Countryside Stewardship Scheme. The entire income and expenditure of this delivery group does not form part of the Malvern Hills Trust accounts, but rather the applicable share of income for the Trust is recognised as other grant income, as established via the required internal agreement. In 2025/26 this amounts to £1,000 admin fee (2024/25 £1,000) and £5,948 non-grazing delivery services (2024/25 £5,882).

Donations and legacies received totalled £84,438 (2024/25 - £33,926).

Significant financial impacts

Significant events (and their financial impact) during the year were:

- Land was purchased at Little Malvern at a cost of £95,000 plus legal fees
- Land was purchased at Foxhall, Castlemorton at a cost of £20,000 plus legal fees
- The Trust has a 5-year programme for managing Ash Dieback. Spend in 2025/26 has not been as high as was anticipated at £16,985 (2024/25 £29,731) but we now face managing Acute Oak Decline which will require funds going forward. The balance of the designated funds (Tree Disease and Ash Dieback) are currently sufficient (Total £78,100) as a result of prior year transfers made in anticipation of future costs. It was not deemed necessary to designate additional funds this year.



- No new senior staff appointments were made in the year.
- Car park takings fell short of budget in the year. This is due in large part to the closure of the A449, which links Malvern and its surroundings to British Camp car park. The road was closed in September 2025 and remains closed with no date for reopening. This has impacted on travel to the car park at British Camp.
- The Trust has necessarily had to invest significant time and funds into progressing the Malvern Hills Bill during this financial year as described in detail earlier in the report. Costs have unfortunately risen primarily because of the number of petitions against the Bill. Most of the Petitioners were found not to have standing but dealing with the *locus* hearings still took up a considerable amount of time in committee. A revised budget of £503,472 has been approved by the Board and the Charity Commission.

Even though points made by the Petitioners have been heard by the Select Committee, and amendments having been made to the Bill, it appears that certain groups may continue to press their points when the Bill reaches the Commons. This will inevitably lead to further escalation of costs, and it is anticipated that the budget for costs will have to be increased.

- Significant time and costs unrelated to the Malvern Hills Bill have been incurred relating to the governance of the Charity during the financial year. This continues into the 2026/27 financial year.
- In January 2026, the Charity Commission requested that trustees acknowledge their status as charity trustees, which 12 trustees declined to do. This is a major concern, and divisions between trustees on matters of governance have affected the conduct of meetings (and the staff) since the year end. The Trust has attempted to address the dispute via mediation which has resulted in some additional expense during 2026/27 (£3,200). Mediation plans ended in September 2026 and at the time of writing no further progress on the matter has been made.
- The Charity Commission opened a compliance case in March 2026 against the Trust.
- The Trust has a statutory obligation to prevent encroachment and unfortunately disputes have arisen with neighbouring residents which remain unresolved.
- On 2 May 2025 there was a serious incident on the Hills in which our dear colleague, Martin Cottrell died. At time of writing a regulatory investigation was ongoing.

Acknowledgements: other grants and contributions

Malvern Hills Trust gratefully acknowledges the financial support of Defra Rural Development Programme for England, Worcestershire County Council, Herefordshire Council, Malvern Hills District Council, and the Farming in Protected Landscapes scheme run by the Malvern Hills National Landscape partnership.

The Trust would also like to gratefully acknowledge the significant amount of work carried out *pro bono* by the legal team working on the Malvern Hills Bill.



Investment powers and policy

The trustees have wide powers of investment.

The Trust has placed the Land Maintenance Fund, Parliamentary Fund and the majority of the Land Purchase (1992) Fund, under investment through RBC Brewin Dolphin.

The trustees have provided RBC Brewin Dolphin with written investment policies for the portfolios, which are reviewed annually. In all cases, the Trust seeks to produce the best financial return with a moderate level of risk.

The Finance, Administration and Resources Committee, with the advice of the Trust's Investment Manager, is charged with recommending to the trustees a suitable asset allocation strategy, with the aim of achieving the charity's investment objectives. RBC Brewin Dolphin's risk category 6 index is used to structure the main portfolios and provides a ready measure of performance. The Trust's investment policies provide that the asset classes which the trustees consider could be included within the portfolio are cash, fixed interest products, equities, commercial property, private equity, commodities and any other asset that may be agreed to be suitable for the charity. Access to these asset classes can be achieved directly or via collective investment vehicles such as unit or investment trusts. No single direct equity investment should exceed 5 % of the total value of the portfolio and no single investment in a collective fund should exceed 10 % of the value of the portfolio. Investments in negotiable instruments known as 'derivatives' are not permitted without prior approval of the trustees.

The trustees acknowledge that in order to manage longer term inflation risks, investments will partly be in assets such as equities and as a result, in the short-term the capital values of the portfolios could fluctuate.

The Trust's investment objective for the Land Maintenance Fund and the Parliamentary Fund ("Parliamentary portfolio") is to produce the best financial return (capital growth and income) with a moderate level of risk.

The Trust's principal objective for the investment of the Land Purchase (1992) Fund (Land Purchase (1992) portfolio) is to generate a return (net of costs, including reinvestment of earnings) sufficient to maintain the purchasing value of the fund.

The trustees are funding a significant percentage of the cost of preparing and promoting the Malvern Hills Bill by way of a loan from the Land Purchase Fund. A similar mechanism was used to fund the passing of the Malvern Hills Act 1995. Anticipating drawing down part of the Fund, trustees voted in January 2023 to move £350,000 to lower risk investments in order to avoid the risk of fluctuations in the value of the investments at a time when funds were needed. The Board resolved to split the Land Purchase Fund into 3 parts, £150,000 to be invested as cash in FSCS assured interest bearing accounts and £200,000 to be invested by the Trust's Investment Managers in a separate, risk category 4 portfolio (Land Purchase (1992) No2 portfolio). The balance remains invested in accordance with the original Investment Policy.



The loan to support the costs of the Bill is currently still part of the Land Purchase (1992) portfolio and the terms were structured to meet the investment targets for that Fund. Earnings since loan drawdown on this part of the balance are recorded as general fund income because the loan agreement deals with all financial recompense to the Land Purchase Fund. Cash drawdown will be required and actioned as the need arises but in the meantime any income that can be earned on the funds is to the benefit of the Trust.

Investment performance

Over the 12 months to 31 March 2026, inflation remained stubbornly high across most developed markets, with US tariff policy causing interest rates to remain elevated. Despite this, equity markets performed strongly for much of the period, powered by an extraordinary wave of AI-related capital expenditure and resilient corporate earnings. The tariff escalation in April 2025 caused a sharp but short-lived sell-off before markets rallied through the summer and into early 2026. The period's defining event was in late February 2026, when joint US-Israeli military strikes on Iran triggered a severe escalation in regional conflict across the Middle East. With the Strait of Hormuz effectively closed to most shipping, the price of oil surged and there were sharp sales of global equities in March. By the end of the period, central bankers found themselves caught between supporting growth and containing an energy-driven inflation shock, with the path ahead heavily dependent on the duration of the conflict.

Over the financial year to 31 March 2026, the combined portfolio generated a total return of +7.51 % net of fees. This compares to the Asset Risk Consultants (ARC) Steady Growth Index performance of +8.68 % (net of fees) and the RBC Brewin Dolphin Risk Category 6 Strategic Asset Allocation of +14.94 % (gross of fees). The ARC index is made up of around 5,000 charity portfolios from 35 different investment managers, providing a good comparison to the performance of sector peers with a similar level of investment risk.

The annual returns (year ended 31 March 2026) were as follows:

Land Purchase (1992) Fund (main portfolio)

Return gross of fees +6.68 %, net return +5.94 % (ARC Steady Growth 8.68 %)

Land Purchase (1992) No. 2 portfolio (established 20th February 2023)

Return gross of fees +9.60 %, net return +8.85 % (ARC Balanced asset 7.84 %)

Parliamentary and Land Maintenance portfolio

Return gross of fees +8.79 %, net return +8.04 % (ARC Steady Growth 8.68 %)

The trustees receive a full report on the investment portfolios from RBC Brewin Dolphin in June and December and an interim report is available in March and September.

The Trust's assets are invested in line with the long-term interests of the charity. Malvern Hills Trust exists to protect and care for the Malvern Hills and Commons. Climate change poses a



threat to **their** unique environment. Since 31 March 2021 the trustees have excluded all fossil fuel, mining and quarrying companies from the investment portfolios. The trustees also exclude individual investments which are perceived to conflict with the charity's purpose.

Reserves policy and going concern

Malvern Hills Trust's (MHT's) free reserves are defined as those funds which the charity has available to spend on its charitable objectives.

The free reserves are calculated by starting with the total unrestricted funds value from the accounts. To comply with accounting rules the amount of the pension deficit is included as part of the unrestricted funds shown in the accounts, although it is a liability that will not crystallise, as the deficit to be repaid is part of a different calculation under the triennial valuation of the scheme. This deficit value is therefore added back when calculating the free reserves.

The introduction of the new loan arrangement from the Land Purchase Fund has resulted in a further adjustment to the calculation, recognising that the full loan balance does not need to be considered as immediately unavailable, for the purposes of the free reserve calculation, but that the following 12 months interest and capital payable should be reflected.

The net book value of fixed assets (not available as cash) and the value of committed (designated) funds are then deducted, to come to the free reserve total.

The FAR Committee and Board have considered the position in detail during meetings since the year end and in conjunction with the auditor.

The level of free reserves required will vary from time to time depending on MHT's overall financial position, the economic climate, the security of income from grants and other sources (in particular from parking revenue), the expected levels of planned expenditure and the risks of unplanned costs.

In setting the policy, the trustees have ensured that the loan repayments, loan interest and contributions required under the defined benefit pension scheme, including those to cover the actuarial deficit, can be met from projected cash flows.

MHT's trustees' policy is to aim to maintain the free reserves level above £350,000 as at 31 March 2026. The policy was first adopted in June 2018 and is reassessed annually. This threshold was revised to £375,000 on 9 July 2026. This level has been set by the trustees taking into account the following factors:

- The need to hold funds to maintain the viability of MHT in case of unexpected events leading to uninsured costs,
- The need to provide protection against the risk of a significant drop in grant or other income or unexpected delays in receipts,



- To fund everyday essential expenditure in the event that income streams are unexpectedly interrupted,
- To fund unplanned costs arising from tree diseases,
- The need to provide working capital for MHT, both for day to day work and for future (possibly grant-funded) development,
- The need to provide a degree of protection against fluctuations in investment income.

Free reserves have been reviewed regularly throughout the year during the appropriate meetings.

At 31 March 2026 total funds of the charity were £4,297,221 (2024/25 £4,275,183). This included restricted funds of £3,151,833 (2024/25 £3,104,588 restated) and committed designated funds of £1,235,091 (2024/25 £1,118,634). Details of all the designated funds are given in note 20 to the financial statements and restricted funds details are in note 22.

The level of free reserves as defined above was £500,208 made up of the following:

	£
General fund excluding net book value of assets	(125,912)
Add back Land Purchase loan balance	238,492
Less loan interest & capital in the next 12 months	(14,018)
	<hr/> 98,562
Add back free designated funds:	
Unrestricted Gifts	445,153
Pond Works	6,725
Promotion & Preparation of the Bill	(51,563)
RPA	1,331
	<hr/> <hr/> 500,208

The total of the free reserve was lower than the March 2025 figure (£627,968), the principles of calculation have been modified slightly since the 2025 value was prepared.

The overall free reserve remains higher than the target minimum of both £375,000 and £350,000 being the new and prior levels as set by the Board.

The trustees have carried out a going concern review and concluded that the Trust is a going concern and that they expect the organisation to continue operating and paying liabilities as they fall due for at least twelve months from when the accounts are signed.



Pension scheme

FRS 102

Malvern Hills Trust is a member of the Worcestershire County Council Pension Fund (WCCPF), which is a defined benefit scheme. The costs and liabilities shown in these financial statements are accounted for under FRS 102, with details being given in note 28. The pension figures reflected in these financial statements have been provided by Hymans Robertson LLP, the Actuary to the Fund.

The FRS 102 accounting deficit at the year end has been calculated as £147,000 (2024/25 £130,000). The employer's contribution rate during the year was 22.4 % (2024/25 22.4 %).

Triennial valuation

The most recent completed triennial Actuarial valuation was carried out at 31 March 2025. This valuation provides the basis for the calculation of future contributions to WCCPF. The Trust's deficit (that is the excess of pension liabilities over assets) in WCCPF as at 31 March 2025 was £339,000 (89 % funding level). (31 March 2022: deficit £802,350 (74.8 % funding level)). This was an improvement on the position at the last two triennial valuations which showed a deficit in 2019 of £926,000 (69 % funding level) and £1,092,000 (57 % funding) in 2016. The next Actuarial valuation will be carried out as at 31 March 2028, with revised contribution rates coming into effect from 1st April 2028.

The Trust receives a schedule of contribution rates from the Actuary following each triennial valuation, comprising a rate to support on-going benefits and a deficit recovery element. The Business Plan and budgets include provision for these payments. The deficit recovery period following the 2025 Actuarial Valuation is 5 years. The deficit payments in 2025/26 totalled £81,150 (2024/25 £77,630). The amount due for 2026/27 is 39.3 % of pay.

In July 2016 the Board closed WCCPF to new joiners, following a review of pension provision. In order to meet its obligations under auto enrolment legislation, new employees are enrolled in the People's Pension, which is a defined contribution scheme. The employer's contribution rate to this scheme is 10 % of pensionable salaries.

Plans for future periods

There is no doubt that the changing climate will bring challenges to land management, with extreme weather patterns affecting the Hills and Commons and the wider area.

The Trust will continue to make health and safety improvements, informed by a qualified health and safety advisor, who noted tangible improvement over the last three years. Nevertheless, this is an ongoing journey with a new health and safety policy approved by the Board of trustees in January 2026, new procedures emerging, competency training and cultural improvements.

The refresh of our Land Management Plan will continue. It is heartening to see the public contribution made during 2025/2026 and it will be all the richer for the contributions of evidence and public priorities.



New improvements as a result of the employee engagement survey.

Investment in our staff is important if the Trust is to continue to thrive now and in the future. Staffing Committee and the Protocol Working Group made up of staff and Trustees, took a keen interest in results of an employment engagement survey in spring 2025. There were also a series of meetings over the summer and various, mainly operational, opportunities identified to take account of staff feedback. Some priorities of particular interest to the committee and relevance to trustees were for the:

- Disciplinary Procedure for trustees to be updated;
- Training to be provided on being an effective trustee;
- Reception area at Manor House to be improved;
- Training of frontline staff;
- Resourcing of staff to service the now large Board.
- Trustee induction to include a 'meet the team' session, including an introduction to outdoor staff to understand what they do, and explanation of the Staff Trustee Protocol.

As a result of the survey the Staffing Committee visited staff at Top Shed and Lower Shed to hear their views and this was much appreciated by staff. The Committee will receive future reports on implementation of improvements.

In September 2025, the Chair awarded certificates to nine staff that had achieved five to 20+ years of service.

Remuneration policy and salary costs

Salaries were last independently benchmarked in summer 2025.

The salary of the Chief Executive Officer is set by the Board, following an annual appraisal. Negotiations regarding pay awards across all LGPS staff pay scales were finally settled upon in July 2025 and backdated to 1 April 2025.

Statement of trustees' responsibilities and corporate governance

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 in the Charities SORP 2019 (FRS 102),
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the governing Acts. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Risk management

The Corporate Risk Strategy and the Risk Register for the Parliamentary Bill were approved at the Annual Meeting on 13 November 2025. Red flags on the risk register were considered by FAR and the Board throughout the year. Major risks remained relatively consistent to previous years. Changes to local government ward boundaries, loss of reputation, adverse publicity, loss of confidence, loss of influence, and impact on staff morale remained major (red) risks. This is along with impact of local campaigns by groups or individuals diverting organisational focus; and grant funding being reduced by unilateral changes to existing agreements made by the Rural Payments Agency (as well as late payment as mentioned). The risk of declining tree health also remained a major risk. Public safety at Gullett Quarry was also considered a major risk due to warm dry weather conditions and liaison with emergency services on managing public safety risks will continue. Proactive controls meant that some major risks could be downgraded to moderate risk, including expenditure levels increasing beyond expectations, car park takings falling below expected income and poor investment returns.

A Board workshop was held on 18 September, to consider the risk strategies and any movement. Trustees present considered why the Trust needs risk management; the Corporate Risk Strategy and Risk Register for the Parliamentary Bill; and contributed collective thinking on strengths, weaknesses, opportunities and threats, and our values. Trustees discussed risk matters addressed in 2024/2025, including the length of time it took the Trust to recover its



grant from the Rural Payments Agency. New technologies mean that staff are adjusting to new working practices e.g. using robotic mowers and there is the anticipation of using AI. At the workshop, Trustees felt that some risks had lessened in severity through the year, for example the possible impact of airborne infections on governance may be downgraded. The appointment of a Land and Property Manager and an external health and safety advisor were steps forward in proactive mitigation of a number of associated risks.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving the Trustees' Annual Report, the trustees have each taken appropriate steps to make themselves aware of any information relevant to the audit and to establish that the auditor is aware of that information.

By order of the Board of Trustees

John Michael
Chair of Trustees on behalf of the Trustees
DATE 12 November 2026



Independent Auditor's Report to the Trustees of Malvern Hills Trust

Opinion

We have audited the financial statements of Malvern Hills Trust (the 'Charity') for the year ended 31 March 2026 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2026 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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



Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Charity's 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a



material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Use of our report

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

Wenn Townsend

Chartered Accountants

Statutory Auditor

Date

30 St Giles

Oxford

OX1 3LE

Wenn Townsend is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment

Statement of Financial Activities for the year ended 31 March 2026

	Note	Unrestricted funds	Restricted funds	Total funds 2026	Total funds 2025
		£	£	£	£
Income and endowments from:					
Donations and legacies	3	83,938	500	84,438	33,926
Charitable activities:					
Management of the hills and commons	4	1,037,678	70,792	1,108,470	996,056
Car parks	4	457,976	-	457,976	446,381
Other trading activities	5	67,164	700	67,864	73,688
Investments:					
Bank deposits		23,982	5,958	29,940	38,679
Investment portfolio		-	35,657	35,657	34,247
Other	6	16,793	2,458	19,251	13,895
Total income		1,687,531	116,065	1,803,596	1,636,872
Expenditure on:					
Charitable activities	7	1,765,427	55,252	1,820,679	1,638,114
Raising funds	7	-	7,962	7,962	8,156
Total expenditure	7	1,765,427	63,214	1,828,641	1,646,270
Net gains on investments	9	-	72,083	72,083	3,264
Net income/(expenditure)		(77,896)	124,934	47,038	(6,134)
Transfers between funds	23	77,689	(77,689)	-	-
Other recognised gains/(losses)					
Actuarial gains/(losses) on defined benefit pension scheme	28	(25,000)	-	(25,000)	426,000
Net movement in funds		(25,207)	47,245	22,038	419,866
Reconciliation of funds:					
Total funds brought forward as originally stated		1,360,595	2,914,588	4,275,183	3,855,317
Adjustment impact	30	(190,000)	190,000	-	-
Total funds brought forward Restated		1,170,595	3,104,588	4,275,183	3,855,317
Total funds carried forward	24	1,145,388	3,151,833	4,297,221	4,275,183

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 37 to 66 form part of these financial statements.



Balance Sheet as at 31 March 2026

	Note	2026	RESTATED 2025
Fixed Assets		£	£
Tangible fixed assets	14	498,711	430,515
Heritage assets	14/15	1,469,147	1,346,835
Investments	16	1,394,456	1,313,707
Total fixed assets		3,362,314	3,091,057
Current Assets			
Livestock		31,452	31,452
Investments		352,885	339,788
Debtors	17	285,997	245,168
Short term deposits		688,651	937,858
Cash in hand		240	152
Total current assets		1,359,225	1,554,418
Creditors: Amounts falling due within one year	18	(277,318)	(240,291)
Net Current Assets excluding pension liability		1,081,907	1,314,127
Net assets excluding pension liability		4,444,221	4,405,183
Pension Fund liability	28	(147,000)	(130,000)
Net Assets including pension liability		4,297,221	4,275,183
The funds of the charity			
Unrestricted - General Fund	19/30	295,789	371,961
Unrestricted - General Fund Loan Capital	19/30	(238,492)	(190,000)
Unrestricted - Designated Funds	20	1,235,091	1,118,634
Unrestricted - Pension Fund	21	(147,000)	(130,000)
Restricted Funds	22	3,151,833	3,104,588
Total charity funds		4,297,221	4,275,183

The notes on pages 37 to 66 form part of these financial statements.

Signed

John Michael
Chair of Trustees on behalf of the Trustees
DATE 12 November 2026



Statement of cash flows for the year ended 31 March 2026

	2026 £	2025 £
Cash flows from operating activities		
Net movement in funds	22,038	419,866
Actuarial gains/(losses) on defined benefit pension scheme	25,000	(426,000)
Add back depreciation charge	76,451	74,965
Profit on disposal of fixed assets	(5,283)	(8,455)
Investment (gains)/ losses	(72,083)	(3,264)
Difference pension charge and cash contributions	(8,000)	(56,000)
Income on investing activities retained in portfolio	(65,597)	(72,926)
Decrease / (increase) in stock	-	-
(Increase)/decrease in debtors	(40,829)	61,352
Increase in creditors	37,026	(32,274)
Net cash provided by/(used in) operating activities	(31,277)	(42,736)
Cashflows from investing activities:		
Proceeds from the sale of fixed assets	6,675	8,455
Purchase of fixed assets	(268,351)	(76,731)
Transfer to current asset investments	(13,097)	85,000
Purchase of investments	(316,717)	(198,004)
Proceeds on disposal of investments	317,448	181,281
Interest received	65,597	72,926
Net cash provided by investing activities	(208,445)	72,927
Change in cash and cash equivalents in the reporting period	(239,722)	30,191
Cash at beginning of period	938,010	898,260
Cash at end of period	688,891	938,010
Movement in portfolio cash	9,397	(9,559)
Change in cash and cash equivalents in reporting period	(239,722)	30,191

The notes on pages 37 to 66 form part of these financial statements.



Notes to the financial statements for the year ended 31 March 2026

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation and uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (issued October 2019) – (Charities SORP (FRS102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

Malvern Hills 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 notes.

The financial statements are prepared in sterling, which is the functional currency of the Trust. Monetary amounts in these financial statements are rounded to the nearest £.

The significant accounting policies set out below have been consistently applied to all years presented unless otherwise stated.

a) Preparation of the financial statements on a going concern basis

The charity reported a cash outflow of £239,722 (2024/25 £30,191 inflow) for the year. The charity has cash resources and has no requirement for external funding. The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future (at least 12 months from accounts approval). They continue to believe the going concern basis of accounting to be appropriate in preparing the annual financial statements.

b) Income

Income is recognised when all of the following criteria are met:

- Entitlement – control over the rights or other access to the economic benefit has passed to the charity,
- Probable – it is more likely than not that the economic benefit associated with the transaction or gift will flow to the charity,
- Measurement – the monetary value or amount of the income can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Income is deferred when the donor specifies the grant or donation must be used in a future accounting period.

When donors specify that grants or donations, including capital grants, are for particular restricted purposes, this income is included in the incoming resources of restricted funds when it is receivable.

Grants that are subject to performance-related conditions are recognised when those conditions have been met.



For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

c) Operating leases

Income from operating leases is recognised in the statement of financial activities on a straight-line basis over the lease term.

d) Expenditure

Expenditure is included in the statement of financial activities on an accruals basis, exclusive of VAT. Support costs are apportioned on a reasonable basis. Salaries are allocated on an estimate of time spent on each activity. Depreciation is allocated by the use of the assets. Administration costs are allocated by invoice where possible otherwise an estimate has been made based on staff time. Governance costs include direct and indirect expenditure involved in ensuring that the charity complies with its charitable and statutory obligations.

e) Recognition of liabilities

Liabilities are recognised on an accruals basis, and once there is a legal or constructive obligation that commits the charity to the obligation.

f) Taxation

Malvern Hills Trust is a registered charity, and as such is entitled to taxation exemptions on all its income and gains, properly applied for its charitable purposes.

g) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. A capitalisation limit of £500 has been set by the Trustees.

It is Malvern Hills Trust's objective to preserve and manage the land. The land is deemed to have an indefinite life and the Trustees do not therefore consider it appropriate to charge depreciation.

Depreciation on other assets is provided at rates calculated to write off the cost of fixed assets less their residual value on a straight-line basis over their expected useful lives on the following bases:

Vehicles and equipment	16.67 % of cost
Parking meters	10 % of cost
Office equipment	25 % of cost
Car Park improvements	20 % of cost
Improvements to land and buildings	20 % of cost
Office buildings	2 % of cost

h) Heritage Assets

Part of the freehold land of the charity is held for conservation purposes to meet its charitable objects and is therefore considered to be a heritage asset. As this land is central to the charitable objects and can only be sold in very limited circumstances, it is also considered to be an inalienable asset.

The land held by Malvern Hills Trust is reported in the Balance Sheet at cost. The land is inalienable, so the Trustees do not believe the expense of having the land valued for the purposes of these accounts would be good use of the charity's funds, as the cost would exceed the benefit. Malvern Hills Trust also



has some small areas of land which were donated to the charity which are not shown in the accounts. The Trustees believe that the expense of having this land valued to include it in the accounts would exceed the benefits provided by the valuation, as this land is also inalienable.

i) Investments – Fixed Asset

Investments are shown in the Balance Sheet at market value. Changes in the valuation of investments during the year are shown as gains or losses in the Statement of Financial Activities.

j) Investments – Current Asset

Current asset investments are long term deposits comprising fixed-term or notice investments with a maturity of three months or more.

k) Livestock

‘Livestock’ represents cattle owned by Malvern Hills Trust. These animals are part of a long-term grazing licence, and their day-to-day care is provided by the licensee. An independent valuation of the livestock is undertaken at the commencement and termination of the licences. The current licence details are as follows:

Northern Hills Grazing licence – 14 cattle £6300 (2018). 1 December 2018 – 30 November 2028.

(Central Hills Grazing licence – no MHT owned livestock)

Southern Hills Grazing licence – 333 sheep £25,152 (2021). 1 June 2021 – 31 May 2031.

We also provide the licensees with certain equipment.

l) Pension scheme

The charity participates in the Worcestershire County Council Pension Fund which is a part of the Local Government Pension Scheme (LGPS), a multi-employer scheme. The LGPS is a defined benefit scheme. Contributions are accounted for in accordance with FRS102. Further details are given in note 28 to the financial statements. Membership of the LGPS is closed to new joiners.

In order to meet its obligations under auto-enrolment, the charity enrolls eligible new staff in the People’s Pension Scheme, a defined contribution scheme.

m) Fund accounting

Funds (as defined by the SORP, which are not necessarily cash funds or available for expenditure) held by the trustees are either:-

- Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- Unrestricted designated funds – these funds are set aside by the trustees out of unrestricted general funds for specific future purposes or projects.
- Unrestricted pension fund – this represents the estimate of pension liabilities as required by FRS 102.
- Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor, when funds are raised for particular restricted purposes or when required by the Malvern Hills Acts.

Further explanation of the nature and purpose of each fund is included in notes 19 - 22 to the financial statements.

n) Debtors

Trade and other debtors are recognised at the settlement date less any provision for bad debts. Prepayments are valued at the amount prepaid.

o) Short term deposits and cash at bank and in hand

Short term deposits comprise short-term highly liquid investments with a short maturity of three months or less. Cash at bank and in hand is the petty cash balance held.

p) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

q) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Financial assets measured at fair value comprise quoted investments. Financial assets measured at settlement value comprise cash at bank and in hand, short term deposits, trade debtors and accrued income. Financial liabilities measured at settlement value comprise trade creditors and accruals.

Details of financial instruments are given in note 29 to the financial statements.

r) Significant estimates and judgements

Significant 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. The items in the financial statements where these estimates and judgements have been made include the useful economic lives of tangible fixed assets and bad debts.

The annual depreciation charge for the tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended where necessary to reflect the current estimates, based on technological advancement, future investment, economic utilisation and the physical condition of the assets.

Provision is made for bad debts if they remain outstanding for more than three months.

The present value of the Worcestershire County Council Pension Fund defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2025 has been used by the actuary in valuing the pensions liability at 31 March 2026. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.



2 Legal status of the charity

Malvern Hills Trust is registered with the Charity Commission for England and Wales, number 515804.

The charity is a body corporate constituted by 5 Acts of Parliament, the Malvern Hills Acts 1884, 1909, 1924, 1930 and 1995.

The registered office is Manor House, Grange Road, Malvern, Worcestershire WR14 3EY.

3 Analysis of income from donations and legacies

	2026	2025
	£	£
Gifts	14,209	13,824
Legacies	70,229	20,102
	<u>84,438</u>	<u>33,926</u>

The income from donations and legacies was £84,438 (2024/25 £33,926) of which £83,938 was unrestricted (2024/25 £28,926) and £500 restricted (2024/25 £5,000).

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in the Trustees' annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the financial statements.

4 Analysis of income from charitable activities

	M'gt of hills and commons	Car Parks	Total 2026	Total 2025
	£	£	£	£
Income				
Levy on Council Tax payers in precepted parishes	739,100	-	739,100	697,070
Stewardship grants	277,286	-	277,286	270,413
Other grants	92,084	-	92,084	28,574
Car park takings	-	457,976	457,976	446,381
Total income from charitable activities	<u>1,108,470</u>	<u>457,976</u>	<u>1,566,446</u>	<u>1,442,437</u>

Stewardship grants includes £1,831 restricted income (2024/25 £1,465) and Other grants includes £68,961 (2024/25 £7,630) restricted income. All other amounts are unrestricted.



5 Analysis of income from other trading activities

	2026	2025
	£	£
Rental income	56,838	46,762
Easements and wayleaves	11,025	26,886
Sale of books, leaflets & maps	-	40
	<u>67,864</u>	<u>73,688</u>

The rental income and sale of books etc. in both years was unrestricted. £700 of easements and wayleaves was restricted income in the year (2024/25 £16,000).

6 Analysis of other income

	2026	2025
	£	£
Compensation for works	-	75
Profit on disposal of fixed assets	5,283	8,455
Sundry Income	<u>13,968</u>	<u>5,365</u>
	<u>19,251</u>	<u>13,895</u>

Sundry income includes £2,458 restricted income this year (2024/25 £Nil). All remaining other income is unrestricted.

7 Analysis of expenditure

	Estate manage't	Rangering	Car parks	PR	Governance	Office costs	Total 2026	2025
	£	£	£	£	£	£	£	£
Salaries (note 10)	380,136	175,644	-	-	130,037	262,659	948,476	778,852
Direct expenses	268,871	16,759	28,400	34,406	-	-	348,436	317,397
Rates and water	3,671	-	3,275	-	-	2,518	9,464	9,217
Electricity & gas	2,105	-	5,869	-	-	3,340	11,314	9,858
Insurance	8,946	-	-	-	2,904	24,708	36,558	34,262
Maintenance of buildings	4,639	-	-	-	-	3,053	7,692	11,624
Depreciation	72,890	-	-	-	-	3,561	76,451	74,965
Investment management	7,962	-	-	-	-	-	7,962	8,156
Support costs (note 8)	33,866	-	2,602	-	293,499	52,321	382,288	401,939
	<u>783,086</u>	<u>192,403</u>	<u>40,146</u>	<u>34,406</u>	<u>426,440</u>	<u>352,160</u>	<u>1,828,641</u>	<u>1,646,270</u>

Expenditure was £1,828,641 (2024/25 £1,646,270) of which £1,765,427 was unrestricted (2024/25 £1,599,900) and £63,214 was restricted (2024/25 £46,370).



8 Analysis of support costs

	Estate manage't	Governance	Car parks	Office costs	Total 2026	Total 2025
	£	£	£	£	£	£
Telephones	2,546	-	-	2,799	5,345	5,185
Cleaning	1,313	-	-	3,789	5,102	5,389
Postage	-	-	-	2,551	2,551	2,411
Office equipment	-	-	-	1,925	1,925	1,680
Printing & stationery	-	-	-	8,019	8,019	6,618
Travelling	70	2,510	-	-	2,580	614
IT	-	-	-	16,843	16,843	16,219
Legal fees	3,884	225,868	-	-	229,752	248,753
Audit fee	-	11,910	-	-	11,910	14,200
Election expenses	-	18,789	-	-	18,789	-
Other professional fees	9,755	26,703	-	3,993	40,451	22,790
Subscriptions	3,311	243	-	1,092	4,646	3,119
Newspaper adverts	-	1,059	-	-	1,059	12,900
Training	11,113	2,252	-	1,910	15,275	13,352
Miscellaneous	52	4,090	-	1,664	5,806	730
Recruitment	1,790	-	-	-	1,790	16,338
Pension finance cost	-	-	-	7,000	7,000	29,000
Bank charges	32	75	2,602	736	3,445	2,641
	33,866	293,499	2,602	52,321	382,288	401,939

9 Net income/(expenditure) for the year

This is stated after charging:

	2026	2025
	£	£
Depreciation	76,451	74,965
Gains/(losses):		
Realised gains/(losses)	16,760	6,046
Unrealised gains/(losses)	55,323	(2,782)
Auditor's remuneration:		
Audit fees current year	11,750	13,950
Other advice	-	250
Audit fees prior year	160	-



10 Analysis of staff costs, trustee remuneration and expenses and the cost of key management personnel

	2026	2025
	£	£
Salaries and wages	707,218	631,369
Social security costs	78,881	55,015
Pension costs	170,927	165,623
Group life assurance	4,320	3,085
FRS 102 - pension adjustment	(15,000)	(85,000)
FRS 102 - short term compensated absence charge to SOFA	2,130	8,761
	<u>948,476</u>	<u>778,852</u>

The number of full time equivalent employees whose annual remuneration was £60,000 or more was:

	2026	2025
	Number	Number
£60,001 - £70,000	1	1

Contributions totaling £7,317 (2024/25: £5,775) were made to defined contribution schemes on behalf of employees whose emoluments exceed £60,000.

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2024/25 £Nil). No travelling expenses were reimbursed to trustees during the year (2024/25 £Nil). No charity trustee received payment for professional or other services supplied to the charity (2024/25 £Nil).

The key management personnel comprises the Chief Executive Officer, the Conservation Manager, the Operations Manager, the Secretary to the Board, the Governance Change Officer, the Land and Property Manager and the Finance and Administration Manager. The total employee benefits of key management personnel of the charity, including employer's NI and pension contributions, was £399,538 (2024/25 £317,644). Please note that in 24/25 this was 5.4 full time equivalent key management personnel and in 25/26 it was 5.9.

11 Staff numbers

The average monthly head count was 21.9 staff (2024/25 21.5 staff) and the average monthly number of full time equivalent employees (including part-time staff) during the year was as follows:

	2026	2025
Rangers	4.7	4.0
Field Staff	5.7	6.2
Conservation, land & property	3.3	2.8
Office based staff	5.5	5.6
	<u>19.2</u>	<u>18.6</u>



12 Related party transactions

Under the Charities SORP, trustees are required to disclose transactions with related parties.

During 2025/26 no related party transactions were identified (2024/25 £Nil).

13 Corporation tax

The Malvern Hills Trust is a registered charity. As such, it is potentially exempt from UK Corporation Tax on income and gains falling within sections 478 to 488 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that these are applied to its charitable objectives. No tax charge has arisen in the current or prior financial year.

14 Tangible Fixed assets

	Heritage Assets - Land & buildings (note 15)	Other land	Office building	Improv- ements to land and buildings	Car parks	Vehicles and equipment	Office equipment	Total
	£		£	£	£	£	£	£
Cost								
1st April 2025	1,346,835	102,733	138,770	990,772	160,460	554,057	67,760	3,361,385
Additions	122,312	-	-	15,150	-	126,814	4,075	268,351
Disposals	-	-	-	-	-	(36,429)	(9,718)	(46,147)
At 31st March 2026	1,469,147	102,733	138,770	1,005,922	160,460	644,441	62,116	3,583,589
Depreciation								
At 1st April 2025	-	-	33,300	930,108	160,460	399,971	60,196	1,584,035
Charge in the year	-	-	2,775	23,229	-	46,886	3,561	76,451
On disposals	-	-	-	-	-	(35,036)	(9,718)	(44,755)
At 31st March 2026	-	-	36,075	953,337	160,460	411,821	54,040	1,615,732
Net book value								
31st March 2025	1,346,835	102,733	105,470	60,663	-	154,086	7,563	1,777,350
31st March 2026	1,469,147	102,733	102,695	52,585	-	232,621	8,077	1,967,857

‘Other land’ is in-by-land at Hollybed Common, purchased pursuant to an order made by the Charity Commission under S105 of the Charities Act 2011.



15 Heritage Assets

Land and buildings (heritage assets) are held for the purposes of the charity. Details of the Land Purchase policy are given in the trustees' report. Under the Malvern Hills Acts, land can only be sold in very limited circumstances and so is considered inalienable.

Year	Detail	£
1903	Hill land near Brand Lodge	220
1925	W. Berington's mineral rights, Little Malvern	10,132
1925	Ecclesiastical Commissioners' mineral and manorial rights	1,036
1925	Foley Manor	16,007
1926	Price & Laird's land, The Wyche (portion)	999
1927	Miss Cabrera's land and mineral rights	687
1928	Major Raper's land and mineral rights	517
1931	West of England quarries	24,654
1931	Thirds Wood, Jubilee Drive	1,897
1937	Land at Malvern Wells	25
1938	Land at Malvern Wells	286
1955	Land near Combe Lodge	350
1958	Land, part of The Shrubbery	74
1958	Land on North Hill	369
1958	Land at Wood Street, Guarlford	37
1958	Land on Malvern Common	24
1958	Lease of Park Cottage, West Malvern	51
1958	Land at Old Wyche	171
1958	Land at Happy Valley	13
1959	Land at Old Wyche	81
1960	Land at British Camp	243
1960	Land at Happy Valley	82
1960	Land at West Malvern	127
1960	Land at Scar Quarry	8
1960	Providence Cottages, The Wyche	940
1961	Land at Holy Well	182
1961	Land at The Old Collets	24
1962	Land at Holly Bush Roughs	2,848
1962	Hill Top Cottage, Chase End	773
1962	Land at Castlemorton	656
1963	Cottages and land at West Malvern	580
1964	F. B. Bradley-Birt manorial rights at Chase End and Ragged Stone Hill	343
1964	Land at Upper Wyche	62
1966	Castlemorton Common land	1,459
1966	St. Ann's Well	3,743
1967	Land at Colwall	256
1967	Land at Malvern Wells	115
1967	Land at Old Hills and Newland	1,796
1969	Land at 34 Wyche Road, Malvern	3,500
1970	Land at Camp End	771
1971	Land at Black Hill	206
1972	Land at Earnslaw	86
1976	The Moat Pond, Sherrards Green	59
	Carried forward	76,489



<u>Year</u>	<u>Detail</u>	<u>£</u>
	Brought forward	76,489
1976	Thirids Wood, Chase Road (part)	1,057
1977	Land at Castlemorton	2,061
1980	Land at Chances Pitch	100
1980	Mount Pleasant, Jubilee Drive	2,700
1981	Land at West Malvern	8,000
1982	Gullet Quarry	4,500
1984	Gullet Quarry	10,717
1986	Earnslaw and Wyche Quarries	12,712
1986	Grundy's Meadow	3,145
1989	Ballards Land, Upper Colwall	11,250
1990	Park Wood, West Malvern	36,000
1991	Fish Pool, Leys Coppice	15,373
1993	Lodge Fields	25,370
1993	Gardiners Cottage	3,367
1993	Park Wood, West Malvern	5,600
1994	Land at St. Andrew's Road	5,000
1995	Hill land at West Malvern, Eaton Road and Holy Well	35,000
1995	Mill Pond, Castlemorton	2,500
1998	Woodford's Meadow	52,000
1999	Meadow land at Park Wood	10,000
1999	Colwall lands	40,417
2002/03	Land at Broomy Hill, Castlemorton	8,584
2002/03	Land at Old Hollow, West Malvern	65,625
2003	Land at The Hacketts, Mathon	176,411
2003	Land at Little Malvern	54,099
2007/08	Tank Quarry	25,498
2007/08	Land at The Purlieu, West Malvern Road	10,915
2007/08	Land at The Patch, Castlemorton	16,448
2008/09	Land at Worcestershire Beacon and above Jubilee Drive	4,471
2009/10	Small parcels of land	1,395
2009/10	Small parcels of land	7,495
2010/11	Small parcels of land	2,229
2011/12	Small parcels of land	4,945
2012/13	Small parcels of land	200
2018/19	Land at Castlemorton	7,505
2018/19	Land at Holywell	13,684
2018/19	Land at Castlemorton (Brook Meadow, Snookes Croft and Plants Piece)	297,399
2021/22	Land at The Purlieu, West Malvern Road	113,382
2022/23	Two parcels of land at Evendine	173,192
2025/26	Land at Foxhall	21,384
2025/26	Land at Little Malvern	100,928
Total to 31 st March 2026		<u>1,469,147</u>

This land is shown at cost and is not revalued. As the land is inalienable, the Trustees do not consider the expense of having the land valued would generate any benefit for the Charity.



16 Investments

Current Asset Investments

There are a series of short term investments. At the balance sheet date those held ranged from 6 months to 12 months maturity date.

Fixed Asset Investments

Fixed Asset Investments are held to provide capital growth and a return for the charity. There are two investment portfolios. One holds the Land Purchase (1992) Fund (formerly named the Lands Acquisition fund), the other the Lands Maintenance Fund and part of the Parliamentary Fund. Income earned on the Land Purchase (1992) portfolio is retained within the fund and reinvested. Income on the Parliamentary and Lands Maintenance portfolio is transferred to the Trust's current account each month.

The movement on the funds during the year was:

	LP1&LP2	Parl & LM	Total 2026	2025
	£	£	£	£
Opening Market Value	632,452	681,255	1,313,707	1,303,281
Additions	181,735	134,982	316,717	198,004
Disposals	(166,559)	(134,128)	(300,687)	(176,757)
Unrealised gains/(losses)	23,363	31,960	55,323	(2,782)
Change in cash	6,173	3,222	9,395	(8,039)
Closing market value	677,165	717,291	1,394,456	1,313,707

At the Balance Sheet date, the Land Purchase (1992) portfolio was invested in the following classes of investment:

Land Purchase (1992) Portfolio ONE		2026		2025
		£		£
UK Bonds	6.6 %	28,690	7.0 %	28,866
Overseas bonds	10.0 %	43,305	10.7 %	43,862
UK equities	10.9 %	47,354	14.1 %	57,794
North American equities	36.9 %	160,071	34.9 %	142,942
European equities	7.1 %	30,944	7.8 %	32,057
Japanese equities	3.1 %	13,436	3.1 %	12,840
Developed Asia ex Japan equities	7.5 %	32,370	5.9 %	24,227
Emerging markets	1.2 %	5,046	1.0 %	3,999
Global investments	3.3 %	14,345	4.3 %	17,731
Absolute return	3.2 %	14,042	2.6 %	10,727
Property	1.6 %	6,943	2.0 %	8,090
Commodities	3.1 %	13,570	1.8 %	7,370
Other investments	3.4 %	14,584	3.5 %	14,535
Cash and cash product	2.2 %	9,667	1.1 %	4,562
		<u>434,367</u>		<u>409,600</u>



Land Purchase (1992) Portfolio TWO		2026		2025
		£		£
UK Bonds	10.9 %	26,347	10.6 %	23,642
Overseas bonds	21.6 %	52,519	22.0 %	49,005
UK equities	7.1 %	17,240	7.9 %	17,625
North American equities	16.9 %	40,938	16.6 %	36,966
European equities	3.0 %	7,369	3.0 %	6,778
Japanese equities	1.9 %	4,529	1.6 %	3,594
Developed Asia ex Japan equities	3.7 %	8,985	3.7 %	8,300
Emerging markets	1.1 %	2,568	0.9 %	2,035
Global investments	2.8 %	6,785	3.0 %	6,739
Absolute return	11.0 %	26,663	11.6 %	25,875
Property	5.1 %	12,359	5.1 %	11,467
Commodities	7.5 %	18,320	6.5 %	14,458
Other investments	2.4 %	5,894	2.3 %	5,158
Cash and cash product	5.1 %	12,282	5.0 %	11,213
		<u>242,798</u>		<u>222,852</u>

£238,492 of the Land Purchase balance has been used for the partial loan funding of the Promotion and Preparation of the Private Bill (24/25 £190,000).
Additionally, £150,000 is held in short term cash deposits via Flagstone (24/25 £150,000).

At the Balance Sheet date, the Parliamentary and Lands Maintenance portfolio was invested in the following classes of investment:

Parliamentary & Lands Maintenance Portfolio		2026		2025
		£		£
UK Bonds	8.6 %	61,703	9.1 %	61,951
Overseas bonds	7.8 %	55,980	8.2 %	56,103
UK equities	9.4 %	67,360	12.6 %	85,861
North American equities	37.6 %	269,558	35.5 %	241,953
European equities	7.2 %	51,394	7.9 %	53,907
Japanese equities	3.9 %	28,149	3.4 %	23,178
Developed Asia ex Japan equities	8.5 %	60,657	5.8 %	39,698
Emerging markets	0.9 %	6,342	0.7 %	5,026
Global investments	3.9 %	27,806	5.0 %	34,349
Absolute return	1.9 %	13,836	2.0 %	13,679
Property	1.1 %	7,978	1.4 %	9,464
Commodities	3.5 %	25,105	2.5 %	17,368
Other investments	3.4 %	24,257	3.5 %	23,774
Cash and cash product	2.4 %	17,166	2.2 %	14,944
		<u>717,291</u>		<u>681,255</u>

No single investment is considered material in the context of the investment portfolio.



17 Debtors

	2026	2025
	£	£
Trade debtors	20,890	17,804
VAT repayable	6,648	7,145
Accrued income	197,611	164,679
Prepayments	60,848	55,540
	<u>285,997</u>	<u>245,168</u>

Debtors are measured at the settlement value less any provision for bad debts. No bad debts were written off during the year (2024/25 £Nil).

18 Creditors: amounts falling due within one year

	2026	2025
	£	£
PAYE and National Insurance	16,585	14,095
Wages	6,369	5,767
Trade creditors	105,633	74,427
Accrued charges	54,070	64,252
Other creditors	6,544	15,189
Deferred income	69,054	49,628
FRS102 compensated absence provision	19,063	16,933
	<u>277,318</u>	<u>240,291</u>

Deferred income comprises rents and car park pass payments received in advance. The movement on the deferred income account during the year was:

Current year	£
Balance at 1 April 2025	49,628
Released to the SOFA in the year	(49,628)
Received in the year	<u>69,054</u>
Balance at 31 March 2026	<u>69,054</u>

Prior year	£
Balance at 1 April 2024	46,025
Released to the SOFA in the year	(46,025)
Received in the year	<u>49,628</u>
Balance at 31 March 2025	<u>49,628</u>

19 General fund

	2026 £	2025 £
General fund - balance 1 st April 2025 brought forward as originally stated	371,961	479,130
Adjustment impact	(190,000)	-
General fund - balance 1 st April 2025 RESTATED	181,961	479,130
Incoming resources	1,335,283	1,268,823
Resources expended	(1,342,595)	(1,257,626)
Transfers	(117,352)	(308,366)
Balance 31 st March 2026	57,297	181,961

Balance comprises:

	2026 £	2025 £
Unrestricted - General Fund	295,789	371,961
Unrestricted - General Fund Loan Capital	(238,492)	(190,000)
	57,297	181,961

20 Designated funds

Current year	Balance 1st April 2025 £	Movement incoming £	Resources outgoing £	Transfers (to)/from other funds £	Balance 31st March 2026 £
Unrestricted gift fund	406,903	70,284	(2,034)	(30,000)	445,153
HLS, BPS & grazing reserve fund	79,081	16,772	(8,604)	-	87,249
Countryside Stewardship fund	380,838	265,194	(86,003)	(744)	559,285
Tree disease fund	33,570	-	-	-	33,570
Ash Dieback fund	61,515	-	(16,985)	-	44,530
Modernisation of Acts other costs	70,252	-	(63,381)	31,506	38,377
Preparation & Promotion of Private Bill	16,287	-	(195,102)	127,252	(51,563)
Election expenses fund	5,000	-	(19,724)	29,000	14,276
Dog campaign	3,501	-	-	(3,501)	-
Designated fixed asset fund	10,411	-	-	47,078	57,489
Boundary Commission Advice	12,276	-	-	(12,276)	-
Tree & Track fund	14,000	-	(14,000)	-	-
Marketing & Comms	25,000	-	(25,000)	-	-
Pond Works	-	-	-	6,725	6,725
	1,118,634	352,250	(430,833)	195,040	1,235,091



Prior year	Balance 1st April 2024	Movement incoming	Resources outgoing	Transfers (to)/from other funds	Balance 31st March 2025
	£	£	£	£	£
Unrestricted gift fund	389,386	21,657	-	(4,140)	406,903
HLS, BPS & grazing reserve fund	112,078	10,264	(12,279)	(30,983)	79,081
Countryside Stewardship fund	200,437	265,192	(84,791)	-	380,838
Tree disease fund	35,865	-	(2,295)	-	33,570
Ash Dieback fund	90,869	377	(29,731)	-	61,515
Fundraising support fund	10,000	-	-	(10,000)	-
Modernisation of Acts other costs	40,186	41	(73,975)	104,000	70,252
Preparation & Promotion of Private Bill	(14,342)	-	(190,354)	220,983	16,287
Election expenses fund	-	-	-	5,000	5,000
Dog campaign	3,501	-	-	-	3,501
Car Park repair fund	4,369	-	-	(4,369)	(0)
Designated fixed asset fund	12,528	-	-	(2,117)	10,411
Boundary Commission Advice	12,276	-	-	-	12,276
Tree & Track fund	-	-	(3,000)	17,000	14,000
Marketing & Comms	-	-	-	25,000	25,000
Sink hole fund	-	-	(1,850)	1,850	-
	897,153	297,530	(398,274)	322,224	1,118,634

- The unrestricted gift fund holds donations, legacies and gifts which were not restricted by the donor and which have been designated for use in projects in accordance with the Trustees' policy.
- The Stewardship funds (including HLS BPS and grazing reserve) are the grazing projects to secure conservation of the Malvern Hills landscape as set out in the land management plan. The project receives funding from the Higher Level Stewardship and the new Countryside Stewardship schemes.
- The Tree Disease fund is to cover costs arising from tree diseases.
- The Ash Dieback fund was set up during 2021/22 to cover the cost of managing Ash Dieback. Spending to date is over £142,000 and we now do not expect the costs to be as high as first thought. We do however now have Acute Oak Decline to deal with so the fund remains in place at the moment and may be redirected to this new threat.
- The Governance review funds are to cover the costs of any work done relating to the Private Bill. One fund is specifically for the "Preparation and Promotion of the new Bill, the other is "other costs attached to the bill" including but not limited to; the consultation, staff costs and other legal fees. Further details are included in the Trustees Annual Report. The negative balance as stated on the Preparation and Promotion of the Private Bill is cleared on 30th June 2026 by draw down of the final £66,000 from the Land Purchase Fund.
- The Election expenses fund is to cover the cost of the 4-yearly elections to the Board and any by-elections. Elections took place in Autumn 2023 and the next elections will be in Autumn 2027. A rolling £5,000 per year designation has historically been made. This was reviewed



during 2025/26 as the costs generally exceed this and it does not allow for additional elections that may (and did in 2025/26) occur.

- The Dog campaign fund is to cover the costs of a campaign which was started in 2019/20 and was closed in 2025/26.
- The designated fixed asset fund represents the balance on designated assets purchased which remain designated until fully written down.
- The Boundary Commission Advice fund was setup in 2022 to cover legal costs in relation to Boundary Commission issues. This fund was released during 2025/26.
- The Track & Tree fund was setup in 2024 to earmark funds that were budgeted in 2024/25 but had to be delayed due to bad weather and other external factors. This was fully spent in 2025/26.
- The Marketing & Comms fund was designated in 2024/25 to resource services from a PR company for 12 months to deliver communication outputs. All PR costs going forward are via general fund budget and this is now closed.
- The Pondworks fund was set up at the year end specifically to assign funds to allow anticipated pond work during 2026/27.

21 Unrestricted pension fund

	Balance 1st April 2025	Movement incoming	Resources outgoing	Actuarial gains/(losses)	Balance 31st March 2026
	£	£	£	£	£
Current year					
Pension Fund	(130,000)	-	8,000	(25,000)	(147,000)

	Balance 1st April 2024	Movement incoming	Resources outgoing	Actuarial gains/(losses)	Balance 31st March 2025
	£	£	£	£	£
Prior year					
Pension Fund	(612,000)	-	56,000	426,000	(130,000)

The unrestricted pension fund balance arises from the FRS 102 disclosures. The figure shown in 'Transfers and other losses' is the actuarial gain/(loss) as calculated by the Actuary.

Further information is given in note 28.



22 Restricted funds

Current year	Balance 1st April 2025 RESTATED £	Movement incoming £	Resources outgoing £	Transfers (to)/from other funds £	Net gains/ (losses) on investments £	Balance 31st March 2026 £
Lands Maintenance fund	192,800	5,368	(1,147)	(5,368)	11,132	202,785
Nature of the Malverns book	2,901	-	-	(2,901)	-	-
Restricted gifts	5,800	-	(422)	(685)	-	4,693
Tree planting	684	-	-	-	-	684
Bench fund	6,025	500	(1,920)	685	-	5,290
Boost4Biodiversity	1,389	-	-	(1,389)	-	-
Urban tree challenge fund	5,992	4,631	-	-	-	10,623
Access For All	1,911	3,880	(2,172)	-	-	3,619
Land Purchase (1992) fund **	336,577	16,454	(2,505)	(174,255)	16,777	193,048
Loan Capital LP **	190,000	-	-	48,492	-	238,492
Land Purchase 2 Fund	222,589	6,098	(1,360)	-	15,549	242,876
Parliamentary fund	520,207	14,395	(12,366)	(28,845)	28,625	522,017
Capital Outlay Discharged	1,615,701	-	(26,003)	137,462	-	1,727,161
Foothill Grasslands CSMT	1,465	1,831	(3,296)	-	-	-
Handgate (Defra)	547	-	-	-	-	547
30x30 Coppice	-	14,458	(12,023)	(2,435)	-	-
Robocutter Grant	-	48,450	-	(48,450)	-	-
	3,104,588	116,065	(63,214)	(77,689)	72,083	3,151,833

The table below shows the impact of the opening balance adjustment.

Current year	Balance 1st April 2025 as originally stated £	Adjustment impact £	Balance 1st April 2025 RESTATED £
Lands Maintenance fund	192,800	-	192,800
Nature of the Malverns book	2,901	-	2,901
Restricted gifts	5,800	-	5,800
Tree planting	684	-	684
Bench fund	6,025	-	6,025
Boost4Biodiversity	1,389	-	1,389
Urban tree challenge fund	5,992	-	5,992
Access For All	1,911	-	1,911
Land Purchase (1992) fund **	336,577	-	336,577
Loan Capital LP **	-	190,000	190,000
Land Purchase 2 Fund	222,589	-	222,589
Parliamentary fund	520,207	-	520,207
Capital Outlay Discharged	1,615,701	-	1,615,701
Foothill Grasslands CSMT	1,465	-	1,465
Handgate (Defra)	547	-	547
	2,914,588	190,000	3,104,588



Prior year	Balance 1st April 2024	Movement incoming	Resources outgoing	Transfers (to)/from other funds	Net gains/ (losses) on investments	Balance 31st March 2025 RESTATED
	£	£	£	£	£	£
Lands Maintenance fund	193,962	5,675	(1,111)	(5,675)	(51)	192,800
SDF fund	453	-	(453)	-	-	-
Nature of the Malverns book	2,901	-	-	-	-	2,901
Restricted gifts	5,131	-	(3,470)	4,140	-	5,800
Tree planting	904	-	(220)	-	-	684
Bench fund	7,408	5,000	(1,163)	(5,220)	-	6,025
Boost4Biodiversity	1,389	-	-	-	-	1,389
Urban tree challenge fund	2,673	4,631	(1,311)	-	-	5,992
Access For All	2,864	2,000	(2,953)	-	-	1,911
Land Purchase (1992) fund **	512,991	14,858	(2,480)	(189,290)	498	336,577
Loan Capital LP **	-	-	-	190,000	-	190,000
Land Purchase 2 Fund	215,458	5,411	(1,274)	-	2,994	222,589
Parliamentary fund	513,363	30,479	(2,858)	(20,601)	(177)	520,207
Capital Outlay Discharged	1,631,538	-	(28,625)	12,788	-	1,615,701
Foothill Grasslands CSMT	-	1,465	-	-	-	1,465
Handgate (Defra)	-	1,000	(453)	-	-	547
	3,091,034	70,518	(46,370)	(13,858)	3,264	3,104,588

- The Lands Maintenance fund formed part of the consideration for the disposal of the land at Townsend Way for the purpose of providing income for the maintenance of the land forming the roadside verges. Investment income earned on this fund may be used for the Trust's general purposes. During the year £5,368 investment income was transferred to the General Fund (2023/24 £5,644).
- The Nature of the Malverns book was a joint venture project to produce a high-quality book showcasing the nature of the area. The book was published in May 2018. The funds generated from the project are to be used to support conservation projects. This fund is now closed.
- The restricted Gifts fund comprises legacies and donations made for specified projects to improve the amenities of the Malvern Hills.
- The Tree Planting fund received donations for planting trees at Thirds Wood.
- The Bench fund incorporates benches at the Community Woodland and memorial benches.
- The Boost4Biodiversity fund is from Severn Trent, to fund pond works.
- The UTCF fund (Urban Tree Challenge Fund) is a grant from the Forestry Commission to support tree planting in urban areas. The project was successfully completed during the year.



- Access for All funding is supported via the Malvern Hills AONB and funded by DEFRA. The scheme seeks to remove barriers for people to visit the AONBs via capital improvements to the “countryside infrastructure”. Malvern Hills Trust has benefited with the provision of a variety of gates to newly acquired land.
- The Land Purchase (1992) fund (formerly called the Lands Acquisition fund) was set up in 1992 from the proceeds of the disposal of land for road works at Townsend Way. The use of the fund is ordinarily restricted to the purchase of land. During 2024/25 £190,000 was loaned from the Land Purchase fund to assist in the financing of the Private Bill, with a further £50,000 loaned during 2025/26. Some of the loan is now repaid and further details are included in the Trustees Annual Report and the related note to the accounts. As already explained in the Trustees Report this was approved by the Charity Commission and there are conditions on the loan as well as repayment terms. The Land Purchase Fund also includes the “Loan Capital – LP” amounts but is shown separately to ensure this is clear and transparent.
- The Land Purchase 2 Fund was formed following the Board of Trustees instruction to redirect investment funds into a lower risk managed category.
- The Parliamentary fund was established with a contribution by W. Berington under Section 56(5) of Malvern Hills Act 1924 to receive Capital Receipts and use of the capital of the fund is restricted to the purchase of land and improvements to capital assets. Investment income earned on this fund may be used for the Trust’s general purposes. During the year, £13,694 investment income was transferred to the General Fund (2024/25 £14,479).
- The Capital Outlay Discharged fund is represented by the cost of land and the net book value of improvements to land and buildings, the original cost of which was funded from the Lands Maintenance or Parliamentary Funds. These assets can only be sold in very limited circumstances (that is, they are inalienable) and any proceeds must be used for the purchase of land, so this fund should be considered as inalienable.
- The Foothill Grasslands CSMT fund is government grant aid towards our conservation work.
- Handgate (DEFRA) fund is grant funding for specific gate projects.
- The SDF (Sustainable Development Fund) fund is for information boards at North and Tank Quarries as well as other SDF projects.
- The 30x30 Coppice fund represents funds received and spent regarding replanting and deer proofing of Colwall Coppice.
- The Robocutter grant was received from the Malvern Hills National Landscape Capital Fund in the year exclusively for this purchase and no balance remains at the year end,



23 Transfers between funds – Current year

Restricted				£	
From	General fund	To	Land Purch fund	Interest on loans	1,144
From	General fund	To	Land Purch fund	Capital loan repaid	1,508
From	Colwall Coppice	To	Pond Works	Transfer balances to new related project	(2,435)
From	Gifts RF	To	Bench fund RF	restricted bench gift to specific fund	685
From	Land Purch fund	To	General fund	investment income that is general fund	(4,595)
From	Parl fund	To	General fund	Non restricted investment income	(13,694)
From	Land Maint fund	To	General fund	Non restricted investment income	(5,368)
From	Land Purch fund	To	Prom & Prep Bill	Loan draw down tranche 3	(50,000)
From	Land Purch fund	To	Cap outlay dischg	Land Purchase Fund asset purchases	122,312
From	Parl fund	To	Cap outlay dischg	Parlimentary Fund asset purchases	15,150
From	Gifts RF	To	Bench fund RF	restricted bench gift to specific fund	(685)
From	Land Purch fund	To	Cap outlay dischg	Land Purchase Fund asset purchases	(122,312)
From	Parl fund	To	Cap outlay dischg	Parlimentary Fund asset purchases	(15,150)
From	Boost for Bio	To	Pond Works	Transfer balances to new related project	(1,389)
From	Robocutter grant	To	Desig Fixed Assets	Purchase of Robocutter	(48,450)
From	NIM Book	To	Pond Works	Transfer balances to new related project	(2,901)
From	General fund	To	Loan Capital RF	Movement on loan capital	48,492
					(77,689)
Designated				£	
From	General Fund	To	Election expenses	Budgeted & Board approved election costs	29,000
From	Boundary Comm advice	To	Modernise Acts other	Board approved funding	(12,276)
From	Boundary Comm advice	To	Modernise Acts other	Board approved funding	12,276
From	Gifts unrestricted	To	Modernise Acts other	Board approved funding	10,000
From	Gifts unrestricted	To	Modernise Acts other	Board approved funding	(10,000)
From	General Fund	To	Modernise Acts other	Board approved funding	16,482
From	NIM Book	To	Pond Works	Transfer balances to new related project	2,901
From	Boost for Bio	To	Pond Works	Transfer balances to new related project	1,389
From	Colwall Coppice	To	Pond Works	Transfer balances to new related project	2,435
From	General fund	To	Prom & Prep Bill	Board approved funding	50,000
From	Gifts unrestricted	To	Prom & Prep Bill	Board approved funding	20,000
From	Modernise Acts other	To	Prom & Prep Bill	Board approved funding	7,252
From	Land Purch fund	To	Prom & Prep Bill	Loan draw down tranche 3	50,000
From	Gifts unrestricted	To	Prom & Prep Bill	Board approved funding	(20,000)
From	Modernise Acts other	To	Prom & Prep Bill	Board approved funding	(7,252)
From	Dog Campaign Fund	To	General fund	Release dog campaign fund	(3,501)
From	CS N&C Fund	To	Desig Fixed Assets	Robocutter costs not covered by grant	(744)
From	CS N&C Fund	To	Desig Fixed Assets	Robocutter costs not covered by grant	744
From	Robocutter grant	To	Desig Fixed Assets	Purchase of Robocutter	48,450
From	Desig Fixed Assets	To	General fund	Designated asset depreciation	(2,116)
					195,041
General				£	
From	Land Purch fund	To	General fund	investment income that is general fund	4,595
From	General Fund	To	Election expenses	Budgeted & Board approved election costs	(29,000)
From	Parl fund	To	General fund	Non restricted investment income	13,694
From	Land Maint fund	To	General fund	Non restricted investment income	5,368
From	General fund	To	Prom & Prep Bill	Board approved funding	(50,000)
From	General Fund	To	Modernise Acts other	Board approved funding	(16,482)
From	General fund	To	Land Purch fund	Capital loan repaid	(1,508)
From	General fund	To	Land Purch fund	Interest on loans	(1,144)
From	Dog Campaign Fund	To	General fund	Release dog campaign fund	3,501
From	Desig Fixed Assets	To	General fund	Designated asset depreciation	2,116
From	General fund	To	Loan Capital RF	Movement on loan capital	(48,492)
					(117,352)



Transfers made during the prior year 2024/25 (RESTATED) were:

Restricted

				£
From	Gifts unrestricted	To Gifts restricted	Partial funding of SAW basin	4,140
From	Land Maint fund	To General fund	Non restricted investment income	(5,675)
From	General fund	To Bench fund	Staff time to deliver 2024 & 2025	(5,220)
From	Land Purch fund	To Bill Loan Capital	Loan draw down tranche 1 & 2	(190,000)
From	Parl fund	To General fund	Non restricted investment income	(14,479)
From	General fund	To Land Purch fund	Compensation payment loan tranche 1	710
From	General fund	To Parl fund	Easement 23/24 transferred to RF	6,666
From	Parl fund	To Cap outlay dischg	Parliamentary Fund asset purchases	(12,788)
From	Parl fund	To Cap outlay dischg	Parliamentary Fund asset purchases	12,788
From	Bill Loan Capital	To Prom & Prep Bill	LP loan funds prom & prep of bill	(190,000)
From	General fund	To Bill Loan Capital	Loan draw down tranche 1 & 2	190,000
From	General fund	To Loan Capital LP	PYA	190,000
				<u>(13,858)</u>

Designated

				£
From	Gifts unrestricted	To Gifts restricted	Partial funding of SAW basin	(4,140)
From	Fundraising	To General fund	Release fundraising board approved	(10,000)
From	General Fund	To Election expenses	Budgeted annual election expenses	5,000
From	General Fund	To Modernise Acts other	24/25 budget for Bill other costs	104,000
From	General Fund	To Sink Hole fund	£30k sink hole fund board approved	30,000
From	Sink Hole fund	To General Fund	Release sink hole fund board approved	(28,150)
From	General Fund	To Tree & Track fund	Bad weather track & tree work	17,000
From	General Fund	To Marketing & Comms	Marketing & comms DF board approved	25,000
From	Car park repair	To General fund	Car park cost capital so fund release	(4,369)
From	BPS Scheme	To Prom & Prep Bill	Agreed move of unused DF	30,983
From	Bill Loan Capital	To Prom & Prep Bill	LP loan funds prom & prep of bill	190,000
From	BPS Scheme	To Prom & Prep Bill	Agreed move of unused DF	(30,983)
From	Desig Fixed Assets	To General fund	Designated asset depreciation	(2,117)
				<u>322,224</u>

General

				£
From	Land Maint fund	To General fund	Non restricted investment income	5,675
From	General fund	To Bench fund	Staff time to deliver 24 & 25	5,220
From	Parl fund	To General fund	Non restricted investment income	14,479
From	General fund	To Land Purch fund	Compensation payment loan tranche 1	(710)
From	General fund	To Parl fund	Easement 23/24 transferred to RF	(6,666)
From	Fundraising DF	To General fund	Release per Board approved	10,000
From	General Fund	To Election expenses	Budgeted annual election expenses	(5,000)
From	General Fund	To Modernise Acts other	24/25 budget for Bill other costs	(104,000)
From	General Fund	To Sink Hole	Designate £30k sink hole fund per board approval	(30,000)
From	Sink Hole DF	To General Fund	Release fund per board approval	28,150
From	General Fund	To Tree & Track fund	Bad weather track & tree work per board approval	(17,000)
From	General Fund	To Marketing & Comms	Marketing & comms DF board approved	(25,000)
From	Car park repair fund	To General fund	Car park cost capital so fund release	4,369
From	Desig Fixed Assets	To General fund	Designated asset depreciation	2,117
From	General fund	To Loan Capital LP	PYA	(190,000)
				<u>(308,366)</u>



24 Analysis of net assets between funds

Current year	Heritage assets	Investments FIXED	Tangible fixed assets	Pension liability	Loan between funds	Other net assets	Total
	£	£	£	£	£	£	£
Restricted funds							
Capital Outlay Discharged	1,469,147	-	258,013	-	-	-	1,727,160
Parliamentary fund	-	516,450	-	-	-	5,566	522,016
Land Purchase (1992) fund	-	194,366	-	-	-	(1,319)	193,048
Land Purchase 2 Fund	-	242,798	-	-	-	78	242,876
Loan Capital LP	-	-	-	-	238,492	-	238,492
Lands Maintenance fund	-	200,841	-	-	-	1,943	202,785
Gift fund	-	-	-	-	-	4,693	4,693
Tree planting	-	-	-	-	-	684	684
Picnic benches	-	-	-	-	-	5,291	5,291
Access for All**	-	-	-	-	-	3,619	3,619
Urban Tree Challenge fund	-	-	-	-	-	10,623	10,623
Handgate (Defra)	-	-	-	-	-	547	547
	1,469,147	1,154,456	258,013	-	238,492	31,726	3,151,833
Unrestricted funds							
General fund	-	-	183,209	-	(238,492)	112,580	57,297
Designated funds	-	240,000	57,489	-	-	937,601	1,235,091
Pension fund	-	-	-	(147,000)	-	-	(147,000)
	-	240,000	240,698	(147,000)	(238,492)	1,050,181	1,145,388
Total funds	1,469,147	1,394,456	498,711	(147,000)	-	1,081,907	4,297,221

Other net assets includes Flagstone investments due > 3 months categorised as current asset investments and < 3 months as short term deposits.



Prior year RESTATED	Heritage assets	Investment s FIXED	Tangible fixed assets	Pension liability	Loan between funds	Other net assets	Total
	£	£	£	£	£	£	£
Restricted funds							
Capital Outlay Discharged	1,346,835	-	268,866	-	-	-	1,615,701
Parliamentary fund	-	490,504	-	-	-	29,702	520,206
Land Purchase (1992) fund	-	219,601	-	-	-	116,976	336,577
Loan Capital LP	-	-	-	-	190,000	-	190,000
Land Purchase 2 Fund	-	222,851	-	-	-	(262)	222,589
Lands Maintenance fund	-	190,751	-	-	-	2,049	192,800
Nature of the Malverns	-	-	-	-	-	2,901	2,901
Gift fund	-	-	-	-	-	5,801	5,801
Tree planting	-	-	-	-	-	684	684
Picnic benches	-	-	-	-	-	6,025	6,025
Access for All**	-	-	-	-	-	1,911	1,911
Urban Tree Challenge fund	-	-	-	-	-	5,993	5,993
Foothill Grasslands CSMT	-	-	-	-	-	1,465	1,465
Handgate (Defra)	-	-	-	-	-	547	547
Boost4Biodiversity	-	-	-	-	-	1,389	1,389
	1,346,835	1,123,707	268,866	-	190,000	175,181	3,104,588
Unrestricted funds							
General fund	-	-	161,649	-	(190,000)	210,312	181,961
Designated funds	-	190,000	-	-	-	928,634	1,118,634
Pension fund	-	-	-	(130,000)	-	-	(130,000)
	-	190,000	161,649	(130,000)	(190,000)	1,138,946	1,170,595
Total funds	1,346,835	1,313,707	430,515	(130,000)	-	1,314,127	4,275,183

25 Financial and capital commitments

At 31 March 2026, no capital expenditure had been contracted for (2025 £Nil). Capital expenditure which had been approved but not contracted was £Nil (2024/25 £Nil).

Under the Higher Level and Countryside Stewardship schemes, the charity is contracted to make 6-monthly payments to graziers from the grants received. Malvern Hills Trust's contracts with graziers have an annual break clause. The annual payments committed at 31 March 2026 total £82,129 (2024/25 £82,043).

The two Higher Level Stewardship schemes were due to end in 2023 but a 5 year extension was granted during 2023/24 to 2028. The Countryside Stewardship schemes are for a 10-year period and have a 5-year break clause. The Countryside Stewardship Scheme for the North & Central Hills ends in 2028, the scheme for the Southern Hills ends in 2030 and the scheme for Castlemorton Common (see Castlemorton Delivery Group) ends in 2031.



26 Contingent liabilities

A serious incident at work occurred during the year (May 2025) involving the death of a member of staff. The matter is still subject to ongoing regulatory investigations by the relevant authorities, and no conclusions have yet been reached.

The trustees have considered the potential financial and operational implications and will take appropriate actions once the investigations have concluded. At the reporting date, the existence of any obligation had not been established, and the likelihood of any financial outflow remains uncertain.

At the time of writing, in accordance with FRS102 21.15 “Disclosures about contingent liabilities”, it is impracticable to make an estimate of the financial effect or the timing of any outflow or to determine the possibility of reimbursement. Further disclosure could prejudice the legal or regulatory process. Accordingly, no provision has been recognised in the financial statements in respect of this event.

During the year (February 2026), a section of retaining wall collapsed on Trust land. The matter is still subject to ongoing legal review, and no conclusions have yet been reached regarding where responsibility lies. In the meantime, the Trust has adopted a pragmatic approach seeking to progress engagement and enable works without prejudice to its legal position.

The trustees have considered the potential financial and operational implications and will take appropriate actions once the legal review has concluded. At the reporting date, the existence of any obligation had not been established, and the likelihood of any financial outflow remains uncertain.

At the time of writing, in accordance with FRS102 21.15 “Disclosures about contingent liabilities”, it is impracticable to make an estimate of the financial effect or the timing of any outflow or to determine the possibility of reimbursement. Further disclosure could prejudice the legal or regulatory process. Accordingly, no provision has been recognised in the financial statements in respect of this event.

27 Operating leases

The Charity has granted licenses and rental agreements over some of its land. Rentals receivable are recognised on a straight-line basis over the life of the agreement. The future minimum lease receipts under non-cancellable operating leases for each of the following periods is:

	2026	2025
	£	£
Within the next 12 months	21,975	21,975
Within 1-5 years	24,445	41,203
5 years plus	940	1,867
	<u>47,360</u>	<u>65,045</u>

The Charity had the following future minimum lease payments under non-cancellable operating leases for equipment at the balance sheet date:



	2026	2025
	£	£
Within the next 12 months	2,200	2,200
Within 1-5 years	3,300	5,500
5 years plus	0	0
	<u>5,500</u>	<u>7,700</u>

28 Defined benefit pension scheme

Malvern Hills Trust participates in the Worcestershire County Council Pension Fund, which is part of the Local Government Pension Scheme (LGPS), a multi-employer scheme. Contributions are charged to the statement of financial activities so as to spread the cost of pensions over employees' working lives with the charity. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The scheme was most recently formally valued as at 31 March 2025 and was updated by the actuary on an FRS102 basis as at 31 March 2026.

The amounts recognised in the Balance Sheet are as follows:

	2026	2025
	£	£
Present value of funded obligations	(3,111,000)	(2,776,000)
Fair value of plan assets	2,964,000	2,646,000
	<u>(147,000)</u>	<u>(130,000)</u>
Amounts recognised as:		
Liabilities	(147,000)	(130,000)
Assets	0	0
Net amount recognised	<u>(147,000)</u>	<u>(130,000)</u>

The amounts included within the Statement of Financial Activities are as follows:

	2026	2025
	£	£
Current service cost	26,000	45,000
Interest on pension liabilities	159,000	151,000
Past service cost	0	0
Administration costs	0	0
Expected return on plan assets	(152,000)	(122,000)
Contributions by employer	(41,000)	(130,000)
Total pension cost charged within net incoming resources	<u>(8,000)</u>	<u>(56,000)</u>
Remeasurements (Actuarial (gain)/loss)	25,000	(426,000)
Total amount (credited)/charged to SOFA	<u>17,000</u>	<u>(482,000)</u>



Changes in the present value of the defined benefit obligation are as follows:

	2026	2025
	£	£
Opening defined benefit obligation	2,776,000	3,178,000
Current service cost	26,000	45,000
Interest on pension liabilities	159,000	151,000
Member contributions	12,000	14,000
Actuarial (gains)/losses on liabilities	254,000	(500,000)
Past service cost	0	0
Benefits/transfers paid	(116,000)	(112,000)
Benefit obligation at end of period	<u>3,111,000</u>	<u>2,776,000</u>

Explanation of the “interest” figure in the above table

As part of the annual pension deficit calculation, the Actuary estimates the future benefit cashflows, and then reduces them in line with assumed future investment returns to get an estimate of the money needed now to pay the benefits. The process of reducing the future cashflows is called discounting, and the assumed future rate of return is called the discount rate. When the Actuaries update the calculations for the following year, they need to remove one year’s discounting (as the benefit payments are all now one year closer), and it is this removal of discounting that is referred to as “interest” on the benefit obligation in the accounting schedule.

The Actuaries have to follow FRS 102 as issued by the Financial Reporting Council in setting the discount rate, which must be based on high quality (typically taken to mean at least AA rated) corporate bond yields at the accounting date.

The “interest” figure for the year 2025/26 uses the 31/03/2026 rate of 6.2 % (2024/25 uses the 31/03/2025 discount rate of 5.8 %)

Changes in the plan assets during the period to 31 March 2026 were as follows:

	2026	2025
	£	£
Fair value of plan assets at beginning of period	2,646,000	2,566,000
Expected return on scheme assets	152,000	122,000
Administration expenses	0	0
Other experience	99,000	0
Remeasurements (assets) (Actuarial gains/(losses) on plan asset	130,000	(74,000)
Employer contributions	41,000	130,000
Member contributions	12,000	14,000
Benefits/transfers paid	(116,000)	(112,000)
Fair value of plan assets at end of period	<u>2,964,000</u>	<u>2,646,000</u>



The weighted - average asset allocation at the period-end was as follows:

	Fair value at 31st March 2026 £		Fair value at 31st March 2025 £	
Asset category				
Equities	45 %	1,334,000	42 %	1,111,000
Other bonds	36 %	1,067,000	37 %	979,000
Property	18 %	534,000	19 %	503,000
Cash Liquidity	1 %	29,000	2 %	53,000
		<u>2,964,000</u>		<u>2,646,000</u>

	2026 £	2025 £
Actuarial gains/(losses) on assets	229,000	(74,000)
Actuarial gains/(losses) on liabilities	(254,000)	500,000

Weighted average assumptions used to determine benefit obligations at 31 March:

	2026	2025
Discount rate	6.2 %	5.8 %
Rate of increase in salaries	4.5 %	4.3 %
Rate of increase in pension	3.0 %	2.8 %
Rate of CPI inflation	3.0 %	2.8 %

Weighted average assumptions used to determine net pension cost for period ended 31 March:

	2026	2025
Discount rate	6.20 %	5.80 %
Rate of pension increase	3.00 %	2.80 %

Assumed life expectations on retirement age 65:

Retiring today - males	21.9	21.2
Retiring today - females	24.6	23.6
Retiring in 20 years - males	22.7	22.5
Retiring in 20 years - females	26.0	25.4

Contributions

The recovery plan has historically been an agreed lump sum payment in April each year for 3 years following the triennial valuation.



The 31 March 2025 triennial valuation allowed for the recovery to be collected as an additional recovery % to be applied to remaining employees, as such the exact amounts to be recovered in the following 3 years is not prescribed. The % applied to recover the deficit is 39.3 % and commences in April 2026.

The contributions payable by the employers are reassessed at each triennial valuation. A triennial valuation was carried out at 31 March 2025, the next actuarial valuation of the Worcestershire County Council Pension Fund will be carried out with an effective date of 31 March 2028.

29 Financial instruments

	2026	2025
	£	£
Financial assets measured at fair value	1,394,456	1,313,707

See note 1q for details of what is included in the above figures.

30 Prior Year Adjustment

In preparing the year ended 31 March 2026 statutory accounts it was identified that the £190,000 loan drawn from the Land Purchase Fund should have been presented differently.

The Land Purchase Fund is loaning up to £306,000 to help finance the Private Bill. At 31 March 2026 £240,000 loan had been drawn down (at 31 March 2025; £190,000). Rather than the Restricted Fund showing a reduction in value by this loan amount, it should have maintained its value. The impact of this is a shift of £190,000 between restricted and unrestricted funds at 31 March 2025.

It is important to note that the loan is repayable over 25 years and so the free reserves calculation is not adversely affected, as detailed in the Trustees Annual Report. A provision for the interest and capital payable in the coming 12 months is factored into the calculation.



31 Statement of Financial Activities for the year ended 31 March 2025 RESTATED

	Note	Unrestricted funds	Restricted funds	Total funds 2025	Total funds 2024
		£	£	£	£
Income and endowments from:					
Donations and legacies	3	28,926	5,000	33,926	18,243
Charitable activities:					
Management of the hills and commons	4	986,961	9,095	996,056	870,563
Car parks	4	446,381	0	446,381	398,720
Other trading activities	5	57,688	16,000	73,688	50,931
Investments:					
Bank deposits		32,503	6,176	38,679	46,134
Investment portfolio		0	34,247	34,247	33,698
Other	6	13,895	0	13,895	22,913
Total income		1,566,354	70,518	1,636,872	1,441,202
Expenditure on:					
Charitable activities	7	1,599,466	38,648	1,638,114	1,338,810
Other expenditure	7	434	7,722	8,156	9,079
Total expenditure	7	1,599,900	46,370	1,646,270	1,347,889
Net gains on investments	9	0	3,264	3,264	88,332
Net income/(expenditure)		(33,546)	27,412	(6,134)	181,645
Transfers between funds	23	13,858	(13,858)	0	0
Other recognised gains/(losses)					
Actuarial gains/(losses) on defined benefit pension scheme	28	426,000	0	426,000	77,000
Net movement in funds		406,312	13,554	419,866	258,645
Reconciliation of funds:					
Total funds brought forward		764,283	3,091,034	3,855,317	3,596,672
Total funds carried forward RESTATED	24	1,170,595	3,104,588	4,275,183	3,855,317