



Malvern Hills Trust

Finance, Administration and Resources Committee
Thursday 29 August 2024 at 7.00 pm

Lyttelton Well
Church Road
Malvern WR14 2AY



Malvern Hills Trust

Meeting of the Finance, Administration and Resources Committee

Lyttelton Well, Church St, Malvern WR14 2AY

Thursday 29 August at 7:00 pm

Members: Lucy Hodgson (Chair), Robert Berry, David Core, Allan Cottam, David Fellows, Richard Fowler, Charles Penn, John Raine, Mary Turner.

Agenda

1. Apologies for Absence
2. Chair's Communications
3. Declarations of Interest
4. Public comments
5. Matters Arising from the FAR meeting held on 20 June 2024
 - 5.1 FAR to note that the Legal Expenses budget may need to be increased
6. Final Management Accounts for year ending 31 March 2024 Paper A
7. To review Trustees' Annual Report and Accounts for the year ending 31 March 2024 and to recommend their approval Paper B
8. Auditors' Key Issues discussion document and letter of representation
(Confidential papers) Paper C1 and C2
9. Management Accounts for Q1 (April-June) of 2024-2025 Paper D
10. Review of Contracts (Confidential paper) Paper E
11. Reserves Policy Review Paper F
12. Going Concern to September 2025 Paper G
13. Reports for information
 - 13.1 GDPR - Review of data breach log
 - 13.2 Risk Management red flag items
14. Urgent business
15. Date of next meeting
Thursday 12 December 2024



Malvern Hills Trust

Final Management Accounts for year ending 31 March 2024

Malvern Hills Trust

Balance Sheet as at 31st March 2024

	£	£	NOTES
Fixed Assets			
Heritage assets	1,346,835		
Other land and buildings	210,978		
Improvements to capital assets	73,724		
LM vehicles & eq't	137,039		
Office equipment	7,008		
Investments	<u>1,303,281</u>		B1
		3,078,865	
Current Assets			
Livestock	31,452		
VAT Asset	12,766		
Investments	84,788		
Debtors & accrued income	293,754		
Deposits and Cash	<u>1,238,258</u>		
		1,661,018	
Current Liabilities			
Creditors : Short Term	251,161		B2
Payroll Taxation	13,686		
Wages	7,718		
VAT Liability	<u>0</u>		
		272,565	
Current Assets less Current Liabilities:		1,388,452	
Total Assets less Current Liabilities:		4,467,317	
Long Term Liabilities			
FRS 102 pension liability		612,000	B3
Total Assets less Total Liabilities:		<u><u>3,855,317</u></u>	
Capital & Reserves			
General fund	479,130		
Designated funds	897,153		
Restricted funds	3,091,034		
FRS 102 pension	<u>(612,000)</u>		
		<u><u>3,855,317</u></u>	

Malvern Hills Trust

General fund income and expenditure versus budget for the 12 months ended 31st March 2024

	Actual 12 mnths £	Budget 12 mnths £	Variance £	NOTES
Income				
Levy	663,800	663,800	0	G1
Grants	17,691	27,820	(10,129)	G2
Car park takings	398,720	409,000	(10,280)	G3
Donations	6,499	2,000	4,499	G4
Rents and licences	19,380	18,675	705	
Fairs and circuses	750	1,000	(250)	
Ice cream concessions	2,700	2,500	200	
Easements & wayleaves	14,300	5,500	8,800	G5
AONB contributions	7,465	7,370	95	
Sales of books, leaflets and maps	0	200	(200)	
Admin charges and compensation	308	1,500	(1,192)	
Sundry income	5,893	2,050	3,843	G6
Investment income	39,354	2,000	37,354	G7
Profit on disposal of fixed assets	11,712	7,000	4,712	G8
Total income	1,188,572	1,150,415	38,157	
Land management expenses				
Contract labour	11,122	12,350	1,228	
Drainage	3,329	2,410	(919)	G9
Vehicle and equipment expenses	23,409	26,690	3,281	
Hire of plant and equipment	6,603	10,850	4,247	G10
Tree work	20,705	28,600	7,895	G11
Grass cutting	3,750	5,115	1,365	G11
Purchase of materials and tools	11,914	14,400	2,486	
Protective clothing	4,148	1,870	(2,278)	G12
Field consultancies	4,685	5,390	705	
Conservation volunteers	1,042	1,100	58	
Water testing	200	550	350	
Gardening	3,472	3,300	(172)	
Management plan	50	0	(50)	
Tracks and paths	4,797	10,600	5,803	G11
LM miscellaneous	0	500	500	
Total land management expenses	99,227	123,725	24,498	
Visitor services expenses				
Car park meter expenses	21,026	30,704	9,678	G13
Car park passes	3,120	3,300	180	
Car park repairs	0	3,000	3,000	G14
Wardens' vehicle expenses	9,664	10,670	1,006	
Wardens' uniform and tools	2,927	3,300	373	
Wardens' phones	896	1,320	424	
Wardens' other expenses	170	0	(170)	
Total visitor services expenses	37,802	52,294	14,492	
Communications and public engagement expenses				G15
Leaflets	410	1,440	1,030	
Annual report	431	825	394	
Newsletters	0	200	200	
Campaigns	0	1,000	1,000	
Signs, display and information boards	922	4,000	3,078	
Events programme	0	2,200	2,200	
Exhibitions	1,160	1,500	340	
Other PR expenses	0	500	500	
Fundraising expenses	324	220	(104)	
Communications support and engagement	0	5,000	5,000	
Total communications and public engagement expenses	3,247	16,885	13,638	

Malvern Hills Trust

General fund income and expenditure versus budget for the 12 months ended 31st March 2024

	Actual 12 mnths £	Budget 12 mnths £	Variance £	NOTES
Administration and governance expenses				
Rates	8,195	8,500	305	
Buildings maintenance	5,673	10,000	4,327	
Electricity and gas	14,629	11,240	(3,389)	G16
Telephones	3,422	4,140	718	
Depreciation	35,378	40,300	4,922	G17
Insurance	32,719	36,000	3,281	
Office equipment	5,456	7,460	2,004	
IT	13,020	16,650	3,630	
Website	1,283	1,000	(283)	
Legal and professional fees	41,657	43,355	1,698	
Governance costs	13,936	6,100	(7,836)	G18
Subscriptions	2,005	1,000	(1,005)	
Bank and investment charges	4,160	4,750	590	
Postage	2,324	1,870	(454)	
Stationery, printing and recycling	3,954	4,202	248	
Cleaning	4,351	5,610	1,259	
Travelling expenses	794	4,950	4,156	G19
Miscellaneous exps	3,094	1,980	(1,114)	
Newspaper ads	646	750	104	
Total administration and governance expenses	196,695	209,857	13,162	
Staff costs				
Basic salaries	560,354	539,350	(21,004)	
Employer's NI	47,332	61,800	14,468	
Pension contributions	155,161	157,200	2,039	
Y/E auditor holiday owed provision (movement from y/e 31.3.23)	(6,750)	0	6,750	G20
Group life assurance	3,356	4,000	644	
Training - staff	5,081	7,500	2,420	
Recruitment	2,091	2,000	(91)	
Total staff costs	766,624	771,850	5,226	
Surplus for the period before transfers	84,977	(24,196)	109,173	
Transfers from other funds	21,188	15,132	6,056	
Transfers to other funds	(63,623)	(17,890)	(45,733)	
Surplus for the period after transfers	42,542	(26,954)	69,496	
General fund brought forward	436,588	436,588	0	
General fund carried forward	479,130	409,634	69,496	

Malvern Hills Trust - Designated Funds Income and Expenditure for the 12 months ended 31st March 2024

NOTES		D1	D1	D2	D3	D4	D6	D6	D5											
Category	N/C	Unrestricted Gifts	Modernisation of Acts Bill costs	Promotion & Preparation of Private Bill	Dog campaign des fund	Fundraising	Election exps des fund	Tree disease des fund	Ash Dieback fund	Boundary Comm advice fund	Car park repair fund	FAM replacement fund	CS North & Central	CS Southern	HLS Chase End	HLS Old Hills	Grazing reserve	Designated Fixed Assets	Basic Payment Scheme	Total
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
01 - Income	4015 - Other grants	1,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,500
	4020 - Stewardship annual grants	0	0	0	0	0	0	0	0	0	0	0	111,676	25,741	3,537	3,942	0	0	0	144,896
	4030 - Stewardship other grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,639	3,639
	4200 - Donations	113	0	0	0	0	0	0	10	0	0	0	0	0	0	0	0	0	0	123
	4250 - Legacies	7,075	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7,075
	4310 - Land rentals	0	0	0	0	0	0	0	0	0	0	0	5,586	750	0	0	0	0	0	6,336
	4700 - Profit on disposal of fixed assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
01 - Income Total		8,688	0	0	0	0	0	0	10	0	0	0	117,262	26,491	3,537	3,942	0	0	3,639	163,570
02 - Land management expenses	5000 - Contract labour	0	0	0	0	0	0	0	0	0	0	0	(2,544)	(536)	0	(480)	0	0	0	(3,560)
	5035 - Treework	0	0	0	0	0	0	0	(38,614)	0	0	0	(800)	0	0	0	0	0	0	(39,414)
	5040 - Grass cutting	0	0	0	0	0	0	0	0	0	0	0	(3,000)	0	0	(700)	0	0	0	(3,700)
	5045 - Purchase of materials	(133)	0	0	0	0	0	0	0	0	0	0	(1,305)	0	0	0	0	0	0	(1,438)
	5100 - Graziers	0	0	0	0	0	0	0	0	0	0	0	(71,195)	(14,500)	(2,740)	(930)	0	0	0	(89,365)
	5110 - Stewardship schemes direct costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
02 - Land management expenses total		(133)	0	0	0	0	0	0	(38,614)	0	0	0	(78,844)	(15,036)	(2,740)	(2,110)	0	0	0	(137,476)
03 - Car parks, wardens and PR	5240 - Car park repairs	0	0	0	0	0	0	0	0	0	(731)	0	0	0	0	0	0	0	0	(731)
	5435 - Interpretation boards	(2,272)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(2,272)
03 - Car parks, wardens and PR total		(2,272)	0	0	0	0	0	0	0	0	(731)	0	0	0	0	0	0	0	0	(3,003)
04 - Administration costs	6075 - Legal fees	0	0	(14,342)	0	0	(620)	0	0	(6,327)	0	(1,116)	0	0	0	0	0	0	0	(22,405)
	6085 - Audit fee	0	0	0	0	0	0	0	0	0	0	(2,500)	0	0	0	0	0	0	0	(2,500)
	6100 - Other professional fees	0	0	0	0	0	(24,032)	0	0	0	0	0	0	0	0	0	0	0	0	(24,032)
	6210 - Room hire	0	0	0	0	0	0	0	0	0	0	(315)	0	0	0	0	0	0	0	(315)
	8015 - Depreciation - land managment equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(176)	0	(176)
04 - Adminstration costs Total		0	0	(14,342)	0	0	(24,652)	0	0	(6,327)	0	(3,931)	0	0	0	0	0	(176)	0	(49,428)
10 - Salaries	7010 - Basic salaries - office based staff	0	(2,583)	0	0	0	(1,755)	0	0	0	0	(19,725)	0	0	0	0	0	0	0	(24,063)
	7030 - Employer's NI - office based staff	0	(252)	0	0	0	(194)	0	0	0	0	(1,950)	0	0	0	0	0	0	0	(2,395)
	7050 - Pension contributions - office based staff	0	(579)	0	0	0	(129)	0	0	0	0	(1,732)	0	0	0	0	0	0	0	(2,439)
	7075 - Recruitment	0	0	0	0	0	0	0	0	0	0	(12,824)	0	0	0	0	0	0	0	(12,824)
10 - Salaries Total		0	(3,413)	0	0	0	(2,078)	0	0	0	0	(36,231)	0	0	0	0	0	0	0	(41,722)
Surplus/(deficit) for the period before transfers		6,283	(3,413)	(14,342)	0	0	(26,730)	0	(38,604)	(6,327)	(731)	(40,162)	38,417	11,455	797	1,832	0	(176)	3,639	(68,059)
	4600 - Transfers from other funds	0	8,700	0	0	0	9,523	0	0	10,000	0	27,662	0	0	0	0	0	12,704	0	68,589
	8100 - Transfers to other funds	0	0	0	0	0	0	0	0	0	0	0	0	0	(409)	(655)	0	0	0	(1,064)
Surplus/(deficit) for the period after transfers		6,283	5,287	(14,342)	0	0	(17,207)	0	(38,604)	3,673	(731)	(12,500)	38,417	11,455	389	1,177	0	12,528	3,639	(534)
Designated funds brought forward		383,102	34,899	0	3,501	10,000	17,207	35,865	129,473	8,603	5,100	12,500	132,573	17,991	1,174	21,068	60,060	0	24,571	897,687
Designated funds carried forward		389,385	40,186	(14,342)	3,501	10,000	0	35,865	90,869	12,276	4,369	0	170,990	29,446	1,563	22,245	60,060	12,528	28,211	897,153

Malvern Hills Trust - Restricted Funds Income and Expenditure for the 12 months ended 31st March 2024

NOTES

NOTES		R1										R2				R3		R3		R3		R3	
Category	N/C	Capital Outlay d'chgd £	Parliamentary fund £	Lands Maintenance fund £	Land Purchase (1992) fund £	Land Purchase 2 fund £	Restricted Gift fund £	Picnic bench donations £	NIM book £	Tree donation scheme £	Boost4biodiv ersity £	Urban Tree Challenge fund £	Donkey shed £	Access for All £	FIPL All Saints Wood £	FIPL Foothill Connections £	FIPL Evendine £	FIPL Upgrading tools £	SDF fund £	Total £			
01 - Income	4015 - Other grants	0	0	0	0	0	0	0	0	0	0	0	0	0	7,646	3,283	0	11,812	16,295	0	39,036		
	4200 - Donations	0	0	0	0	0	0	4,546	0	0	0	0	0	0	0	0	0	0	0	0	4,546		
	4500 - Income from investment portfolio	0	14,399	5,644	8,826	4,829	0	0	0	0	0	0	0	0	0	0	0	0	0	0	33,698		
	4510 - Bank interest receivable	0	0	0	6,780	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,780		
01 - Income Total		0	14,399	5,644	15,606	4,829	0	4,546	0	0	0	0	0	0	7,646	3,283	0	11,812	16,295	0	84,060		
02 - Land management expenses	5000 - Contract labour	0	0	0	0	0	(3,470)	0	0	0	0	0	0	0	(1,530)	(1,384)	0	(11,812)	0	0	(18,196)		
	5020 - LM equipment purchases less than £500	0	0	0	0	0	0	0	0	0	0	0	0	0	(1,476)	0	0	0	0	0	(1,476)		
	5025 - Hire of plant and equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	5035 - Treework	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	5036 - Tree planting	0	0	0	0	0	0	0	0	0	0	(64)	0	0	0	0	0	0	0	0	(64)		
	5046 - Purchase of tools under £500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(3,592)	0	0	(3,592)		
	5045 - Purchase of materials	0	0	0	0	0	(17)	(1,742)	0	(140)	0	0	0	0	0	(1,824)	0	0	0	0	(3,723)		
2 - Land management total		0	0	0	0	0	(3,487)	(1,742)	0	(140)	0	(64)	0	0	(3,006)	(3,208)	0	(11,812)	(3,592)	0	(27,050)		
04 - Administration costs	6100 - Other professional fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	6115 - Investment manager's charges	0	(2,696)	(997)	(2,220)	(1,160)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(7,073)		
	6116 - Flagstone Charges	0	0	0	(277)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(277)		
	8000 - Depreciation - other land and buildings	(2,775)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(2,775)		
	8005 - Depreciation - impt's to land and buildings	(18,490)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(18,490)		
	8110 - Investment gains or losses	0	30,667	11,937	34,047	11,681	0	0	0	0	0	0	0	0	0	0	0	0	0	0	88,332		
04 - Adminstration costs Total		(21,265)	27,971	10,940	31,550	10,521	0	0	0	0	0	0	0	0	0	0	0	0	0	0	59,717		
Surplus/(deficit) for the period before transfers and investment gains		(21,265)	42,370	16,584	47,156	15,350	(3,487)	2,804	0	(140)	0	(64)	0	4,640	75	0	0	12,704	0	0	116,727		
	8110 - Investment gains or losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	4600 - Transfers from other funds	48,046	0	0	0	0	452	0	0	0	0	0	7,787	0	0	0	0	0	0	0	56,284		
	8100 - Transfers to other funds	0	(14,399)	(5,644)	(48,046)	0	0	0	0	0	0	0	0	0	(81)	(500)	0	(12,704)	0	0	(81,374)		
Surplus/(deficit) for the period after transfers		26,781	27,971	10,940	(890)	15,350	(3,036)	2,804	0	(140)	0	(64)	7,787	4,640	(6)	(500)	0	0	0	0	91,637		
Restricted funds brought forward		1,604,757	485,392	183,022	513,881	200,108	8,166	4,604	2,901	1,044	1,389	2,737	(7,787)	(1,776)	6	500	0	0	453	2,999,397			
Restricted funds carried forward		1,631,538	513,363	193,962	512,991	215,458	5,130	7,408	2,901	904	1,389	2,673	(0)	2,864	(0)	0	0	0	453	3,091,034			

Malvern Hills Trust - Notes to the Management Accounts MAR24

General Fund

- G 1 Levy is set before budget is set so this should never deviate from budget. Separate notes on levy levels were also reported via Paper in JAN24
- G 2 Grant takings always somewhat dependent on the time resource to make applications, this is general fund specifically. There are numerous designated and restricted (DF / RF) grants also. Late adjustment now made regarding MHT Castlemorton grant, invoiced in JUN24
- G 3 Carpark takings has been reduced by c. £16K to recognise car park income pass income prorata across the year rather than when received that was the case in the past. This was on audit advice in 2022/23. As a result £16,934 income has been deferred to 2024/25 where the same exercise did not happen last year. Without this adjustment, budgeted income from carparks would have been met
- G 4 General Fund (GF) donations are generally all small, the largest being £500 each
- G 5 Difficult to budget these income streams, but we have exceeded budget quite notably which is good news
- G 6 Main components are: admin fees for posting of car park tickets, some filming fees, admin fee for Castlemorton delivery group
- G 7 This is the interest earned on the Flagstone unrestricted funds. Budget was low as this investment fund was relatively new when budgets were set, the expected return was less easy to anticipate. Late adjustment now also in for the accrued interest to 31.03.24
- G 8 As equipment is depreciated quite quickly, profit on disposal is pure profit as the assets were in the books at NIL when sold. This included 2 vehicles, a trailer and tipper, a rotavator and flail
- G 9 It has been an exceptionally wet 12 months overall, meaning greater drainage related costs
- G 10 Equipment hire costs go alongside groundwork, treework etc, all of which are reduced due to the poor weather, this too is therefore under budget
- G 11 Spend has been under budget due to the very wet weather throughout the year but most notably in the final quarter of 2023/24. There will be a designated small pot set aside as at 1st April for this additional work that has carried over into 2024/25
- G 12 Costs have been greater due to a good number of warden/field staff changes during the financial year
- G 13 The budget for 2023/24 included 2 new meters at Old Hills carparks which for various reasons did not happen. As a result the 23/24 budget was a little high for the year
- G 14 The expectation is to carry out this work in the early part of 2024/25, again weather and resources have delayed spending
- G 15 A general and notable underspend across PR due to the lack of resources and time available to embark on these projects because of staff illness
- G 16 A nationwide problem of rising fuel costs and most likely underbudgeted for 2023/24
- G 17 No provision needed for the capital costs budgeted that were not actually expended
- G 18 Various legal/training/room hire costs, some unbudgeted surrounding trustee training particularly due to newly appointed trustees taking up post during the year
- G 19 Budget was set too high, the exact details are unclear due to changed finance staff

Malvern Hills Trust - Notes to the Management Accounts MAR24

- G 20 Exclusively an annual statutory account adjustment to make consideration for unpaid holiday at the financial year end

Designated Funds

- D 1 This is the designated pot set aside regarding the work towards the new bill. From 1st April 2024 2 separate designated funds will run; one will be for the very specific legal costs as prescribed in the S74 order granted which must not exceed £306k. The second fund captures all other costs associated with the bill preparation. Both are being carefully monitored against budget and in respect of total actual spend

Bill spend year to date 1.4.23 - 31.3.24:

	£
<u>Promotion & Preparation of the Bill</u>	
Advice SP (8.8.23-31.12.23)	4,299
Advice SP JAN24 - MAR24	10,043
<u>Other Bill costs</u>	<u>14,342</u>
Staff costs to 31.3.24 (salary proportion, NI and pension)	3,413
<u>Total Bill costs across 2 Designated Funds</u>	<u>17,755</u>

To be clear, there will be a series of costs, to date c. £5,000 within general fund that are not specifically related to the Bill but are part of the journey and as such are not included in this fund. These general fund costs relate to the preparation of the loan agreement and the Section 105 Order application to the Charity Commission.

I will provide a monthly Bill spend summary going forward including a total spend to date analysis, split out between the specific legal costs that must not exceed £306k, and other Bill related costs

- D 2 £5,000 is budgeted annually for the 4 yearly election which occurred in 2023/24. The costs exceeded budget and this balance has been covered off by a transfer from general fund as at 31.3.24
- D 3 The costs attached to this risk have not been as extensive as first anticipated but there is no proposal to release the fund at this time since it is an ongoing costly risk
- D 4 FAM and CEO replacement is now complete, costs exceeded budget mostly due to the FAM role appointing multiple times and the costs of handover happened twice during 2023/24. A general fund transfer has been made to cover the shortfall at 31.3.24
- D 5 Newly created designated funds to hold restricted and asset purchase costs. On spending the fund, the restriction is removed but there is an expectation by the trust to use the assets within the trust for at least their useful life and this fund controls that process
- D 6 Adjustment now processed for the revised stewardship amounts for 01.01.24 - 31.03.24, this information was not available at draft stage

Restricted Funds

- R 1 This represents the book value of all land and land/building improvement where the cost was funded from the Land Purchase or Parliamentary funds. These assets are inalienable (they can only be sold in very limited circumstances) and any proceeds must be used for the purchase of land
- R 2 The donkey shed project is now fully complete, the transfer from general fund was to cover the overspend on this project
- R 3 FIPL projects completed during the financial year and fund balances fully cleared

Malvern Hills Trust - Notes to the Management Accounts MAR24

Balance Sheet

- B 1 Annual investment portfolio revaluation has now been carried out
- B 2 Liabilities includes a new annual provision income deferred in respect of carpark pass income. On the advice of auditors in 2022/23 we have made an annual adjustment such that car park pass income is spread across the months of the year according to expiry rather than recognising the income when it is received
- B 3 The annual adjustment for the LGPS Pension liability (defined benefit scheme) has now been adjusted from £737k liability to £612k liability

Trustees' Report and Financial statements for the year ended 31st March 2024



Trustees' Report and Financial statements

For the year ended 31st March 2024

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Reference and administrative details

Charity number: 515804 (England and Wales)

Principal office: Manor House
Grange Road
Malvern
Worcestershire
WR14 3EY

Our advisors

Independent Auditor: Azets Audit Services
Epsilon House
The Square
Gloucester Business Park
Gloucester GL3 4AD

Bankers: Lloyds Bank plc
48 Belle Vue Terrace
Malvern
Worcestershire
WR14 4QG

Investment Managers: RBC Brewin Dolphin
9 Colmore Row
Birmingham
B3 2BJ

Other Investments: Flagstone
1st Floor Clareville House
26-27 Oxendon Street
London
SW1Y 4EL

The Charity Bank Ltd.
Fosse House
182 High Street
Tonbridge
TN9 1BE

Solicitors: Whatley Recordon Solicitors
12 Worcester Road
Malvern
Worcestershire
WR14 4QU

Veale Wasbrough Vizards LLP (VWV)
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

Sharpe Pritchard LLP
Elm Yard
10-16 Elm Street
London
WC1X 0BJ



Key management personnel – Senior Managers

Chief Executive Officer	Deborah Fox – Appointed 04.03.24 Helen Stace – Appointed 11.12.23 Resigned 20.03.24 Duncan Bridges BSc (Hons) – Resigned 31.12.23
Secretary to the Board	Alison Marlow – Appointed 13.11.23 Susan Satchell LI.B (Hons) – Resigned 31.01.24
Governance Change Officer	Susan Satchell LI.B (Hons) – Appointed 01.02.24
Conservation Manager	Jonathan Bills MSc
Operations Manager	Peter Kelsall BScFor, MICFor
Finance and Administration Manager	Nicky Gutteridge FCA BSc (Hons) – Appointed 12.02.24 Sarah Deacon BA (Hons) FCIPP MAAT AATQB – Appointed 30.05.23 Resigned 02.11.23 Cheryl Gentry BSc ACA – Resigned 31.05.23

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*

Elected trustees

(Wards as at November 2019)

Priory Ward:	David Watkins <i>FAR</i> (resigned 31 October 2023), Mary Turner <i>FAR</i> (elected 7 December 2023)
Chase Ward:	Mary Turner <i>LM</i> (elected 6 th May 2022-31 October 2023), Richard Fowler <i>FAR</i> (elected 1 November 2023)
Wells Ward:	Richard Fowler (elected 2019-2023) <i>LM</i> to 10 th November 2022, <i>SC</i> from 10 th November 2022; Robert Berry <i>FAR</i> (elected 1 November 2023)
West Ward:	*Charles Penn <i>FAR</i> . <i>SC</i> to 10 th November 2022 and from 18 November 2023, <i>GC</i> from 18 November 2023
Dyson Perrins Ward:	Trevor Parsons <i>LM</i> (resigned 31 October 2023), *John Raine <i>FAR</i> , <i>SC</i> , <i>GC</i> (elected 1 November 2023)
Malvern Link Ward:	*Richard Bartholomew <i>FAR</i> & <i>GC</i> to 10 th November 2022. <i>LMC</i> from 10 th November 2022 to 18 th November 2023. <i>FAR</i> , <i>SC</i> , <i>GC</i> from 18 th November 2023
Pickersleigh Ward:	David Core <i>FAR</i> & <i>GC</i> (Board Vice-Chair from 18 November 2023)
Colwall Parish:	*Helen Stace <i>LM</i> , <i>SC</i> to 10 th November 2022, <i>GC</i> from 10 th November 2022 (resigned 20 October 2023); Allan Cottam <i>FAR</i> (elected 1 November 2023) Stephen Braim <i>LM</i> & <i>GC</i> (resigned 31 October 2023); Felicity Robinson <i>LM</i> (elected 1 November 2023)
Guarlford Parish:	David Fellows <i>FAR</i> & <i>GC</i>
Mathon Parish:	*Christopher Rouse <i>LM</i>

Nominated trustees

Malvern Hills District Council:	Mick Davies <i>FAR</i> and <i>SC</i> (Board Chair to 31 October 2023, resigned 31 October 2023) Mark Driscoll <i>LM</i> (appointed 1 November 2023) *John Michael <i>FAR</i> , <i>GC</i>
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Jeremy Owenson *LM* (appointed 1 November 2023 resigned 23.04.24)
 Cynthia Palmer *LM & SC* (Board Vice Chair to 31 October 2023, Board Chair from 18 November 2023) (resigned 11 July 2024)
 Frances Victory *LM & SC* (appointed 1 November 2023)
 5 vacancies.

Colwall Parish Council: Paul Clayburn *LM & GC* from 10th November 2022 (resigned 3 July 2024)

Mathon Parish Council: *David Baldwin *LM & SC*

Church Commissioners: *No longer appoint*

Herefordshire Council: Helen I'Anson *SC* (resigned 5 October 2023)
 John Stock *LM* (appointed 28 November 2023)
 Sheila Wren *LM, SC* (appointed 28 November 2023)

Worcestershire County Council: *John Raine *FAR, SC & GC (to 31 October 2023)*
 Lucy Hodgson *FAR*
 Malcolm Victory *LC* (appointed 1 November 2023)

Worcestershire County Council on behalf of the following parishes: -

Castlemorton: Chris Atkins *LM & GC* (resigned 31 October 2023), Mike Wilkinson *LM* (appointed 1 November 2023)

Newland: Duncan Westbury *LM* (appointed 14th December 2022)

Powick: Michelle Alexander *LM* (appointed 12th April 2023, resigned 27 February 2024)

Staff

Throughout the year Malvern Hills Trust employed on average 21 staff (18 full time equivalent) (2022/23: 21 and 17 full time equivalent). Details of staff numbers are given in note 11 to the financial statements.

There were the following changes to the staff during the financial year 2023/24.

Conor Wilmott left as Warden 19.05.23; Cindy Parish left as Administration Assistant 31.01.24; Duncan Bridges left as CEO 31.12.23; Helen Stace was appointed as CEO 11.12.23 and left 20.03.24; Jill Hobkirk left as gate opener 10.01.24; Sarah Deacon was appointed as Finance and Administration Manager 01.06.23 and left 02.11.23; Ben Taylor left as Warden 11.06.23; Cheryl Gentry left as Finance and Administration Manager 31.05.23; Katie McEvoy was appointed as Field Staff Member 11.04.23; Angela Norton was appointed as Warden 27.06.23; Michael Price was appointed as Warden 05.07.23; Nicky Gutteridge was appointed as Finance & Administration Manager 12.02.24; Alison Marlow was appointed as Secretary to the Board 13.11.23; Lea Gleeson was appointed as Administration Assistant 20.02.24; Deborah Fox was appointed as CEO 04.03.24.



Report of the trustees for the year ended 31st March 2024

The trustees are pleased to present their annual report together with the financial statements of the charity for the year ending 31st March 2024.

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 2019).

Our purposes and activities

Malvern Hills Trust was set up to protect the hills and commons 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.

Malvern Hills Trust is also obliged under public legislation to conserve and enhance biodiversity, and 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.

Achievements and performance

The Malvern Hills are an iconic and much-loved landscape, receiving 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 their 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 2023/24.



A 5-year Business Plan was adopted by the Board of Trustees in March 2022 and this is reviewed annually. Due to significant changes in senior staff and preparation for the private bill during 2023/24 this review did not happen, but is scheduled for later in 2024/25. In particular, budgets have had to be adapted to take account of increases in prices (particularly fuel and energy) since February 2022. The Business Plan sets out the strategic priorities and plans for the charity. <https://www.malvern hills.org.uk/looking-after/business-plan/>

Volunteers

Before March 2020, Malvern Hills Trust received enormous support from the work of volunteers with activities such as wardening, litter picking, recording flora and fauna, habitat management, conservation, archiving and administrative support. This all but stopped during the height of the pandemic. Regular conservation volunteer working parties have resumed. The input from volunteers continues to be lower than pre-pandemic levels and the Trust looks forward to recruiting more volunteer wardens and office volunteers.

The estimated volunteer contribution during the year was the equivalent of 378 (2022/23; 307) working days (of 7.5 hours per day) spent on the hills and commons and 24 (2022/23; 20) working days on office work. The contribution of all volunteers is gratefully acknowledged.

Use of Defra Stewardship Grants

In 2023/24 around 77 % (2022/23; 75 %) of the charity's land was managed under the Department for the Environment, Food and Rural Affairs (Defra) Countryside Stewardship Scheme or Higher Level Stewardship Scheme. 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 (2022/23; 5), and together they provide over £100,000 per annum toward MHT's conservation activities.

Key achievements

During the year, the Trust has successfully undertaken maintenance work and implemented the Land Management Plan across its 1200 hectare (3000 acre) estate which includes open hills, woodlands and suburban green spaces. Local wildlife and heritage have been cared for and over a million visitors coming from far and wide have enjoyed the land. As part of this work, staff have maintained over 70km of paths and 22 car parks to help facilitate public access.

Other key achievements were:

- Public access is one of the twin purposes of the Trust. In September, field staff and contractors installed 9 easy-to-use hand gates in several locations to either provide new



public access or to replace stiles. A new bridleway bridge has also been installed connecting two fields and negating the need for people to walk on the road.

- Ponds are one of the focal features in the Trust's Land Management Plan. Works last winter saw four ponds around Castlemorton Common restored by removing built up sediment. These ponds provide interest for walkers, a wonderful habitat and a drinking point for commoners' livestock.
- With tree diseases on the rise, the Trust has had to spend a large sum of money on tree safety works this year. This is partly in response to Ash Dieback disease. Whilst the works went well and no incidents have been reported, unfortunately we now have another tree disease on the estate – Acute Oak Decline. This will further challenge our staff and resources in the future.
- The Trust successfully accessed grant aid to purchase several electric tools including a chainsaw. As well as providing essential kit for our day-to-day work this is further progress towards lowering our carbon footprint. Thanks to Defra's 'Farming in Protected Landscapes' for this grant help.
- Trust staff have submitted comments on a variety of planning applications which might affect Trust land and also managed several infrastructure installations by utility companies.
- Pupils from Malvern Wyche Primary School helped plant trees at All Saints Wood to improve species diversity. MHT has installed seating here and the site is now being enjoyed as a Forest School, hosting a variety of subjects.
- During 2022/23 work was started to restore the stone bowl and pedestal at St Ann's Well, with the financial support from the Cadbury Foundation and Malvern Spa Association. Further work was carried out during 2023/24 but the project will not be completed until 2024/25 due to time constraints on both our staff and the contractor. The balance of the cost of undertaking this project is funded from the restricted gifts fund.
- Meeting the challenges of managing day to day activity with some significant senior staff changes. A new permanent CEO, Secretary to the Board and FAM are in place.
- The wet weather of winter 23/24 delayed many Trust projects and created new work in the form of dealing with several holes and slumps that appeared over the estate due to water levels. Several of these had to be cordoned off as dangers to the public and work
- 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.
- There has been a concerted effort on improving trustee and staff interactions. The Staff Trustee Protocol Working Group was a particular highlight with a new procedure noted by the Board in May along with a referral form for trustee questions that cannot be routed to the Trust's information line. The Land Management Committee provided two informative walks in 2024 at West of England Quarry and Old Hills led by the Conservation Manager and team, to illustrate and gain a shared understanding of



current challenges for Trust operations. A new social group has formed. A new trustee and staff Health & Safety Group is being instigated to develop a new policy statement and policy and address high level compliance.

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 at December 2022) 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

Most of the current trustees took up their seats on 1st November 2023 (some trustees were appointed after that date) and will remain in place until 31 October 2027.

There were 8 vacancies (all for externally appointed trustees) at the time this report was approved.

Following appointment, 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. In particular there were a number of training sessions to ensure that new trustees were fully familiar with the Trust's proposals to update its governing Acts. A short tour is also offered to view some of the key management sites and trustees are encouraged to attend land management site visits throughout the year.

Board and Committee meetings are open to the public and dates are published on the website. The Board now 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 also an opportunity for members of the public to make statements. The number of scheduled committee meetings has been reduced but Special Meetings are held whenever required.

The annual meeting at which the financial statements are adopted and Auditor appointed was held on 19th October 2023. It was resolved at that meeting to re-appoint Azets Audit Services for the year ended 31st March 2024, and the Trustees' Annual Report and Accounts for year ended 31st March 2023 were approved.

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.

Cynthia Palmer (chair) and David Core (vice chair) were appointed unopposed at this meeting.

During the Board meeting on 11 July 2024 Cynthia Palmer resigned as Chair. John Michael was appointed as new Chair at a Special Board meeting on 30 July 2024. He will remain in post for the remainder of the Board year to 31 October 2024.

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.

As noted in the reference and administration page, this financial year has seen 3 different CEOs in post. Duncan Bridges resigned as CEO effective from 31 December 2023. Helen Stace replaced him on a temporary basis until Deborah Fox took up her appointment as the Trust's new CEO on 4 March 2024.

The new CEO has settled into her role quickly and effectively, building confidence amongst staff and trustees. They ensured that the public consultation on taking the Trust into the 21st Century was launched in a timely and effective manner and have provided numerous comments to the media. She has formed new relationships with parish, town and district councils and made introductory presentations to many of them. She has met numerous stakeholders and trialled new collaborative approaches. She sponsored the new staff trustee protocol project to realise the maximum benefit of the new procedure. She has also acted swiftly on a number of risk, health and safety related issues that could have unnecessarily exposed 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,
- 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

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 of Trustees 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
- 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 published in July 2017 and revised in 2020 as a reference document to help charities work towards effective governance and the right leadership structure. The Code sets out principles and recommended practice. All charities and their trustees are encouraged to meet the principles and outcomes of the Code by either applying the recommended practice or explaining what they have done instead or why they have not applied it.

As a charity governed by statute, including legislation which is now over 175 years old, it is not possible for the Trust to follow many of the recommendations for good practices set out in the Code but the Code has been used to formulate many of the proposals for modernisation of the Trust's constitution. During the past 18 months, the Trust has used the associated



‘Governance Toolkit’ as a means of assessing trustees’ and Senior Staff’s views on current governance arrangements with the aim of identifying and agreeing areas for improved governance.

The Charity Governance Code states that if a trustee has served for more than 9 years their appointment 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 appointments procedure, nothing which 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

Charles Penn – first elected November 2015

John Michael – first elected November 2015

Ward boundary changes

The Malvern Hills (Electoral Changes) Order 2023 caused significant concern for the Trust as it altered the boundaries of Local Government wards in central Malvern. The Trust’s electoral area is (in part) defined in the Acts as “the seven wards of the urban district of Malvern”, The current wards no longer coincide with the old electoral boundaries. 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.

This situation is not satisfactory and highlights the urgent need to modernise the Trust’s governing legislation to keep pace with changes to public legislation over the years. The Trust requested that the Department of Levelling Up Housing and Communities make an Order to effect consequential amendments to the 1924 Malvern Hills Act, without success.

Modernisation of the Trust’s constitution

The Trust is governed by the 5 Malvern Hills Act, which reference other public Acts, dating back to 1847. The Trust needs 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 bodies which were 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. The Trust was initially advised to apply for a Parliamentary Scheme under s73 Charities Act 2011, but following a public consultation in 2019, the Trust was advised in 2020 by the Charity Commission and Department of Digital Culture Media and Sport (DCMS) that "changes to the charity's governing documents would now be best handled via a private bill." The Trust obtained consent from the Charity Commission in August 2023 to expend up to £306,000 on the preparation and promotion of a Bill in Parliament. This permission was subject to a condition that the Trust did not seek to extend or materially change the existing power to levy.

Work on the Bill did not start in earnest until the trustees who had been appointed in November 2023 had undertaken intensive training so that they were fully aware of the problems with the existing Acts and the Board's proposals to update them. It was resolved in January 2024 to seek a Private Bill, with a view to depositing the Bill in November 2024. The proposals are little changed from those upon which the Trust consulted in 2019, but given the time which has elapsed, the Trust ran a second public consultation from 22 May to 22 July 2024 and also consulted key stakeholders once again.

The Trust has also received permission from the Charity Commission to spread the cost of the Bill by taking a loan of up to £306,000 from the Land Purchase (1992) Fund. This loan is to be repaid over a term of 25 years at a fixed rate of 6 % per annum. No funds were drawn down pursuant to the loan arrangement during the financial year ending 31 March 2024. No funds have been drawn down since the year end up to the date of signing this report.

Financial Review

The financial results are set out on pages 29 to 58. There was a total net increase in funds of £258,645 (2022/23 increase of £1,419,600).

Net income before transfers on the unrestricted funds was £64,918 (2022/23 net expenditure of £23,485). The net movement on the unrestricted funds after transfers and the FRS 102 pension adjustment was an increase of £167,008 (2022/23 inflow of £1,539,792).

In addition, there was a net inflow of funds on the restricted funds of £91,637 (2022/23 net outflow £120,192).

Total reserves at the financial year end were £ 3,855,317 (2022/23 £3,596,672), of which £3,091,034 is restricted (and of which £1,346,835 is inalienable) (2022/23 £2,999,397 restricted (and of which £1,346,835 is inalienable)).

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 2023/24 was £45.34 (2022/23 it was £41.34). The total levy received by the charity was £663,800 (2022/23 £595,300).

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 <https://www.malvern hills.org.uk/living-in/levy-payers/>

Revenue from car parks is the second main funding source. The total received in 2023/24 was £398,720 (2022/23 £360,753). 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. £148,536 was received in 2023/24 (£106,612 was received in 2022/23). An additional sum of £59,673 for the year ended 31st December 2023 (2022/23 £51,172) 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, as agreed via the required internal agreement. In 2023/24 this amounts to £1,000 admin fee (2022/23 £1,000) and £5,098 non grazing delivery services (2022/23 £4,667).

Donations and legacies received totalled £18,243 (2022/23 - £13,879).

Significant financial impacts

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

- Car park cash takings exceeded budget and last year's figures, despite the overall poor weather during the year. Car park pass income (levy payers and non-levy payers) has been adjusted this year to include income in the month it relates, rather than when paid which has resulted in an accounting adjustment. This has resulted in c. £16,934 less income this year as it has been deferred to 2024/25.
- The Trust has a 5-year programme for managing Ash Dieback. Anticipated spend on this has not been as high as was anticipated at £38,614 (2022/23 £34,558) but we now face managing Acute Oak Decline which will require funds going forward. The balance of the designated fund is currently healthy as a result of prior year transfers made to cover future costs. No additional funds were deemed necessary to designate this year.
- The Board maintained its policy of updating vehicles with purchases of a compact tractor, quad bike and trailer in the year. Total vehicle and equipment additions were £71,891.
- The cost of the election process in 2023 was £26,730 leaving the fund in deficit at 31.03.24. General Funds will cover this as at 01.04.24 by way of transfer. The overspend was primarily due to the fact that we had both an election and a bi-election during the year and there were 3 contested seats. Costs have also increased as we need to check ID at polling stations.



- Build of a shed in Colwall at a cost of £41,095.
- Recruitment of senior staff including the CEO, Secretary to the Board and Finance and Administration Manager.
- Costs attached to the preparation and promotion of a Private Bill. 2023/24 costs were in the region of £18,000 and continue in 2024/25.
- Long delays in the RPA payments making cashflow more difficult to manage.
- A large increase in the RPA for the 2024 calendar year that was not expected but will not be received until 2025. We are recognising the income in line with the agreement but prudently not making plans for spending the cash until receipt.

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, Malvern Civic Society, and the Farming in Protected Landscapes scheme run by the Malvern Hills Area of Outstanding Natural Beauty (AONB) partnership.

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 was used for the structure of the above two portfolios (in place at the start of the year) and provides a ready measure of its 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 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 propose funding a significant percentage of the cost of pursuing the Trust's governance changes 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 that part to lower risk investments in order to avoid the risk of fluctuations in the value of the investments at a time they 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. There were no changes to this during the financial year.

Investment performance

Inflation continued to ease from record highs over the last 12 months, while interest rates remained at restrictive levels. Tensions in the Middle East and the Red Sea resulted in higher shipping cost and oil price volatility, threatening to derail inflation on its path back down to central bank target levels. However, bond and equity markets rallied towards the end of 2023 as further progress on inflation was made across developed economies, leading to interest rate cut speculation in 2024. The first quarter of 2024 saw the Technology sector soar to all-time highs, driven by the Artificial Intelligence narrative, which provided a supportive backdrop for large-cap equity investors.

Over the financial year to 31st March 2024, the combined portfolio generated a total return of +9.76 % net of fees. This compares to the Asset Risk Consultants (ARC) Steady Growth Index performance of +9.38 % (net of fees) and the RBC Brewin Dolphin Risk Category 6 Strategic Asset Allocation of +13.39 % (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 31st March 2024) were as follows:

Land Purchase (1992) Fund (main portfolio)

Return gross of fees +12.39 %, net return +11.66 % (ARC Steady Growth 9.38 %)

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

Return gross of fees +8.21 % %, net return +7.59 % (ARC Balanced asset 7.22 %)

Parliamentary and Land Maintenance portfolio



Return gross of fees +10.05 % . net return +9.3 % (ARC Steady Growth 9.38 %)

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 the Malvern Hills and commons. Climate change poses a threat to the unique environment which is cared for by the Trust. Since 31st 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 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. In summary, the calculation is as follows:

Total unrestricted funds*

Less:

The defined benefit pension scheme surplus/(deficit)

Net book value of fixed assets funded from the general fund

Committed designated funds

*Unrestricted funds comprise the general fund, and free designated funds and surplus/(deficit) on the defined benefit pension scheme

The level of free reserves and cash balances are reviewed quarterly against the agreed policy. That policy is reassessed annually.

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 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. This threshold 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.

The policy was adopted in June 2018 and updated in August 2023.

At 31st March 2024 total funds of the charity were £3,855,317 (2022/23 £3,596,672). This included restricted funds of £3,091,034 (2022/23 £2,999,397) and committed designated funds of £897,153 (2022/23 £897,687). 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 £742,341, made up of the following:

General fund excluding net book value of assets	£335,085
Free' designated funds	
Gifts	£389,386
Fundraising	£10,000
Car park repair	£4,369
Dog campaign	£3,501
Total	£742,341

The total of the free reserve was slightly up on the March 2023 figure (£736,620).

The overall free reserve remains higher than the target minimum of £350,000. A proportion of the reserve from 1st April 2024 has become part of the budget to fund the costs relating to the Private Bill preparation and consultation during 2024/25.

The Ash Dieback fund is currently looking like it will be more than sufficient in the short term, last year there were some concerns that tackling Ash Dieback could cost more than was first anticipated.



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 27. The pension figures reflected in these financial statements have been provided by Mercer, the Actuary to the Fund.

The FRS 102 accounting deficit at the year-end has been calculated as £612,000 (2022/23 £737,000). The employer's contribution rate during the year was 21.8 % (2022/23 21.8 %).

Triennial valuation

The most recent triennial Actuarial valuation was carried out at 31st March 2022. 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 31st March 2022 was £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 31st March 2025, with revised contribution rates coming into effect from 1st April 2026.

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 2022 Actuarial Valuation is 12 years. The deficit payments in 2023/24 totalled £74,200 (2022/23 £68,700). The amount due for 2024/25 is £77,630.

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

The CEO and Senior Management have met regularly and forged a greater understanding of each other's functions. There has been much progress against recommendations from the staffing review and this will continue. The business plan will be revisited and a new Health and Safety plan is expected to arise from new insight provided by a retained Health & Safety advisor and fire risk assessments. Following discussion at FAR, the Board will be supported in an annual review of the Risk Strategy. There is considerable improvement in day to day trustee and staff relations and the Staff Trustee Protocol Working Group was a particular highlight with a new procedure noted by the Board in May.



The communications output has been high with numerous news releases and social media posts. The Trust's Facebook channel has 5.2K followers and peaks in activity occurred around the May well dressing, May car park pass applications opening and May launch of the public consultation. Stockwatch continues to be popular with a regular slot in the Malvern Gazette. Over 13,000 leaflets and hundreds of posters were circulated for the public consultation in the Trust's usual look and feel with regular updates to frequently asked questions and a myth-busting section on the website. This was aided by an operational trustee and staff communications group.

Conservation

For the next financial year and until 2026, the Trust's outdoor work will be focused on the delivery of the Land Management Plan 2021-2026 and responding to new challenges that may arise on the estate.

Our priorities will always be the most important, legally designated features such as British Camp hillfort. This nationally important archaeological monument needs annual livestock grazing and scrub control to keep it open and visible. Presently it also needs structural repair works on two significant erosion scars. This work will be carried out soon by our field staff team using sympathetic techniques.

Maintaining our priority habitats that make up much of the estate and bring benefit to thousands of people every week, need annual works to keep them in good condition. Hedges, ponds, meadows, ancient woodlands all rely on the hard work of our staff, volunteers, contractors and other partners.

We shall continue with current works to increase tree cover where possible and at the same time, cope with tree diseases. Ash Dieback disease has cost the Trust £113,000 over the last three years and in the next few years we expect to deal with further waves of dead and unhealthy trees. Unfortunately, another tree disease, Acute Oak Decline, has been recorded. Spending on unsafe trees could well rise therefore, although wherever possible the Trust uses its own skilled staff for survey and tree surgery work.

Work on the next Land Management Plan will begin in 2024 and go out to public consultation in 2025 with a view to the new plan, covering 2026-2031, going live in April 2026.

Remuneration policy and salary costs.

Staff salaries are set in accordance with the Local Government pay scale (LGPS) with the exception of the Chief Executive Officer. Posts other than the Chief Executive Officer are allocated to a spinal column point depending upon the level of responsibility and qualifications needed for the post. Salaries were last independently benchmarked in spring 2022. The salary of the Chief Executive Officer is set by the Board, following an annual appraisal. At the time of this report, negotiations were still ongoing regarding pay awards across all LGPS payscales. Once agreed the award will be backdated to 1 April 2024.



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 trustees have in place a formal risk management process to assess business risks and implement risk management strategies.

The risk management process involves identifying the types of risks the charity faces, classifying them in terms of potential impact and likelihood of occurrence and identifying ways of managing the risks. At each meeting of the board, trustees are updated on any significant changes to the level of risk, particularly any categories that are gauged to be entering the highest risk category, and any appropriate actions considered.

Post year end the Finance Administration and Resources Committee has met and discussed the Risk Management Strategy and the Committee has approved recommendations to



commission a shorter more manageable working document, arrange a workshop for all trustees to consider all risks and ultimately update the register during summer 2024.

The key risks identified during the year were:

- Potential of grant-making bodies such as the Rural Payment Agency making unilateral changes to existing grant schemes which might negatively impact on income levels.
- Uncertainty in regard of Trusts election arrangements following the Boundary Commission review of Malvern Hills District Council ward boundaries.
- Reputational impacts arising both from the above, and local campaigns (by individuals and/or groups) generating misinformation that affects the reputation of the charity and generates adverse publicity, as well as diverting the limited resources and focus of the organisation from its core objects.
- The impacts of additional workloads and limited delivery capacity arising from both expected and unexpected loss of staff from key roles within the small staff team.

Some areas of financial operations previously identified as at high risk in the first half of the year, have since moderated, but still warranted careful monitoring. These include the risks of:

- Impact of Government policy, changes in legislation and regulations
- Expenditure levels increasing and car park takings and grant funding income falling below expected levels
- Poor investment returns

Following the latest triennial valuation the Trust's pension liability (accounting deficit) has reduced (as disclosed in detail in note 27 to the financial statements). Medium-term financial plans are in place to ensure the charity can make the required contribution payments in the future. The scheme has been closed to new joiners.

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



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 2024 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 2024 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.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.



This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

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.

Azets Audit Services

Chartered Accountants

Statutory Auditor

Date

Epsilon House
The Square
Gloucester Business Park
Gloucester
United Kingdom
GL3 4AD



Statement of Financial Activities for the year ended 31st March 2024

	Note	Unrestricted funds	Restricted funds	Total funds 2024	Total funds 2023
		£	£	£	£
Income and endowments from:					
Donations and legacies	3	13,697	4,546	18,243	13,879
Charitable activities:					
Management of the hills and commons	4	831,527	39,036	870,563	756,190
Car parks	4	398,720	0	398,720	360,753
Other trading activities	5	50,931	0	50,931	78,407
Investments:					
Bank deposits		39,354	6,780	46,134	9,518
Investment portfolio		0	33,698	33,698	37,785
Other	6	22,913	0	22,913	16,529
Total income		1,357,142	84,060	1,441,202	1,273,061
Expenditure on:					
Charitable activities	7	1,290,495	48,315	1,338,810	1,287,897
Other expenditure	7	1,729	7,350	9,079	15,937
Total expenditure	7	1,292,224	55,665	1,347,889	1,303,834
Net gains on investments	16	0	88,332	88,332	(90,627)
Net income/(expenditure)		64,918	116,727	181,645	(121,400)
Transfers between funds	23	25,090	(25,090)	0	0
Other recognised gains/(losses)					
Actuarial gains/(losses) on defined benefit pension scheme	27	77,000	0	77,000	1,541,000
Net movement in funds		167,008	91,637	258,645	1,419,600
Reconciliation of funds:					
Total funds brought forward		597,275	2,999,397	3,596,672	2,177,072
Total funds carried forward	24	764,283	3,091,034	3,855,317	3,596,672

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 32 to 59 form part of these financial statements.



Balance Sheet as at 31st March 2024

	Note	2024	2023
		£	£
Fixed Assets			
Tangible fixed assets	14	428,748	359,078
Heritage assets	14/15	1,346,835	1,346,835
Investments	16	1,303,281	1,206,693
Total fixed assets		3,078,864	2,912,606
Current Assets			
Livestock		31,452	31,452
Investments	17	424,788	84,788
Debtors	18	306,520	116,932
Short term deposits		898,082	1,334,180
Cash in hand		176	166
Total current assets		1,661,018	1,567,518
Creditors: Amounts falling due within one year	18	(272,565)	(146,452)
Net Current Assets excluding pension liability		1,388,453	1,421,066
Net assets excluding pension liability		4,467,317	4,333,672
Pension Fund liability	27	(612,000)	(737,000)
Net Assets including pension liability		3,855,317	3,596,672
The funds of the charity			
Unrestricted - General Fund	19	479,130	436,588
Unrestricted - Designated Funds	20	897,153	897,687
Unrestricted - Pension Fund	21	(612,000)	(737,000)
Restricted Funds	22	3,091,034	2,999,397
Total charity funds		3,855,317	3,596,672

The notes on pages 32 to 59 form part of these financial statements.

Signed

John Michael
Chair of Trustees on behalf of the Trustees
DATE



Statement of cash flows for the year ended 31st March 2024

	2024 £	2023 £
Cash flows from operating activities		
Net movement in funds	181,645	(121,400)
Add back depreciation charge	56,819	91,158
Profit on disposal of fixed assets	(11,712)	(1,050)
Investment (gains)/ losses	(88,332)	90,627
Difference pension charge and cash contributions	(48,000)	37,000
Income on investing activities retained in portfolio	(79,832)	(47,303)
Decrease / (increase) in stock	0	(6,132)
(Increase)/decrease in debtors	(189,588)	16,542
Increase in creditors	126,113	(7,928)
Net cash provided by/(used in) operating activities	(52,887)	51,514
Cashflows from investing activities:		
Proceeds from the sale of fixed assets	11,712	1,053
Purchase of fixed assets	(126,490)	(190,005)
Transfer to current asset investments	(340,000)	(84,788)
Purchase of investments	(173,249)	(523,781)
Proceed on disposal of investments	152,023	849,170
Interest received	79,832	47,303
Net cash provided by investing activities	(396,172)	98,952
Change in cash and cash equivalents in the reporting period	(449,059)	150,466
Cash at beginning of period	1,334,341	1,167,684
Cash at end of period	898,260	1,334,341
Movement in portfolio cash	(12,978)	(16,191)
Change in cash and cash equivalents in reporting period	(449,059)	150,466

The notes on pages 32 to 59 form part of these financial statements.



Notes to the financial statements for the year ended 31st March 2024

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) (effective January 2019) – (Charities SORP (FRS102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 company. Monetary amounts in these financial statements are rounded to the nearest £.

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

The charity reported a cash outflow of £449,159 (2022/23 £150,466 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. 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.

Legacies are recognised upon the earlier of notification of probate being granted or receipt.



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. Whilst 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 Malvern Hills Trust owned cattle which is independently assessed and valued at the commencement and termination of qualifying Tenancy Agreements (expiry dates being November 2028, June 2031 and November 2024). Cattle is managed via Grazier agreements. No sale or purchase of livestock has occurred during the year or the prior year.

The year end valuation at 31st March 2024 has not changed as no external valuation was required or carried out but investigation of commercial values suggests that the value would not be materially different to last year.

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 27 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 20-22 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, deposit financial statements, trade debtors and accrued income. Financial liabilities measured at settlement value comprise trade creditors and accruals.

Details of financial instruments are given in note 28 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 27, 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 2022 has been used by the actuary in valuing the pensions liability at 31 March 2024. 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

	2024	2023
	£	£
Gifts	11,168	13,379
Legacies	7,075	500
	<u>18,243</u>	<u>13,879</u>

The income from donations and legacies was £18,243 (2022/23 £13,879) of which £13,697 was unrestricted (2022/23 £6,421) and £4,546 restricted (2022/23 £7,458).

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 2024	Total 2023
	£	£	£	£
Income				
Levy on Council Tax payers in precepted parishes	663,800	0	663,800	595,300
Stewardship grants	148,536	0	148,536	106,612
Other grants	58,227	0	58,227	54,278
Car park takings	0	398,720	398,720	360,753
Total income from charitable activities	<u>870,563</u>	<u>398,720</u>	<u>1,269,283</u>	<u>1,116,943</u>

5 Analysis of income from other trading activities

	2024	2023
	£	£
Rental income	36,631	32,933
Easements and wayleaves	14,300	45,474
	<u>50,931</u>	<u>78,407</u>

The rental income in both years was unrestricted, £nil of easements and wayleaves in 2023/24 was restricted (2022/23 £20,000).



6 Analysis of other income

	2024	2023
	£	£
Employment allowance*	5,000	5,000
Compensation for works	308	1,076
Profit on disposal of fixed assets	11,712	1,050
Sundry Income	5,893	9,403
	<u>22,913</u>	<u>16,529</u>

* HMRC Employment Allowance for the year 2023/24 has been applied in full to the employer's national insurance contribution to a total value of £5,000 (2022/23 £5,000).

All of the above income is unrestricted.

7 Analysis of expenditure

	Estate manage't	Wardening	Car parks	PR	Governance	Office costs	Total 2024	2023
	£	£	£	£	£	£	£	£
Salaries (note 9)	241,460	130,622	6,325	0	72,354	262,588	713,350	747,933
Direct expenses	263,753	13,657	24,876	5,519	0	0	307,806	304,984
Rates and water	4,245	0	1,500	0	0	2,450	8,195	8,163
Electricity & gas	5,425	0	2,480	0	0	6,724	14,629	9,074
Insurance	28,667	0	0	0	2,743	1,309	32,719	29,357
Maintenance of buildings	4,536	0	0	0	0	1,136	5,673	8,315
Depreciation	54,257	0	0	0	0	2,562	56,819	91,158
Investment management	9,079	0	0	0	0	0	9,079	13,381
Support costs (note 7)	4,803	0	1,083	0	97,542	96,192	199,620	91,470
	<u>616,225</u>	<u>144,279</u>	<u>36,264</u>	<u>5,519</u>	<u>172,639</u>	<u>372,962</u>	<u>1,347,889</u>	<u>1,303,835</u>

Expenditure was £1,347,889 (2022/23 £1,303,835) of which £1,292,224 was unrestricted (2022/23 £1,196,181) and £55,665 was restricted (2022/23 £107,653).



8 Analysis of support costs

	Estate m'gt	Governance	Car parks	Office costs	Total 2024	Total 2023
	£	£	£	£	£	£
Telephones	1,451	0	0	1,971	3,422	3,315
Cleaning	1,143	0	0	3,209	4,351	4,331
Postage	0	0	0	2,324	2,324	2,559
Office equipment	0	0	0	2,841	2,841	3,459
Printing and stationery	0	0	0	6,569	6,569	5,886
Travelling	0	0	0	794	794	597
IT	0	0	0	14,303	14,303	13,155
Legal fees	695	44,521	0	0	45,216	21,360
Audit fee	0	14,875	0	0	14,875	11,250
Land Agent fees	0	0	0	0	0	2,276
Election expenses	0	24,032	0	0	24,032	0
Other professional fees	921	1,840	0	3,710	6,471	12,657
Subscriptions	0	0	0	2,005	2,005	1,711
Newspaper Ads	0	0	0	646	646	1,112
Training	0	12,274	0	7,058	19,332	2,877
Miscellaneous	0	0	0	3,094	3,094	1,048
Recruitment	593	0	0	14,322	14,915	1,461
Pension finance cost	0	0	0	32,000	32,000	0
Bank charges	0	0	1,083	1,348	2,431	2,416
	4,803	97,542	1,083	96,193	199,620	91,470

9 Net income/(expenditure) for the year

This is stated after charging:

	2024	2023
	£	£
Depreciation	56,819	91,158
Auditor's remuneration:		
Audit fees	14,875	11,250
Other advice	965	0



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

	2024	2023
	£	£
Salaries and wages	584,418	518,370
Social security costs	54,727	48,165
Pension costs	157,599	146,701
Group life assurance	3,356	2,725
FRS 102 - pension adjustment	(80,000)	37,000
FRS 102 - short term compensated absence charge to SOFA	(6,750)	(5,029)
	<u>713,350</u>	<u>747,932</u>

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

	2024	2023
	Number	Number
£60,001 - £70,000	0	1

Contributions totaling £Nil (2022/23: £6,309) 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 (2022/23 £nil). No travelling expenses were reimbursed to trustees during the year (2022/23 £nil). No charity trustee received payment for professional or other services supplied to the charity (2022/23 £nil).

The key management personnel comprise the Chief Executive Officer, the Conservation Manager, the Operations Manager, the Secretary to the Board, the Governance Change Officer 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 £287,298 (2022/23 £239,685).

11 Staff numbers

The average monthly head count was 21 staff (2022/23 21 staff) and the average monthly number of full-time equivalent employees (including part-time staff) during the year was as follows:

	2024	2023
Wardens	3.8	4
Field Staff	6.4	6.6
Office based staff (includes conservation staff)	7.6	6.7
	<u>17.8</u>	<u>17.3</u>

12 Related party transactions

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

During 2023/4 no related party transactions were identified (2022/23 a £600 donation was received from Richard Bartholomew).

13 Corporation tax

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives.

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 2023	1,346,835	102,733	138,770	929,430	160,460	477,743	62,127	3,218,098
Additions	0	0	0	48,555	0	71,891	6,044	126,490
Disposals	0	0	0	0	0	(26,385)	(3,650)	(30,035)
At 31st March 2024	1,346,835	102,733	138,770	977,985	160,460	523,249	64,521	3,314,553
Depreciation								
At 1st April 2023	0	0	27,750	885,771	160,460	379,603	58,601	1,512,185
Charge in the year	0	0	2,775	18,490	0	32,992	2,562	56,819
On disposals	0	0	0	0	0	(26,385)	(3,650)	(30,035)
At 31st March 2024	0	0	30,525	904,261	160,460	386,210	57,513	1,538,969
Net book value								
31st March 2024	1,346,835	102,733	108,245	73,724	0	137,039	7,008	1,775,584
31st March 2023	1,346,835	102,733	111,020	43,659	0	98,140	3,526	1,705,913

‘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 Lands Acquisition 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		£	£
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	16,092	
	Less: sale of Belle Vue island and Edith Walk	(85)	
			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
1960/62	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
1976	Thirds 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
	Sub-total		94,907



Year		£	£
	Sub total b/fwd		94,907
1984	Gullet Quarry	15,217	
	Less Countryside Commission grant	<u>(4,500)</u>	10,717
1986	Earnslaw and Wyche Quarries	25,212	
	Less: Countryside Commission grant	<u>(12,500)</u>	12,712
1986	Grundy's Meadow	6,203	
	Less Countryside Commission grant	<u>(3,058)</u>	3,145
1989	Ballards Land, Upper Colwall	15,000	
	Less Gift from Mrs N. Hadfield	<u>(3,750)</u>	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	Small parcels of land at Worcestershire Beacon and above Jubilee Drive		4,471
2009/10	Land on 4 areas on East side Worcestershire Beacon, Black Hill and Jubilee		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 (to be known as 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
	Total to 31 st March 2024		<u><u>1,346,835</u></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	Combined 2024	2023
	£	£	£	£
Opening Market Value	560,512	646,180	1,206,692	1,638,899
Additions	86,019	87,230	173,249	523,781
Disposal proceeds	(66,369)	(85,654)	(152,023)	(849,170)
Equalisations	(72)	205	133	(112)
Gains/(losses)	46,729	41,603	88,332	(90,627)
Change in cash	(8,764)	(4,338)	(13,102)	(16,079)
Closing market value	618,055	685,226	1,303,281	1,206,692

The historical cost of investments at the balance sheet date was £1,114,303 (2022/23 £1,244,673).



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

Land Purchase (1992) Portfolio ONE		2024		2023
	%	£	%	£
UK Bonds	5.1	20,509	3.3	14,469
Overseas bonds	10.3	41,350	9.3	41,677
UK equities	14.9	59,963	23.9	57,027
North American equities	32.3	129,990	26.8	108,711
European equities	8.4	33,762	6.9	27,900
Japanese equities	3.3	13,377	3.1	11,247
Asia pacific equities	5.3	21,492	6.3	22,150
Emerging markets	1.0	4,029	1.4	3,836
Absolute return	5.5	22,086	4.7	21,544
Global investments	4.8	19,401	3.6	13,196
Property	2.1	8,418	2.4	8,458
Other investments	4.4	17,880	4.3	21,310
Cash	2.6	10,359	3.7	8,785
		<u>402,616</u>		<u>360,310</u>

£150,000 is held in short term cash deposits via Flagstone

Land Purchase (1992) Portfolio TWO		2024		2023
	%	£	%	£
UK Bonds	9.0	19,296	3.3	13,048
Overseas bonds	23.4	50,315	9.3	50,562
UK equities	8.3	17,972	23.9	16,907
North American equities	15.7	33,922	26.8	27,762
European equities	3.5	7,549	6.9	6,467
Japanese equities	1.7	3,757	1.5	3,084
Asia pacific equities	3.4	7,328	6.3	7,600
Emerging markets	1.0	2,050	1.4	1,952
Absolute return	13.6	29,331	4.7	28,413
Global investments	3.3	7,208	3.6	6,276
Property	5.5	11,784	2.4	11,002
Commodities	3.2	6,994	2.4	6,231
Other investments	2.7	5,710	4.3	6,668
Cash	5.7	12,223	3.7	14,230
		<u>215,439</u>		<u>200,202</u>



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

Parliamentary & Lands Maintenance Portfolio		2024		2023	
	%	£	%	£	
UK Bonds	8.5	58,189	3.3	39,592	
Overseas bonds	8.6	59,090	9.3	59,461	
UK equities	14.8	101,654	23.9	125,911	
North American equities	33.5	229,488	26.8	191,248	
European equities	7.1	48,523	6.9	38,579	
Japanese equities	3.4	23,571	3.1	20,083	
Asia pacific equities	5.7	38,879	6.3	38,776	
Emerging markets	0.7	5,063	1.4	4,821	
Absolute return	4.0	27,180	4.7	40,323	
Global investments	5.4	37,110	3.6	26,642	
Property	1.4	9,857	2.4	9,953	
Other investments	3.9	26,508	4.3	32,727	
Cash	2.9	20,114	3.7	18,064	
		<u>685,226</u>		<u>646,180</u>	

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

17 Debtors

	2024	2023
	£	£
Trade debtors	46,530	10,610
VAT repayable	12,766	5,029
Accrued income	196,966	49,267
Prepayments	50,258	52,026
	<u>306,520</u>	<u>116,932</u>

Debtors are measured at the settlement value less any provision for bad debts. No bad debts were written off during the year (2023 : £nil).



18 Creditors: amounts falling due within one year

	2024	2023
	£	£
PAYE and National Insurance	13,686	10,543
Wages	7,718	3,520
Trade creditors	142,474	41,826
Accrued charges	42,249	50,761
Other creditors	12,241	10,153
Deferred income	46,025	14,727
FRS102 compensated absence provision	8,172	14,922
	<u>272,565</u>	<u>146,452</u>

Creditors are measured at invoiced value.

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 2023	14,727
Released to the SOFA in the year	(14,727)
Received in the year	<u>46,025</u>
Balance at 31 March 2024	<u>46,025</u>

Prior year	£
Balance at 1 April 2022	13,549
Released to the SOFA in the year	(13,549)
Received in the year	<u>14,727</u>
Balance at 31 March 2023	<u>14,727</u>

19 General fund

	2024	2023
	£	£
General fund - balance 1 st April 2023	436,588	425,825
Incoming resources	1,188,572	1,052,088
Resources expended	(1,103,595)	(1,012,231)
Transfers	<u>(42,435)</u>	<u>(29,094)</u>
Balance 31 st March 2024	<u>479,130</u>	<u>436,588</u>



20 Designated funds

Current year

	Balance 1st April 2023 £	Movement incoming £	Resources outgoing £	Transfers (to)/from other funds £	Balance 31st March 2024 £
Gift fund	383,102	8,688	(2,404)	0	389,386
HLS, BPS & grazing reserve fund	106,873	11,119	(4,850)	(1,064)	112,078
Countryside Stewardship fund	150,564	143,753	(93,880)	0	200,437
Tree disease fund	35,865	0	0	0	35,865
Ash Dieback fund	129,473	10	(38,614)	0	90,869
Fundraising support fund	10,000	0	0	0	10,000
Governance Review - legal	34,010	0	(3,413)	9,589	40,186
Governance Review - public consultation	889	0	(14,342)	(889)	(14,342)
Election expenses fund	17,207	0	(26,730)	9,523	0
Dog campaign	3,501	0	0	0	3,501
Car Park repair fund	5,100	0	(731)	0	4,369
Designated fixed asset fund	0	0	(176)	12,704	12,528
Boundary Commission Advice	8,603	0	(6,327)	10,000	12,276
FAM / CEO Replacement	12,500	0	(40,162)	27,662	0
	897,687	163,570	(231,629)	67,525	897,153

Prior year

	Balance 1st April 2022 £	Movement incoming £	Resources outgoing £	Transfers (to)/from other funds £	Balance 31st March 2023 £
Gift fund	452,450	7,560	(8,874)	(68,034)	383,102
HLS, BPS & grazing reserve fund	110,327	13,657	(16,221)	(890)	106,873
Countryside Stewardship fund	127,069	99,395	(75,900)	0	150,564
Tree disease fund	22,975	0	0	12,890	35,865
Ash Dieback fund	96,031	0	(34,558)	68,000	129,473
Fundraising support fund	10,000	0	0	0	10,000
Governance Review - legal	34,010	0	0	0	34,010
Governance Review - public consultation	889	0	0	0	889
Election expenses fund	12,207	0	0	5,000	17,207
Dog campaign	3,500	1	0	0	3,501
Car Park repair fund	3,200	0	0	1,900	5,100
Boundary Commission Advice	0	0	(11,397)	20,000	8,603
FAM Replacement	0	0	0	12,500	12,500
	872,658	120,613	(146,950)	51,366	897,687

- The 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 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 £113,000 and we now do not expect the costs to be as high as first thought. We do however now have Acute Decline to deal with so the fund remains in place at the moment and may be redirected to this new threat.
- The Fundraising support fund is to cover costs of future fundraising activities.
- The Governance review funds are to cover the costs of any work approved by the Board. These 2 funds have been renamed from the 1st April 2024 to make the use of each clearer. 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.
- 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 4 years time. A rolling £5000 per year designation has historically been made. This may be reviewed and uplifted as the 2023 elections exceeded this budget which was covered by general reserves.
- The Dog campaign fund is to cover the costs of a campaign which was started in 2019/20. Work on the campaign has been delayed by COVID-19.
- The designated fixed asset fund represents the balance on restricted assets purchases which remain designated until fully written down.
- The car park repair fund is to cover the cost of car park repairs, this was due to be completed in 2022/23 but has been delayed due to weather and time resource.
- Following the retirement of Cheryl Gentry and the resignation of her replacements Helen Barber and Sarah Deacon, the FAM replacement fund objective was to cover the cost of accountancy provision in preparing the Statutory Financial accounts in addition to recruitment expenses. The fund was extended further during 2023/24 to cover the additional costs attached to appointing the new CEO. The fund has been closed now that these posts have been filled.

Details of transfers made during the year are given in note 23.



21 Unrestricted pension fund

Current year

	Balance 1st April 2023 £	Movement incoming £	Resources outgoing £	Actuarial gains/(losses) £	Balance 31st March 2024 £
Pension Fund	(737,000)		48,000	77,000	(612,000)

Prior year

	Balance 1st April 2022 £	Movement incoming £	Resources outgoing £	Actuarial gains/(losses) £	Balance 31st March 2023 £
Pension Fund	(2,241,000)	0	(37,000)	1,541,000	(737,000)

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 27.

22 Restricted funds

Current year

	Balance 1st April 2023 £	Movement incoming £	Resources outgoing £	Transfers (to)/from other funds £	Net gains/(losses) on investments £	Balance 31st March 2024 £
Lands Maintenance fund	183,022	5,644	(997)	(5,644)	11,937	193,962
SDF fund	453	0	0	0	0	453
Nature of the Malverns book	2,901	0	0	0	0	2,901
Gifts	8,166	0	(3,487)	452	0	5,131
Tree planting	1,044	0	(140)	0	0	904
Picnic bench donations	4,604	4,546	(1,742)	0	0	7,408
Boost4Biodiversity	1,389	0	0	0	0	1,389
FIPL Foothill Connections fund	500	0	0	(500)	0	0
FIPL All Saints Wood	6	3,283	(3,208)	(81)	0	0
Urban tree challenge fund	2,737	0	(64)	0	0	2,673
Donkey Shed	(7,787)	0	0	7,787	0	0
Access For All	(1,776)	7,646	(3,006)	0	0	2,864
Land Purchase (1992) fund	513,881	15,606	(2,497)	(48,046)	34,047	512,991
Land Purchase 2 Fund	200,108	4,829	(1,160)	0	11,681	215,458
FIPL tools	0	16,295	(3,592)	(12,704)	0	0
Parliamentary fund	485,392	14,399	(2,696)	(14,399)	30,667	513,363
Capital Outlay Discharged fund	1,604,757	0	(21,265)	48,046	0	1,631,538
	2,999,397	72,248	(43,854)	(25,090)	88,332	3,091,034



Prior year

	Balance 1st April 2022	Movement incoming	Resources (to)/from outgoing	Transfers (to)/from other funds	Net gains/(losses) on investments	Balance 31st March 2023
	£	£	£	£	£	£
Lands Maintenance fund	193,588	5,591	(1,632)	(5,337)	(9,188)	183,022
SDF fund	453	0	0	0	0	453
Nature of the Malverns book	2,901	0	0	0	0	2,901
Gifts	6,831	2,000	(665)	0	0	8,166
Tree planting	821	1,385	(357)	(805)	0	1,044
Picnic bench donations	2,800	6,073	(1,719)	(2,550)	0	4,604
Community Woodland	0	0	(34)	34	0	0
Boost4Biodiversity	1,389	0	0	0	0	1,389
FIPL Foothill Connections fund	500	0	0	0	0	500
FIPL All Saints Wood	0	2,409	(2,403)	0	0	6
Urban tree challenge fund	(8,223)	11,257	(297)	0	0	2,737
Donkey Shed	0	19,456	(27,243)	0	0	(7,787)
Access For All	0	0	(1,776)	0	0	(1,776)
Land Purchase (1992) fund	933,249	16,943	(7,150)	(357,455)	(71,706)	513,881
Land Purchase 2 Fund	0	135	(97)	184,263	15,807	200,108
Parliamentary fund	493,842	35,116	(4,412)	(13,614)	(25,540)	485,392
Capital Outlay Discharged fund	1,491,438	0	(59,868)	173,187	0	1,604,757
	<u>3,119,589</u>	<u>100,365</u>	<u>(107,653)</u>	<u>(22,277)</u>	<u>(90,627)</u>	<u>2,999,397</u>

- 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, £5,644 investment income was transferred to the General Fund (2022/23 £5,337).
- The SDF (Sustainable Development Fund) fund is for information boards at North and Tank Quarries.
- 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.
- The 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.
- Picnic bench donations are for benches at the Community Woodland.
- The Boost4Biodiversity fund is from Severn Trent, to fund pond works.
- The FIPL fund (Farming in Protected Landscapes) is a grant to support conservation projects within the Malvern Hills AONB. The projects in operation during 2023/24
 - Foothill Connection
 - Evendine
 - Tools upgrade
 - All Saints Wood.
 - Donkey Shed (along with additional funding via the Malvern Civic Society)
- The UTCF fund (Urban Tree Challenge Fund) is a grant from the Forestry Commission to support tree planting in urban areas.
- 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 restricted to the purchase of land.
- The Land Purchase 2 Fund 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, £14,399 investment income was transferred to the General Fund (2022/23 £15,116).
- 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.



23 Transfers between funds

Transfers made during the year were:

Restricted

From	FIPL foothills RF	To	Gifts RF	Excess on FIPL foothills, back to RF gifts	500
From	General fund	To	Donkey shed RF	Overspend on Donkey shed	7,787
From	Gifts RF	To	General fund	small overspend on WW1 memorial fund	(48)
From	Land Purchase RF	To	capital outlay discharged RF	depn on restricted assets	48,046
From	Gifts RF	To	FIPL foothills RF	Excess on FIPL foothills, back to RF gifts	(500)
From	FIPL all sants RF	To	General fund	clear out small balance on FIPL all saints	(81)
From	FIPL tools RF	To	Fixed asset fund DF	designate restricted fund asset purchases	(12,704)
From	Land maintenance RF	To	General fund	Non restricted investment income	(5,644)
From	Parliamentary RF	To	General fund	Non restricted investment income	(14,399)
From	Land Purchase RF	To	capital outlay discharged RF	depn on restricted assets	(48,046)
					<u>(25,090)</u>

Designated

From	General Fund	To	Boundary Commission DF	To cover expected spend	10,000
From	General Fund	To	FAM/CEO DF	To cover FAM and CEO replacement cost	25,000
From	General Fund	To	Election costs DF	Budgeted annual election expenses	5,000
From	General Fund	To	Modernisation of Acts	Board agreed fund transfer	8,700
From	General Fund	To	FAM/CEO DF	Additional FAM CEO overspend	2,662
From	HLS Chase End DF	To	General Fund	Recharged stewardship salary costs	(409)
From	HLS Old Hills DF	To	General Fund	Recharged stewardship salary costs	(655)
From	FIPL tools RF	To	Fixed asset fund DF	designated restricted fund asset purchases	12,704
From	General Fund	To	Election expenses DF	Additional election overspend	4,523
					<u>67,525</u>

General

From	General Fund	To	Boundary Commission DF	To cover expected spend	(10,000)
From	General Fund	To	FAM/CEO DF	To cover FAM and CEO replacement cost	(25,000)
From	General Fund	To	Election costs DF	Budgeted annual election expenses	(5,000)
From	General Fund	To	Modernisation of Acts	Board agreed fund transfer	(8,700)
From	General Fund	To	FAM/CEO DF	Additional FAM CEO overspend	(2,662)
From	HLS Chase End DF	To	General Fund	Recharged stewardship salary costs	409
From	HLS Old Hills DF	To	General Fund	Recharged stewardship salary costs	655
From	General fund	To	Donkey shed RF	Overspend on Donkey shed	(7,787)
From	Gifts RF	To	General fund	small overspend on WW1 memorial fund	48
From	FIPL all sants RF	To	General fund	clear out small balance on FIPL all saints	81
From	Land maintenance RF	To	General fund	Non restricted investment income	5,644
From	Parliamentary RF	To	General fund	Non restricted investment income	14,399
From	General Fund	To	Election expenses DF	Additional election overspend	(4,523)
					<u>(42,435)</u>



2022/23 (Prior year)

Transfer details	Reason	£
From Parliamentary fund	To transfer investment income	13,614
From Lands Maintenance fund	To transfer investment income	5,337
From Tree Donation Scheme	To cover project planting costs	805
From Picnic bench donations	To cover material and staff costs	2,550
To Community Woodland	To cover purchase of materials	(34)
Net (to) from restricted funds		<u>22,272</u>
From Gift designated fund	To Ash Dieback and Community Woodland	68,034
From Stewardship designated fund	To cover staff costs	890
To Election Expenses designated fund	To cover costs of elections to the Board	(5,000)
To Tree Disease designated fund	To cover costs arising from tree disease	(12,890)
To Ash Dieback designated fund	To cover Ash Dieback costs arising	(68,000)
To Boundary Commission advice designated fund	To cover costs arising	(20,000)
To Car Park Repaid designated fund	To cover costs arising	(1,900)
To FAM Replacement designated fund	To cover recruitment and other costs arising	(12,500)
Net (to) from designated funds		<u>(51,366)</u>

24 Analysis of net assets between funds

Current year

	Heritage assets £	Investmen ts £	Tangible fixed assets £	Pension liability £	Other net assets £	Total £
Restricted funds						
Capital Outlay Discharged	1,346,835	0	284,704	0	0	1,631,538
Parliamentary fund	0	493,363	0	0	20,000	513,363
Land Purchase (1992) fund	0	402,616	0	0	110,375	512,991
Land Purchase 2 Fund	0	215,439	0	0	19	215,458
Lands Maintenance fund	0	191,863	0	0	2,099	193,962
Nature of the Malverns	0	0	0	0	2,901	2,901
SDF fund	0	0	0	0	453	453
Gift fund	0	0	0	0	5,130	5,130
Tree planting	0	0	0	0	904	904
Picnic benches	0	0	0	0	7,408	7,408
FIPL Foothill Connections fd	0	0	0	0	0	0
FIPL All Saints Wood	0	0	0	0	0	0
Donkey Shed*	0	0	0	0	0	0
Access for All**	0	0	0	0	2,864	2,864
Urban Tree Challenge fund	0	0	0	0	2,673	2,673
Boost4Biodiversity	0	0	0	0	1,389	1,389
	<u>1,346,835</u>	<u>1,303,281</u>	<u>284,704</u>	<u>0</u>	<u>156,214</u>	<u>3,091,034</u>
Unrestricted funds						
General fund	0	424,788	144,045	0	(89,703)	479,130
Designated funds	0	0	0	0	897,153	897,153
Pension fund	0	0	0	(612,000)	0	(612,000)
	<u>0</u>	<u>424,788</u>	<u>144,045</u>	<u>(612,000)</u>	<u>807,450</u>	<u>764,283</u>
Total funds	<u>1,346,835</u>	<u>1,728,069</u>	<u>428,749</u>	<u>(612,000)</u>	<u>963,664</u>	<u>3,855,317</u>

Any project shortfall will be met from the General Fund



Prior year

	Heritage assets £	Investmen ts £	Tangible fixed assets £	Pension liability £	Other net assets £	Total £
Restricted funds						
Capital Outlay Discharged	1,346,835	0	257,413	0	513	1,604,761
Parliamentary fund	0	471,712	0	0	13,679	485,391
Land Purchase (1992) fund	0	360,310	0	0	153,571	513,881
Land Purchase 2 Fund	0	200,202	0	0	(94)	200,108
Lands Maintenance fund	0	174,469	0	0	8,550	183,019
Nature of the Malverns	0	0	0	0	2,901	2,901
SDF fund	0	0	0	0	453	453
Gift fund	0	0	0	0	8,166	8,166
Tree planting	0	0	0	0	1,044	1,044
Picnic benches	0	0	0	0	4,604	4,604
FIPL Foothill Connections fd	0	0	0	0	500	500
FIPL All Saints Wood	0	0	0	0	7	7
Donkey Shed*	0	0	0	0	(7,787)	(7,787)
Access for All**	0	0	0	0	(1,776)	(1,776)
Urban Tree Challenge fund	0	0	0	0	2,737	2,737
Boost4Biodiversity	0	0	0	0	1,389	1,389
	1,346,835	1,206,693	257,413	0	188,456	2,999,397
Unrestricted funds						
General fund	0	84,788	101,665		250,135	436,588
Designated funds	0	0	0	0	897,687	897,687
Pension fund	0	0	0	(737,000)	0	(737,000)
	0	84,788	101,665	(737,000)	1,147,822	597,275
Total funds	1,346,835	1,291,481	359,078	(737,000)	1,336,278	3,596,672

*Donkey Shed awaits Interpretation Boards .

Any project shortfall will be met from Unrestricted Gift Fund.

**Access for All awaits the submission of the Malvern Hills AONB grant claim form.

Any project shortfall will be met from the General Fund

25 Post balance sheet events financial and capital commitments

At 31st March 2024, no capital expenditure had been contracted for (2023 £nil). Capital expenditure which had been approved but not contracted at the year-end was £30,081 for a new vehicle (2022/23 £40,000).

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 31st March 2024 total £82,043 (2022/23 £78,782).

The two Higher Level Stewardship schemes were due to end in 2023 but a 5 year extension was granted during the year 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 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:

	2024	2023
	£	£
Within the next 12 months	23,295	23,974
Within 1-5 years	59,880	72,154
5 years plus	2,625	8,347
	<u>85,800</u>	<u>104,475</u>

27 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 31st March 2022 and was updated by the actuary on an FRS102 basis as at 31 March 2024.

The employer's contribution (including the FRS102 adjustment) for the period was £127,000 (2022/23 £118,000).

The amounts recognised in the Balance Sheet are as follows:

	2024	2023
	£	£
Present value of funded obligations	(3,178,000)	(3,128,000)
Fair value of plan assets	<u>2,566,000</u>	<u>2,391,000</u>
	<u>(612,000)</u>	<u>(737,000)</u>
Amounts recognised as:		
Liabilities	(612,000)	(737,000)
Assets	<u>0</u>	<u>0</u>
Net amount recognised	<u>(612,000)</u>	<u>(737,000)</u>



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

	2024	2023
	£	£
Current service cost	47,000	94,000
Interest on pension liabilities	145,000	123,000
Past service cost	0	0
Administration costs	0	1,000
Expected return on plan assets	(113,000)	(63,000)
Contributions by employer	(127,000)	(118,000)
Total pension cost charged within net incoming resources	(48,000)	37,000
Remeasurements (Actuarial (gain)/loss)	(77,000)	(1,541,000)
Total amount (credited)/charged to SOFA	(125,000)	(1,504,000)

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

	2024	2023
	£	£
Opening defined benefit obligation	3,128,000	4,473,000
Current service cost	47,000	94,000
Interest on pension liabilities	145,000	123,000
Member contributions	15,000	35,000
Actuarial (gains)/losses on liabilities	(33,000)	(1,498,000)
Past service cost	0	0
Benefits/transfers paid	(124,000)	(99,000)
Benefit obligation at end of period	3,178,000	3,128,000

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 2023/24 uses the 31/03/2023 rate of 4.8 % (2022/23 uses the 31/03/2022 discount rate of 2.8 %)

Changes in the plan assets during the period to 31st March 2024 were as follows:



	2024	2023
	£	£
Fair value of plan assets at beginning of period	2,391,000	2,232,000
Expected return on scheme assets	113,000	63,000
Administration expenses	0	(1,000)
Remeasurements (assets) (Actuarial gains/(losses) on plan assets)	44,000	43,000
Employer contributions	127,000	118,000
Member contributions	15,000	35,000
Benefits/transfers paid	(124,000)	(99,000)
Fair value of plan assets at end of period	<u>2,566,000</u>	<u>2,391,000</u>

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

	Fair value at 31st March 2024	Fair value at 31st March 2023
	£	£
Asset category		
Equities	1,103,000	935,000
Other bonds	924,000	894,000
Property	488,000	191,000
Cash Liquidity	51,000	36,000
Other	-	335,000
	<u>2,566,000</u>	<u>2,391,000</u>

	2024	2023
	£	£
Actuarial gains/(losses) on assets	44,000	43,000
Actuarial gains/(losses) on liabilities	33,000	1,498,000

Weighted average assumptions used to determine benefit obligations at:

	2024	2023
Discount rate	4.8 %	4.8 %
Rate of increase in salaries	4.3 %	4.2 %
Rate of increase in pension	2.8 %	2.8 %
Rate of CPI inflation	2.8 %	2.7 %

Weighted average assumptions used to determine net pension cost for period ended 31st March 2024:

	2024	2023
Discount rate	4.80 %	4.80 %
Rate of pension increase	2.80 %	2.80 %
Assumed life expectations on retirement age 65:		
Retiring today - males	21.3	22.0
Retiring today - females	23.6	24.2
Retiring in 20 years - males	22.6	23.3
Retiring in 20 years - females	25.5	26.1



Contributions

The employer expects to contribute £ 131,000 in the period to 31st March 2025. Included in this figure is £77,630 agreed to be paid in April 2024 as part of the deficit recovery plan. A further £81,150 is also agreed to be paid in April 2025.

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

28 Financial instruments

	2024	2023
	£	£
Financial assets measured at fair value	1,303,281	1,206,693

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



29 Statement of Financial Activities for the year ended 31st March 2023

	Note	Unrestricted funds	Restricted funds	Total funds 2023	Total funds 2022
		£	£	£	£
<i>Income and endowments from:</i>					
Donations and legacies	3	6,421	7,458	13,879	11,939
Charitable activities:					
Management of the hills and commons	7	721,068	35,122	756,190	877,577
Car parks		360,753	0	360,753	418,059
Other trading activities	4	58,407	20,000	78,407	38,815
Investments:					
Bank deposits		9,518	0	9,518	1,338
Investment portfolio		0	37,785	37,785	34,008
Other	5	16,529	0	16,529	13,581
Total income		1,172,696	100,365	1,273,061	1,395,317
<i>Expenditure on:</i>					
Charitable activities	6	1,193,535	94,362	1,287,897	1,185,789
Other expenditure	6	2,646	13,291	15,937	19,290
Total expenditure		1,196,181	107,653	1,303,834	1,205,079
Net gains/(losses) on investments	16	0	(90,627)	(90,627)	51,725
Net income/(expenditure)		(23,485)	(97,915)	(121,400)	241,963
<i>Transfers between funds</i>		22,277	(22,277)	0	0
<i>Other recognised gains/(losses)</i>					
Actuarial gains/(losses) on defined benefit pension scheme	26	1,541,000	0	1,541,000	39,000
Net movement in funds		1,539,792	(120,192)	1,419,600	280,963
<i>Reconciliation of funds:</i>					
Total funds brought forward		(942,517)	3,119,589	2,177,072	1,896,109
Total funds carried forward	23	597,275	2,999,397	3,596,672	2,177,072



Malvern Hills Trust

Management Accounts for Q1 (April-June) of 2024-2025

Malvern Hills Trust

Balance Sheet as at 30th June 2024

	£	£	NOTES
Fixed Assets			
Heritage assets	1,346,835		
Other land and buildings	210,284		
Improvements to capital assets	67,973		
LM vehicles & eq't	158,134		
Office equipment	6,305		
Investments	<u>1,309,562</u>		B1
		3,099,093	
Current Assets			
Livestock	31,452		
Investments	424,788		
Debtors & accrued income	610,129		
Deposits and Cash	598,096		
VAT Asset	<u>6,660</u>		
		1,671,124	
Current Liabilities			
Creditors : Short Term	99,513		
Payroll Taxation	12,700		
Wages	4,710		
VAT Liability	<u>0</u>		
		(116,923)	
Current Assets less Current Liabilities:		1,554,202	
Total Assets less Current Liabilities:		4,653,295	
Long Term Liabilities			
FRS 102 pension liability		(612,000)	
Total Assets less Total Liabilities:		<u><u>4,041,295</u></u>	
Capital & Reserves			
General fund	604,724		
Designated funds	948,805		
Restricted funds	3,099,766		
FRS 102 pension	<u>(612,000)</u>		
		<u><u>4,041,295</u></u>	

Malvern Hills Trust

General fund income and expenditure versus budget for the 3 months ended 30th June 2024

	Actual 3 mnths £	Budget 3 mnths £	Variance £	NOTES
Income				
Levy	348,535	348,535	0	G1
Grants	13,500	15,999	(2,499)	
Car park takings	141,374	141,322	52	
Donations	2,191	1,500	691	
Rents and licences	4,825	4,836	(11)	
Ice cream concessions	758	699	59	
Easements & wayleaves	323	126	197	
AONB contributions	1,936	1,938	(2)	
Admin charges and compensation	0	375	(375)	
Sundry income	7,696	1,524	6,172	G2
Investment income	5,656	2,250	3,406	G3
Profit on disposal of fixed assets	2,500	2,688	(188)	G4
Total income	529,293	521,792	7,501	
Land management expenses				
Contract labour	552	4,074	3,522	
Drainage	858	624	(234)	
Vehicle and equipment expenses	5,720	7,725	2,005	
Hire of plant and equipment	1,555	2,826	1,271	
Tree work	80	2,433	2,353	
Grass cutting	0	1,329	1,329	
Purchase of materials and tools	4,454	3,147	(1,307)	
Protective clothing	842	813	(29)	
Field consultancies	0	459	459	
Conservation volunteers	21	288	267	
Water testing	0	144	144	
Gardening	609	951	342	
Tracks and paths	0	1,611	1,611	
LM miscellaneous	0	129	129	
Total land management expenses	14,691	26,553	11,862	
Visitor services expenses				
Car park meter expenses	4,842	8,400	3,558	
Car park passes	716	3,465	2,749	
Car park repairs	0	1,251	1,251	
Wardens' vehicle expenses	2,021	2,811	790	
Wardens' uniform and tools	307	825	518	
Wardens' phones	203	180	(23)	
Total visitor services expenses	8,089	16,932	8,843	
Communications and public engagement expenses				
Leaflets	435	951	516	
Newsletters	0	51	51	
Campaigns	0	249	249	
Signs, display and information boards	158	501	343	
Events programme	0	375	375	
Exhibitions	0	375	375	
Other PR expenses	0	375	375	
Fundraising expenses	49	63	14	
Communications support and engagement	0	2,499	2,499	
Total communications and public engagement expenses	642	5,439	4,797	
Administration and governance expenses				
Rates	4,954	5,338	384	
Buildings maintenance	1,174	2,499	1,325	
Electricity and gas	1,347	2,952	1,605	
Telephones	1,137	966	(171)	

Malvern Hills Trust

General fund income and expenditure versus budget for the 3 months ended 30th June 2024

	Actual 3 mnths £	Budget 3 mnths £	Variance £	NOTES
Depreciation	10,411	10,125	(286)	
Insurance	8,565	9,000	435	
Office equipment	738	1,512	774	
IT	3,567	4,419	852	
Website	111	249	138	
Legal and professional fees	20,001	9,405	(10,596)	G5
Governance costs	1,551	1,002	(549)	
Subscriptions	574	450	(124)	
Bank and investment charges	1,033	1,251	218	
Postage	774	750	(24)	
Stationery, printing and recycling	1,568	1,098	(470)	
Cleaning	1,235	1,500	265	
Travelling expenses	9	501	492	
Miscellaneous exps	136	249	113	
Newspaper ads	0	249	249	
Total administration and governance expenses	58,888	53,515	(5,373)	
Staff costs				
Basic salaries	142,973	151,725	8,752	
Employer's NI	13,384	16,851	3,467	
Pension contributions	96,228	98,228	2,000	
Group life assurance	771	4,000	3,229	G6
Training - staff	874	1,875	1,001	
Recruitment	1,158	750	(408)	G7
Total staff costs	255,388	273,429	18,041	
Surplus for the period before transfers	191,594	145,924	45,670	
Transfers from other funds	0	1,743	(1,743)	
Transfers to other funds	(66,000)	(44,001)	(21,999)	
Surplus for the period after transfers	125,594	103,666	21,928	
General fund brought forward	479,130	409,634	69,496	
General fund carried forward	604,724	513,300	91,424	

Malvern Hills Trust - Designated Funds Income and Expenditure for the 3 months ended 30th June 2024

NOTES

NOTES		D1A		D1B		D2								D2		D3				D4	
Category	N/C	Unrestricted Gifts	Modernisation of Acts other costs	Private Bill - prepare and modernise	Dog campaign des fund	Fundraising	Election exps des fund	Tree disease des fund	Ash Dieback fund	Boundary Comm advice fund	Car park repair fund	CS North & Central	CS Southern	HLS Chase End	HLS Old Hills	Grazing reserve	Designated Fixed Assets	Sink Hole	Track & Tree bad weather 23/24	Basic Payment Scheme	Total
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
01 - Income	4020 - Stewardship annual grants	0	0	0	0	0	0	0	0	0	0	52,303	12,368	884	1,071	0	0	0	0	0	66,626
	4200 - Donations	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	15
	4310 - Land rentals	0	0	0	0	0	0	0	0	0	0	1,440	188	0	0	0	0	0	0	0	1,627
01 - Income Total		15	0	0	0	0	0	0	0	0	0	53,743	12,555	884	1,071	0	0	0	0	0	68,268
02 - Land management expenses	5000 - Contract labour	0	0	0	0	0	0	0	0	0	0	0	0	0	(550)	0	0	(1,850)	0	0	(2,400)
	5100 - Graziers	0	0	0	0	0	0	0	0	0	0	(15,599)	(3,625)	0	(126)	0	0	0	0	0	(19,350)
02 - Land management expenses total		0	0	0	0	0	0	0	0	0	0	(15,599)	(3,625)	0	(676)	0	0	(1,850)	0	0	(21,750)
03 - Car parks, wardens and PR	5400 - Leaflets	0	(833)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(833)
	5455 - Other PR expenses	0	(838)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(838)
03 - Car parks, wardens and PR total		0	(1,671)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(1,671)
04 - Administration costs	6075 - Legal fees	0	(3,212)	(41,168)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(44,379)
	6100 - Other professional fees	0	(3,200)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(3,200)
	6210 - Room hire	0	(384)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(384)
	6145 - Miscellaneous expenses	0	(62)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(62)
	6120 - Newspaper ads	0	(885)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(885)
04 - Administration costs Total		0	(7,742)	(41,168)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(48,910)
10 - Salaries	7010 - Basic salaries - office based staff	0	(8,179)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(8,179)
	7030 - Employer's NI - office based staff	0	(689)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(689)
	7050 - Pension contributions - office based staff	0	(1,417)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(1,417)
10 - Salaries Total		0	(10,286)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(10,286)
Surplus/(deficit) for the period before transfers		15	(19,699)	(41,168)	0	0	0	0	0	0	0	38,143	8,930	884	395	0	0	(1,850)	0	0	(14,349)
	4600 - Transfers from other funds	0	26,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	30,000	10,000	0	66,000
	8100 - Transfers to other funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Surplus/(deficit) for the period after transfers		15	6,301	(41,168)	0	0	0	0	0	0	0	38,143	8,930	884	395	0	0	28,150	10,000	0	51,651
Designated funds brought forward		389,385	40,186	(14,342)	3,501	10,000	0	35,865	90,869	12,276	4,369	170,990	29,446	1,563	22,245	60,060	12,528	0	0	28,211	897,153
Designated funds carried forward		389,400	46,487	(55,510)	3,501	10,000	0	35,865	90,869	12,276	4,369	209,134	38,377	2,447	22,640	60,060	12,528	28,150	10,000	28,211	948,805

Malvern Hills Trust - Restricted Funds Income and Expenditure for the 3 months ended 30th June 2024

NOTES

R1

R2

Category	N/C	Capital Outlay d'chgd £	Parliamentary fund £	Lands Maintenance fund £	Land Purchase (1992) fund £	Land Purchase 2 fund £	Restricted Gift fund £	Picnic bench donations £	NIM book £	Tree donation scheme £	Boost4biodive rsity £	Urban Tree Challenge fund £	Donkey shed £	Access for All £	FIPL All Saints Wood £	Handgate (DEFRA) £	FIPL Evendine £	FIPL Upgrading tools £	SDF fund £	Total £
01 - Income	4015 - Other grants	0	0	0	0	0	1,500	0	0	0	0	0	0	0	0	0	0	0	0	1,500
	4501 - Income from investment portfolio	0	3,488	1,366	2,628	1,266	0	0	0	0	0	0	0	0	0	0	0	0	0	8,748
	4510 - Bank interest receivable	0	0	0	1,527	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,527
01 - Income Total		0	3,488	1,366	4,155	1,266	1,500	0	0	0	0	0	0	0	0	0	0	0	0	11,774
02 - Land management expenses	5045 - Purchase of materials	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(453)	0	0	0	(453)
2 - Land management total		0	0	0	0	0	0	0	0	0	0	0	0	0	0	(453)	0	0	0	(453)
04 - Administration costs	6115 - Investment manager's charges	0	0	0	(31)	(17)	0	0	0	0	0	0	0	0	0	0	0	0	0	(47)
	6116 - Flagstone Charges	0	(38)	(14)	(108)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(161)
	8000 - Depreciation - other land and buildings	(694)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(694)
	8005 - Depreciation - impt's to land and buildings	(5,752)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(5,752)
04 - Administration costs Total		(6,446)	(38)	(14)	(139)	(17)	0	0	0	0	0	0	0	0	0	0	0	0	0	(6,655)
Surplus/(deficit) for the period before transfers and investment gains		(6,446)	3,449	1,352	4,015	1,249	1,500	0	0	0	0	0	0	0	0	(453)	0	0	0	4,667
	8110 - Investment gains or losses	0	509	198	1,784	1,573	0	0	0	0	0	0	0	0	0	0	0	0	0	4,065
	4600 - Transfers from other funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	8100 - Transfers to other funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Surplus/(deficit) for the period after transfers		(6,446)	3,959	1,550	5,800	2,823	1,500	0	0	0	0	0	0	0	0	(453)	0	0	0	8,732
Restricted funds brought forward		1,631,538	513,363	193,962	512,991	215,458	5,130	7,408	2,901	904	1,389	2,673	(0)	2,864	(0)	0	0	0	453	3,091,034
Restricted funds carried forward		1,625,092	517,322	195,512	518,791	218,281	6,630	7,408	2,901	904	1,389	2,673	(0)	2,864	(0)	(453)	0	0	453	3,099,766

Malvern Hills Trust - Notes to the Management Accounts Q1 APR24-JUN24

General Funds

G 1	We expect the MHDC levy in JUN24, in fact it came in £315,400 on 1st July 2024 so it is accrued for a day	
G 2	We treat the small employers £5000 allowance as sundry income in the short term. This ultimately is a reduction in the NI costs of the Charity This is all Flagstone interest earned on Funds invested whereby the earnings are general fund.	
G 3	Historically this was not reconciled until the year end but is now all being dealt with on a monthly basis	
G 4	Disposal of Toyota HiLux VE60 XHL resulted in pure book profit of £2,500 as the asset had been fully written off when it was traded in	
G 5	Legal and professional fees comprises:	£
	GDPR	225
	Land based legal advice	8,366
	HR	675
	Governance based legal advice	8,595
	Fire risk assessments (H&S)	2,140
		<u>20,001</u>
G 6	The budget for the group life assurance (outside of the LGPS Scheme) was all charged at renewal but in reality the cost is spread over the year, hence under budget but this will roll out over the course of the year	
G 7	Various advertising in relation to the proposed new Property Manager role	

Designated Funds

These are the designated pots set aside regarding the work towards the new bill. From 1st April 2024; 2 separate designated funds will run; one will be for the very specific legal costs as prescribed in the S74 order granted which must not exceed £306k - renamed Preparation & Promotion of the Private Bill (D1A). A formal process is required to draw down the loan to cover these costs and the proposal is to do this quarterly in arrears. This is why the fund is currently a negative balance capturing only costs to date. The second fund captures all other costs associated with the bill preparation (D1B). During Q1 a quarter of the budgeted £104k has been transferred in from general fund to cover these other costs.		
D 1		
D 1A	<u>OTHER COSTS</u>	£
	Sharpe Pritchard (not prep/promotion of bill)	1,303
	VWV (not prep/promotion of bill)	248
	Misc. consultation costs	2,753
	Consultation legal advice	1,909
	Online consultation (50 % so far)	3,200
	Staff costs	8,362
	Admin support	1,924
		<u>19,699</u>
D 1B	<u>PROMOTION & PREPARATION OF BILL</u>	£
	Sharpe Pritchard	40,064
	VWV	1,104
		<u>41,168</u>

D 2	Unfortunately we are still waiting for payment from the 2023 year end, a complaint has been lodged. There is no concern over recovery, we are informed that it is in progress and the delay is due to lack of staff and resources	
D 3	No final verdict is out on the sink hole yet but it is looking extremely likely that the cost burden will fall on STWA and not on MHT. The designated pot may be released when this is confirmed Per various 2023/24 notes regarding land management costs that did not happen due to the	
D 4	terrible wather at the end of the last FY, £5k tracks and paths and £5k grass cutting has been designated since the budgeted amounts in 2023/24 were not spent in time.	

Malvern Hills Trust - Notes to the Management Accounts Q1 APR24-JUN24

Restricted Funds

- R 1 This represents the book value of all land and land/building improvement where the cost was funded from the Land Purchase or Parliamentary funds. These assets are inalienable (they can only be sold in very limited circumstances) and any proceeds must be used for the purchase of land. This includes heritage assets, other land, Manor House and Improvements to L&B
- R 2 New designated fund - Handgate (Defra) project. This will see a variety of spends through the year with a grant reimbursing 100 % of costs before year end

Balance Sheet

- B 1 Quarterly investment portfolio revaluation has now been carried out, historically this was only done annually but I am intending to do this quarterly when the reports are available

Finance, Administration & Resources Committee

Reserves policy – annual reassessment

29th August 2024

MHT's reserves policy was reviewed in July 2023 and agreed by the Board in August 2023. MHT's policy is to aim to maintain free reserve levels at above £350,000

Charity Commission guidance on reserves is set out in CC19.

<https://www.gov.uk/government/publications/charities-and-reserves-cc19/charities-and-reserves>

In setting MHT's reserves policy, the trustees follow the five steps recommended in CC19, which are:

1. Understanding the nature of the funds held,
2. Identifying functional assets,
3. Understanding the financial impact of risk,
4. Reviewing sources of income,
5. Impact of future plans and commitments.

The reasons for holding reserves depend on the activities carried out by the charity. In MHT's case, the following reasons for holding reserves were identified:

- To fund working capital. Levy payments from MHDC and some grant payments are received in arrears, so reserves are needed to fund expenditure incurred prior to receipt of the funds.
- To purchase vehicles and other equipment
- To fund expenditure arising from unexpected events
- To invest in future projects.

Recommendation

Trustees are asked to

1. Review the Reserves Policy and approve the Policy as drawn for the next 12 months
2. Record that the assessment of the reserves position as at 31 March 2024 is satisfactory

References

1. Reserves Policy
2. Comparison of Reserves levels
3. Going Concern Assessment

References:

Reserves Policy

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 added back when calculating the free reserves. 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. In summary, the calculation is as follows:

Total unrestricted funds*
Less:
The defined benefit pension scheme surplus/(deficit)
Net book value of fixed assets funded from the general fund
Committed designated funds

*Unrestricted funds comprise the general fund, and free designated funds and surplus/(deficit) on the defined benefit pension scheme

The level of free reserves and cash balances are reviewed quarterly against the agreed policy. The policy is reassessed annually.

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 contributions required under the defined benefit pension scheme, including those to cover the actuarial deficit, can be met from projected cash flows.

MHT's existing policy is to aim to maintain the free reserves level above £350,000. This threshold 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.

At 31st March 2024 total funds of the charity were £3,855,317 (2022/23 £3,596,672). This included restricted funds of £3,091,034 (2022/23 £2,999,397) and committed

designated funds of £897,153 (2022/23 £897,687). 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 £742,341, made up of the following:

General fund excluding net book value of assets	£335,085
Free' designated funds	
Gifts	£389,386
Fundraising	£10,000
Car park repair	£4,369
Dog campaign	£3,501
Total	£742,341

The total of the free reserve was slightly up on the March 2023 figure (£736,620).
The overall free reserve remains higher than the target minimum of £350,000.

Comparison of Reserves levels

Reserves levels over the last 3 years:

Policy	> 350000			> 350000			> 350000		
	31/03/2024			31/03/2023			31/03/2022		
General Fund Total	479,130			436,588			425,825		
Remove NBV of assets (vehicles and rounding)	144,047 2			101,666 -5			116,147 1		
General Fund excluding NBV of asse	335,085	335085		334,917	334917		309,679	309679	
All designated Funds:	Free	Not free	Total	Free	Not free	Total	Free	Not free	Total
Gift fund	389,386		389,386	383,102		383,102	452,450		452,450
HLS		112,078	112,078		106,873	106,873		110,327	110,327
Countryside Stewardshep		200,437	200,437		150,564	150,564		127,069	127,069
Tree disease fund		35,865	35,865		35,865	35,865		22,975	22,975
Ash dieback		90,869	90,869		129,473	129,473		96,031	96,031
Fundraising	10,000		10,000	10,000		10,000	10,000		10,000
Governance Review Legal		40,186	40,186		34,010	34,010		34,010	34,010
Governance Review Public		-14,342	-14,342		889	889		889	889
Election expenses		0	0		17,207	17,207		12,207	12,207
Dog Campaign	3,501		3,501	3,501		3,501	3,500		3,500
Car park repairs	4,369		4,369	5,100		5,100	3,200		3,200
Boundar commission advice		12,276	12,276		8,603	8,603			
FAM/CEO re[placement		0	0		12,500	12,500			
Designated fixed assets		12,704	12,704						
	742,341			736,620			778,829		
	212.10%			210.46%			222.52%		
	897,329	total DF		897,687	total DF		872,658	total DF	
	897,329	check to a/cs		897,687	check to a/cs		872,658	check to a/cs	
	0			0			0		

Reserves levels for Q1 year ended 31st March 2025:

Policy

Policy

> 350000

> 350000

	31/03/2024		30/06/2024			
General Fund Total	479,130		604,724	**		
Remove NBV of assets (vehicles and equipment + office equipment) rounding	144,047 2		164,439			
General Fund excluding NBV of assets	335,085	335085	440,285			
All designated Funds:	Free	Not free	Total	Free	Not free	Total
Gift fund	389,386		389,386	389,400		389,400
HLS		112,078	112,078		85,147	85,147
Countryside Stewardship		200,437	200,437		275,722	275,722
Tree disease fund		35,865	35,865		35,865	35,865
Ash dieback		90,869	90,869		90,869	90,869
Fundraising	10,000		10,000	10,000		10,000
Modernisation of Acts - other costs		40,186	40,186		46,487	46,487
Modernisation of Acts - Prep/promotion of bill		-14,342	-14,342		-55,510	-55,510
Election expenses		0	0		0	0
Dog Campaign	3,501		3,501	3,501		3,501
Car park repairs	4,369		4,369	4,369		4,369
Boundary commission advice		12,276	12,276		12,276	12,276
FAM/CEO re[placement		0	0		0	0
Sink hole fund		0	0	28,150		28,150
Track & Tree bad weather		0	0		10,000	10,000
Designated fixed assets		12,704	12,704		12,528	12,528
	742,341		875,705			
	212.10%		250.20%			
	897,329	total DF	948,804	total DF		
	897,329	check to a/cs	948,805	check to a/cs		
	0		-1			

Points to note:

- JUN is a little misleading in that levy income is reported in the months of JUN and DEC when received and so JUN24 includes £315,400 levy income which is 50 % of the full year total when this is only Q1 of 4 quarters. This is artificially inflating the free reserves % calculation. If applied pro rata the 250.2 % reported above would be 205.14 % which is much more in line and falling slightly as I would have expected
- Costs attached to the promotion and preparation of the bill will be covered by a loan from the Land Purchase Restricted funds. Drawdown will follow in due course, £55,510 is the spend position as at 30th Jun 2024
- I have deemed the sink hole fund as free since the expectation at the moment is we will not need to cover these costs

It is proposed that the existing free reserves level of £350k as set at 31st March 2024 remains at this same level until 31st March 2025.

We propose to review free reserves levels at the end of each quarter for Board approval (Q1 review here) during year ended 31st March 2025 and a full detailed review of the policy will be carried out again at a similar time again next year (approx. AUG25).

Going Concern Assessment

Please refer directly to the separate paper for our Going Concern Assessment.

Nicky Gutteridge, Finance & Administration Manager

Special Meeting of the Board

Going concern review

29th August 2024

Part of charity trustees' responsibilities when preparing annual accounts is to prepare them on the going concern basis.

Under auditing standards, the auditors carry out a rigorous going concern review. As part of that, they need to see financial forecasts for a period of at least 12 months from the date of signing the accounts and to have evidence that the trustees have actively considered whether the charity is a going concern.

Definition of going concern

To be a going concern, there is an assumption that the charity will continue to operate, i.e. that there is an intention to continue in operation and there is no need or requirement to liquidate the organisation. This means that the trustees expect the organisation to continue operating and paying liabilities as they fall due for at least twelve months from when the accounts are signed.

Assessment of going concern

In order to allow trustees formally to assess whether MHT is a going concern, the following is considered in this paper:

- Assessment of financial uncertainties in the next 12 months and how they will be covered.
- Draft position as per the Draft Statutory Accounts as at 31st March 2024.
- Approved budget for the next 12 months,
- Forward years financial forecasts including projections in the Business Plan.

Financial uncertainties in the next 12 months

The following are the key financial uncertainties that have been identified the charity will face in the next 12 months:

- Modernisation of MHT's constitution
 - a. The Charity Commission has authorised the Trust to spend up to £306,000 on the preparation and promotion of a Private Bill. They have also agreed that this may be funded by way of an interest-bearing loan from the Land Purchase Fund. As at the date of this paper there has been no drawdown under the loan agreement but that will need to be done in the next month or so. As at 30th June 2024 costs to date are £55,510. The charity faces a real risk that the budget will be insufficient. It is very difficult to budget for all uncertainties, not least any unquantifiable risks from opposition in Parliament. To monitor this risk we are reviewing all spend on a monthly basis.
 - b. Other costs relating to the Bill are being born from a designated fund that was set up as part of the budget for 2024/25 (agreed at the meeting of the Board in January 2024). This is essentially funded from General Reserves via transfer.
 - c. The Trust is experiencing some negative media comments surrounding the Bill and Consultation which is taking large amounts of staff time and resources, as well as adding to general fund legal and other external costs. This may well continue in the coming months during this period of change.
 - d. The land Purchase Fund is now separated into 3 parts; The first part is the balance of the original investment held in a moderate risk portfolio within Brewin Dolphin (level 6, in line with the original investment policy), a lower risk level portfolio within Brewin Dolphin

(category 4, originally £200k invested here), and a Flagstone short term deposit investment (£150k). The primary reason for the Flagstone investment is to allow drawdown from shorter term funds more readily rather than taking a risk having to raise funds by selling equities in an unfavourable market.

- Unilateral changes to existing grant schemes.
 - a. In recent years the Trust has had experience of unilateral and unnotified changes being made to some of its Countryside Stewardship schemes by the Rural Payment Agency, with subsequent significant delays in payments due. Whilst these have, in time, been resolved, the risk of similar unilateral changes remains.
 - b. To safeguard against this, and because of the need to maintain land management efforts during transition periods from old to new agri-environment schemes, funds are retained in a designated grazing reserve fund, as well as on the balance of each CS / HLS fund.
 - c. At the time of this report we still wait for the 2023 payment from the Southern and the Northern/Central Scheme. Cash that was due at 30th Jun2024 but still remains unpaid at the time of writing (19.08.24) is c. £97k. This could have even greater potential for concern next year as the amount of the annual grant has increased hugely and the payment due by 30th June 2025 will be £258k. We have no reason to question this but historic changes to policy and very late payment for 2023 is causing concern.

Last year the following key uncertainties were also identified but are now deemed much lower risk and have been removed from the current 12 month review:

- *High inflation – this has come down over the last 2 years but a new Government in 2024 may affect this. It is being monitored.*
- *Ash Dieback (ADB) – costs incurred have been much lower than we first anticipated but there is now threat from Acute Oak Decline. At the moment reserves for tree disease are deemed adequate. This too is being monitored.*

Position at 31st March 2024

The draft accounts for the year ended 31st March 2024 are provided.

Forecasts for the next 12month - 3 year period

The following tables present data from the last financial year, the current 2024/25 financial year (actual for Q1 and budgeted for Q2/3/4), and forecasts for the following 2 years for the General Fund, Designated Funds and Restricted Funds held by the Trust.

The figures include those costs and incomes identified in the Business Plan 2022-2027, and additions and amendments approved to date by board. An estimated loan repayment figure (payable to the Land Purchase Fund in relation to the Private Bill) has been included in the General Fund.

GENERAL FUNDS

	2023/24 Actual £	2024/25 Budget £	Q1 Actual	Q2/3/4 Budget	2024/25 Total	2025/26 Forecast £	2026/27 Forecast £
Income							
Levy	663,800	697,070	348,535	663,935	1,012,470	650,500	670,015
Grants	17,691	23,500	13,500	7,500	21,000	18,199	18,745
Car park takings	398,720	429,600	141,374	288,276	429,650	378,439	389,732
Donations	6,499	6,000	2,191	4,500	6,691	61,909	63,766
Rents and licences	19,380	19,350	4,825	14,513	19,338	17,866	18,402
Fairs and circuses	750	750	0	750	750	1,000	1,000
Ice cream concessions	2,700	2,800	758	2,100	2,858	3,278	3,377
Easements & wayleaves	14,300	4,000	323	3,875	4,198	5,000	5,000
AONB contributions	7,465	7,750	1,936	5,813	7,749	7,321	7,541
Sales of books, leaflets and maps	0	0	0	0	0	265	273
Admin charges and compensation	308	1,500	0	1,125	1,125	1,254	1,292
Sundry income	5,893	6,100	2,696	4,575	7,271	4,508	4,642
Investment income	39,354	9,000	5,656	6,750	12,406	200	200
Profit on disposal of fixed assets	11,712	10,750	2,500	8,063	10,563	4,500	6,000
Total income	1,188,572	1,218,170	524,294	1,011,775	1,536,069	1,154,239	1,189,985
Expenditure							
Total land management expenses	99,227	130,530	14,691	103,978	118,669	118,331	123,881
Total visitor services expenses	37,802	53,735	8,089	36,805	44,894	51,554	55,101
Total communications and public engagement expenses	3,247	21,250	642	15,813	16,455	22,540	25,126
Total administration and governance expenses	196,695	214,354	58,888	160,841	219,729	219,841	223,936
Total staff costs	766,624	848,830	250,388	575,400	825,788	738,673	753,039
Total expenditure	1,103,595	1,268,699	332,698	892,837	1,225,535	958,514	976,975
Surplus for the period before transfers	84,977	(50,529)	191,596	118,938	310,534	3,300	8,902
Transfers from other funds	21,188	17,472	0	15,729	15,729	12,383	12,047
Transfers to other funds	(63,623)	(135,770)	(66,000)	(91,770)	(157,770)	(17,890)	(17,890)
Surplus for the period after transfers	42,542	(168,827)	125,596	42,897	168,493	(2,207)	3,059
General fund brought forward	436,588	479,130	479,130	289,326	479,130	647,623	645,416
General fund carried forward	479,130	310,303	604,726	332,223	647,623	645,416	648,475

DESIGNATED FUNDS

	2023/24 Actual £	2024/25 Budget £	Q1 Actual	Q2/3/4 Budget	2024/25 Total	2025/26 Forecast £	2026/27 Forecast £
Income							
Grants	150,035	102,760	66,626	77,070	143,696	143,831	139,373
Donations	123	0	15	0	15	0	0
Legacies	7,075	0	0	0	0	0	0
Land rentals	6,336	2,217	1,627	1,663	3,290	2,579	2,579
Licences	0	6,250	0	4,688	4,688	6,250	6,250
Total income	163,569	111,227	68,268	83,420	151,688	152,660	148,202
Expenditure							
Total land management expenses	137,473	199,109	21,750	149,332	171,082	241,900	173,900
Total visitor services expenses	3,003	0	0	0	0	0	0
Total communications and public engagement expenses	0	15,000	1,671	11,250	12,921	0	0
Total administration and governance expenses	49,428	40,566	48,910	30,425	79,335	0	0
Total staff costs	41,722	50,000	10,286	37,500	47,786	0	0
Total expenditure	231,626	304,675	82,617	228,506	311,123	0	0
Surplus for the period before transfers	(68,057)	(193,448)	(14,349)	(145,086)	(159,435)	(89,240)	(25,698)
Transfers from other funds	68,589	124,000	66,000	93,000	159,000	(68,000)	0
Transfers to other funds	(1,064)	(2,972)	0	(2,229)	(2,229)	85,890	17,890
Surplus for the period after transfers	(532)	(72,420)	51,651	(54,315)	(2,664)	(71,350)	(7,808)
General fund brought forward	897,687	897,155	897,155	948,806	897,155	894,491	823,141
General fund carried forward	897,155	824,735	948,806	894,491	894,491	823,141	815,333

** 24/25 opening budget reserves re worked for 23/24 actual opening balances

Summary of Balances

Unrestricted gifts	389,385	389,385
Modernising Acts other costs	40,186	26,287
Promotion and Preparation of Bill	(14,342)	(342)
Dog Campaign	3,501	3,501
Fundraising	10,000	0
Election expenses	0	5,000
Tree disease	35,865	48,865
Ash Dieback	90,869	30,869
Boundary comm advice	12,276	12,276
Car park repairs	4,369	(731)
CS N&C	170,990	185,307
CS Southern	29,446	30,544
HLS Chase End	1,563	2,507
HLS Old Hills	22,245	11,689
Grazing reserve	60,060	54,893
Designated fixed assets	12,528	12,528
Basic payment scheme	28,211	17,711
FAM replacement fund	0	(5,557)
	897,152	824,732

RESTRICTED FUNDS

	2023/24 Actual £	2024/25 Budget £	Q1 Actual	Q2/3/4 Budget	2024/25 Total	2025/26 Forecast £	2026/27 Forecast £
Income							
Grants	39,036	0	1,500	0	1,500	30,000	0
Donations	4,546	0	0	0	0	0	0
Income from investments	33,698	37,767	8,748	28,325	37,073	42,430	42,814
Investment gains	88,332	0	4,065	0	4,065	0	0
Interest receivable	6,780	0	1,527	0	1,527	0	0
Total income	172,392	37,767	15,840	28,325	44,165	72,430	42,814
Expenditure							
Total land management expenses	27,050	0	453	0	453	30,000	0
Total visitor services expenses	0	0	0	0	0	0	0
Total communications and public engagement expenses	0	0	0	0	0	0	0
Total administration and governance expenses	28,614	252,638	6,655	189,478	196,133	37,223	36,776
Total staff costs	0	0	0	0	0	0	0
Total expenditure	55,664	252,638	7,108	189,478	196,586	37,223	36,776
Surplus for the period before transfers	116,728	(214,871)	8,732	(161,153)	(152,421)	5,207	6,038
Transfers from other funds	56,284	13,770	0	10,328	10,328	0	0
Transfers to other funds	(81,374)	(16,500)	0	(12,375)	(12,375)	(12,383)	(12,047)
Surplus for the period after transfers	91,638	(217,601)	8,732	(163,200)	(154,468)	(7,176)	(6,009)
General fund brought forward	2,999,397	3,091,035	3,091,035	3,099,767	3,091,035	2,936,567	2,929,391
General fund carried forward	3,091,035	2,873,434	3,099,767	2,936,567	2,936,567	2,929,391	2,923,382

** 24/25 opening budget/forecast reserves reworked for 23/24 actual opening balances

Summary of Balances

Capital Outlay discharged	1,631,538	1,750,538
Parliamentary Fund	513,363	376,403
Land maintenance	193,962	193,270
Land Purchase 1	512,991	385,391
Land Purchase 2	215,458	145,609
Restricted gifts	5,130	5,130
Picnic benches	7,408	7,408
NIM book	2,901	2,901
Tree donation scheme	904	904
Boost for Biodiversity	1,389	1,389
Urban tree challenge	2673	1,173
Access for all	2864	2,864
SDF fund	453	453
	<u>3,091,034</u>	<u>2,873,433</u>

Summary

Whilst the Trust continues to face a number of financial challenges over the coming 1 - 3 year period, it has good levels of funds within the general reserve as well as those set aside across a range of designated and restricted funds. The Trust also benefits from a level of security of income from its three main income streams and an above-target balance of free reserves.

Recommendation

That the Board confirm to the auditors that following this review, in their opinion the charity is a going concern.

Deborah Fox
CEO

Nicky Gutteridge
Finance & Administration Manager

19th August 2024