



**Trustees' Report and Financial statements
for the year ended 31st March 2025**

FINAL DRAFT



Trustees' Report and Financial statements

For the year ended 31st March 2025

Contents

Reference and administrative details	3 - 6
Report of the trustees for the year ended 31 st March 2025	7 - 27
Independent Auditor's Report to the trustees of Malvern Hills Trust	28 - 31
Statement of Financial Activities for the year ended 31 st March 2025	32
Balance Sheet as at 31 st March 2025	33
Statement of cash flows for the year ended 31 st March 2025	34
Notes to the financial statements for the year ended 31 st March 2025	35 - 65



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



Solicitors (continued):

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

Actuary:

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

FINAL DRAFT



Key management personnel – Senior Managers

Chief Executive Officer	Deborah Fox BSc (Hons), MA
Secretary to the Board	Alison Marlow BA (Hons), PGCert
Governance Change Officer	Susan Satchell LL.B (Hons)
Conservation Manager	Jonathan Bills MSc
Operations Manager	Peter Kelsall BScFor, MICFor (retired 30.05.25) Martin Barnett BSc Forestry (Hons) (appt'd 02.06.25)
Finance and Administration Manager	Nicky Gutteridge FCA BSc (Hons)
Land and Property Manager	Sarah Jordan MRICS FAAV BSc (Hons) (appointed 03.02.25)

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:	Andrew Myatt (elected 18 September 2025) Mary Turner FAR. SC from 17 July 2024 (resigned 1 August 2025)
Chase Ward:	Richard Fowler FAR
Wells Ward:	Robert Berry FAR. GC from 14 November 2024.
West Ward:	Jenny Burford (elected 18 September 2025) *Charles Penn FAR, SC, GC (resigned 13 May 2025)
Dyson Perrins Ward:	*John Raine FAR, SC GC
Malvern Link Ward:	*Richard Bartholomew FAR, SC, GC
Pickersleigh Ward:	David Core FAR & GC (Board Vice-Chair)
Colwall Parish:	Allan Cottam FAR Felicity Robinson LM



Guarlford Parish:
Mathon Parish:

David Fellows FAR & GC
*Christopher Rouse LM

Nominated trustees

Malvern Hills District Council:	Paul Bennett FAR (appointed 24 September 2024) Mark Driscoll LM. GC from 10 July 2024. David Mead (appointed 13 May 2025) *John Michael FAR, GC (Board Chair from 30 July 2024) Jeremy Owenson LM (resigned 23 April 2024) Cynthia Palmer LM & SC to 11 July 2024 (Board Chair to 11 July 2024) (resigned 11 July 2024. Reappointed 13 May 2025). Frances Victory LM & SC Malcolm Victory LM (appointed 24 September 2024) Andrew Willmott (appointed 13 May 2025) FAR
Colwall Parish Council:	Paul Clayburn LM & GC (resigned 3 July 2024) Simon Baggaley FAR (appointed 11 December 2024)
Mathon Parish Council:	*David Baldwin LM & SC
Church Commissioners:	No longer appoint
Herefordshire Council:	John Stock LM (appointed 28 November 2023) Sheila Wren LM & SC (appointed 28 November 2023)
Worcestershire County Council:	Lucy Hodgson FAR. SC from 14 November 2024 Chris McSweeney (appointed 13 June 2025) LM Malcolm Victory LC (to 24 September 2024; now MHDC appointee)
Worcestershire County Council on behalf of the following parishes: -	
Castlemorton:	Mike Wilkinson LM
Newland:	David Reynolds LM (appointed 15 July 2025) Duncan Westbury LM (Resigned 15 November 2024)
Powick:	Vacant

Staff

Throughout the year Malvern Hills Trust employed on average 21.5 staff (18.6 full time equivalent) (2023/24: 21.1 and 17.8 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 2024/25.

Cindy Parish was appointed temporarily as Administration Assistant on 07.05.24 leaving on 08.08.24; Marie Dipple was appointed as Community & Conservation Officer on 02.12.24; Beck Baker left as Community & Conservation Officer on 14.01.25; Sarah Jordan was appointed as Land & Property Manager on 03.02.25.



Report of the trustees for the year ended 31st March 2025

The trustees are pleased to present their annual report together with the financial statements of the charity for the year ending 31st March 2025.

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

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

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

Our purposes and activities

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

- Preserve the natural aspect,
- Protect and manage trees, shrubs, turf and other vegetation,
- Prevent unlawful digging and quarrying,
- Keep the land open, unenclosed and unbuilt on as open spaces for the recreation and enjoyment of the public.

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.malvern hills.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.

No land acquisitions were completed during the 2024/25 financial year but there are 2 acquisitions post year end. One was finalised in August 2025 and the other is still in progress and due to be finalised in November 2025.

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 public access needs and minimise potential conflict between different users of the Hills and Commons.

Malvern Hills Trust has a responsibility to conserve the important features and special qualities of the Hills and Commons, including the geology, flora, fauna, landscape and archaeology.



Keeping a balance between access and conservation is a major challenge for the charity. This is achieved through an active communications policy, using both local and social media and the charity's website. The Trust also aims to run a series of free themed events each year for the public, to help inform their use and enjoyment of the Hills and covering all aspects of the charity's conservation work. Several of these events took place during 2024/25.

Business plan

A 5-year Business Plan was adopted by the Board of Trustees in March 2022 and was to be reviewed annually with an interim review in 2025. 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.malvernhills.org.uk/looking-after/business-plan/>

At time of approval of the Business Plan, it was anticipated that the governance changes proposed in the Malvern Hills Bill currently before Parliament would have been completed by 2025 but it is now unlikely that a new Act will be in place before 2027. In May 2025, the CEO considered the 82 targets in the current plan and recommended that instead they should be replaced by four or five Key Performance Indicators (KPIs) against which the Board could hold the Trust to account over the remainder of the Plan cycle. These are currently under development. There would then be a transitional plan for the introduction of new governance arrangements once the new Act was in place, followed by a new Business Plan in 2028. There is already a separate system in place for the monitoring of land management targets, with Land Management Committee receiving annual reports on progress against the Land Management 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 349 (2023/24; 378) working days (of 7.5 hours per day) spent on the Hills and Commons and 2 (2023/24; 24) working days on office work. The contribution of all volunteers, including the trustees, is gratefully acknowledged.

We were delighted to welcome a volunteer over winter who brought knowledge of archival best practice and the public engagement opportunities of archives. She helped the Trust to understand how the role of rangers (a rebrand from wardens to rangers took place shortly after the year-end) has evolved in our organisation, which is over 140 years old.



The rangers organised a Christmas get together for the volunteers at the Foley Arms Hotel in Malvern and the Chair and CEO hosted a Wassail event in Morgan's Orchard at Golden Valley in January to thank the volunteers for their work restoring the orchard.

Use of Defra Stewardship Grants

In 2024/25 around 78 % (2023/24; 77 %) of the charity's land was managed under the Department for the Environment, Food and Rural Affairs (Defra) Countryside Stewardship Scheme (CS) or Higher Level Stewardship Scheme (HLS). These schemes provide valuable funding for certain land management and conservation activities including grazing, which is the most effective way to maintain significant parts of the Hills and Commons. The grazing programme is complemented by a range of other management work carried out by staff, contractors and a dedicated team of volunteers.

6 separate agreements are held (2023/24; 6 agreements), and together they provide over £250,000 (2023/24 over £100,000) per annum toward MHT's conservation activities. The amount has increased substantially because in January 2024 Defra announced a nationwide increase to certain payment rates applicable from 1 January 2024 for all CS agreements (not HLS).

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 with over a million visits made 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 and enjoyment of the landscape.

Other key achievements were:

- Following an extensive public consultation and engagement programme the Trust deposited a Parliamentary Bill in November 2024. The Trust's governing acts date back to 1884. They can only be updated by another Act of Parliament. It is important that the Acts are modernised to improve the charity's governance arrangements and allow the charity to look after the Hills in the most effective way in increasingly challenging times.
- Numerous improvements on fire and health and safety compliance were implemented and action taken on further opportunities for improvement. A Health and Safety Working Group comprising trustees and staff was formed in January 2025 to support and inform the senior management team and trustees in respect of health and safety. All trustees were offered health and safety training from the external health and safety advisor.
- The Staff Trustee Protocol Working Group continues to meet and consider staffing matters



- ‘Miles without stiles’ is an ongoing project to replace stiles, which can be tricky to use for some walkers, with hand gates thus opening up more of the Hills and Commons to a wider range of people. The initiative has taken a further step as two stiles near North Hill have been replaced with hand gates.
- Planting a new tree avenue beside Peachfield Road as part of a volunteer team day with Speller Metcalfe, who kindly spent the day with us planting oak, beech and crab apple. Tree avenues are a key feature of this area.
- Previous Trustee reports have flagged MHT’s work to try and eradicate the invasive, non-native plant *Crassula helmsii*. We’re very pleased to say that follow up surveys have found no evidence of the plant in treated sites – given that this is a famously hard to get rid of plant, this is a real victory for MHT.
- In winter 2024/25 MHT used specialist contractors to carefully fell and extract trees from a part of Old Hills. This site is renowned for its wood pasture and butterfly interest and both were suffering from the spread of secondary trees. The now restored area is more open, the sunshine can come in and highland cattle are doing a super job of maintaining it.
- The Trust has engaged in the South Worcestershire Development Plan Review (SWDPR) throughout the year compiling a written response to the Inspectors, matter and issues questions. Staff attended and represented the Trust at SWDPR Hearings on 25th, 26th March and 29th April 2025.
- Trust staff continue to monitor planning applications which could impact Trust land, where applicable representations to the Local Planning Authority have been submitted.
- Trust staff continue to monitor and manage work proposed and being undertaken by utility companies across the Trust’s land.
- 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.
- Trust staff attended and spoke at the South Worcestershire Development Plan hearings to ensure the nationally important landscape was adequately taken account of. Staff have submitted comments on a variety of planning applications which might affect Trust land and also halted or improved several infrastructure installations by utility companies, this to protect landscape character
- 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 are not appropriately 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.



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

The majority 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 2 vacancies (for nominated members) at the time this report was approved.

Following elections in November 2023, trustees underwent an intensive period of training to ensure that they understand their duties and responsibilities under the Malvern Hills Acts, their responsibilities as charity trustees and their duties under other legislation which affects the land which they manage. Subsequent training for any new later appointed trustees has also been provided as required. Those Trustees appointed in September 2025 are in the process of receiving their training programme at the time this report was approved. 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 all trustees are encouraged to attend land management site visits throughout the year.

During the past year, trustees have received training in tackling bullying and harassment, Trust values, and PR and communications.

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

The annual meeting at which the financial statements are adopted and Auditor appointed was held on 14th November 2024. It was resolved at that meeting to re-appoint Azets Audit Services for the year ended 31st March 2025, and the Trustees' Annual Report and Accounts for year ended 31st March 2024 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 the meeting on November 2023.

At the Board meeting on 11 July 2024 Cynthia Palmer resigned as Chair. John Michael was appointed to replace her at a Special Board meeting on 30 July 2024 and he was re-appointed in November 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.

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
- Communications

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

Governance Committee

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

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

Staffing Committee

The Committee makes recommendations to the Board 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.

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 way trustees are appointed, nothing the Trust can do to prevent appointment of trustees who have been on the Board for more than 9 years.

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

Christopher Rouse (first elected November 2003)



David Baldwin – first appointed May 2010

John Raine – first appointed September 2013

Richard Bartholomew – first elected March 2015

Charles Penn – first elected November 2015, resigned May 2025

John Michael – first appointed 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 Urban District Council was abolished in 1972. 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 the Trust is seeking to address the problems posed by the out of date references in the Malvern Hills Acts in the Malvern Hills Bill.

Malvern Hills Bill

The Trust is governed by the 5 Malvern Hills Act, which reference other public Acts, dating back to 1847. The Trust has long recognised the need to rationalise, modernise and consolidate its governing legislation. The current Acts do not reflect or permit modern best practice in relation to charity governance and do not contain all the powers that the trustees need to administer the charity in the most effective way and to best achieve its objects. There are provisions in the Acts that no longer apply, others which reflect a legal and cultural context that no longer exists and some of the key provisions are defined by reference to 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, including a public consultation in Autumn 2019. 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.

It was resolved in January 2024 to seek a Private Bill. The Trust ran a public consultation from 22 May to 22 July 2024 on their detailed proposals for change and also wrote directly to key stakeholders. Following consideration of the consultation outcomes, the Trust finalised the drafting of the Bill and it was deposited in Parliament in November 2024. The Bill had its first reading on 22 January 2025 and its second reading on 4 June 2025. The next stage is the Committee stage which is likely to start in early 2026.



Loan from Land Purchase (1992) Fund

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

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

The following sums were drawn down:

£100,000 on 31 December 2024, £90,000 on 31 March 2024.

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

Interest: £Nil Capital: £Nil Compensation payment: £710 on 15 January 2025

In 2025/26 at the time this report was approved, no further loan drawdowns have been initiated and the following payments from general fund have been made:

Interest: £1,144 Capital: £1,508 Compensation payment: £Nil

Financial Review

The financial results are set out on pages 32 to 65. There was a total net increase in funds of £419,866 (2023/24 increase of £258,645).

Net expenditure before transfers on the unrestricted funds was £33,546 (2023/24 net income of £64,918). The net movement on the unrestricted funds after transfers and the FRS 102 pension adjustment was an increase of £596,312 (2023/24 increase of £167,008).

In addition, there was a net decrease of funds on the restricted funds of £176,446 (2023/24 net increase £91,637).

Total reserves at the financial year end were £ 4,275,183 (2023/24 £3,855,317), of which £2,914,588 is restricted which includes £1,346,835 inalienable assets. (2023/24 £3,091,034 restricted which includes £1,346,835 inalienable assets).

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

Principal sources of funds

Under powers in the Malvern Hills Acts, Malvern Hills Trust charges a levy to Council Tax payers in the parishes of Malvern, Guarlford, West Malvern, Malvern Wells, Colwall and Mathon. The average band D levy payable in 2024/25 was £47.59 (2023/24 it was £45.34). The total levy received by the charity was £697,070 (2023/24 £663,800).



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.malvernhills.org.uk/living-in/levy-payers/>

Revenue from car parks is the second main funding source. The total received in 2024/25 was £446,381 (2023/24 £398,720). 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. £270,413 was received in 2024/25 (£148,536 was received in 2023/24). An additional sum of £146,037 for the year ended 31st December 2024 (2023/24 £59,673) was received by the CS Castlemorton Delivery Group which is accounted for as custodian funds under the terms of the Countryside Stewardship Scheme. The entire income and expenditure of this delivery group does not form part of the Malvern Hills Trust accounts, but rather the applicable share of income for the Trust is recognised as other grant income, as established via the required internal agreement. In 2024/25 this amounts to £1,000 admin fee (2023/24 £1,000) and £5,882 non-grazing delivery services (2023/24 £5,098).

Donations and legacies received totalled £33,926 (2023/24 - £18,243).

Significant financial impacts

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

- The Trust has a 5-year programme for managing Ash Dieback. Spend in 2024/25 has not been as high as was anticipated at £29,731 (2023/24 £38,614) but we now face managing Acute Oak Decline which will require funds going forward. The balance of the designated funds (Tree Disease and Ash Dieback) are currently sufficient as a result of prior year transfers made in anticipation of future costs. It was not deemed necessary to designate additional funds this year.
- The Board maintained its policy of updating vehicles with purchases of an Isuzu field staff vehicle and a Bomford Turner hedge cutter. The cost of vehicle and equipment additions was £60,282.
- We recruited an additional senior staff member, the Land and Property Manager who joined us in February 2025 and we began the process to recruit a new Operation's Manager ahead of Peter Kelsall's retirement in May 2025 as well as a new member of the Ranger's Team and a new member of the Field Team towards the end of the financial year.
- Carpark takings exceeded budget which was in part due to unexpected revenue stream from a contractor using one carpark exclusively towards the end of the financial year and paying for that right.
- Significant time and financial investment has been made in the drafting and depositing of the Malvern Hills Bill during this financial year as described in detail earlier in the report. It became apparent that the original budget for the preparation and promotion of the Private Bill would need to be revised and uplifted partly as a



result of the number of petitions against the Bill, the vast majority of which were from individuals in the Malvern area. A revised budget was approved by the Board in May 2025 and Charity Commission consent was sought. At the time this report was approved, consent has not yet been received.

- The anticipation of severe delays in stewardship payments has made cashflow difficult to manage in recent years but this year we received most of the payment earlier (92 % for 2024 was received on time). This will allow us to plan the spend which is even more pertinent now that grant amounts have increased significantly by Defra.
- Significant time and costs have been incurred surrounding the governance of the Charity during the financial year that are not bill related. This continues into the 2025/26 financial year and is becoming increasingly concerning.

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 National Landscape 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 is used to structure the main portfolios and provides a ready measure of performance. The Trust's investment policies provide that the asset classes which the trustees consider could be included within the portfolio are cash, fixed interest products, equities, commercial property, private equity, commodities and any other asset that may be agreed to be suitable for the charity. Access to these asset classes can be achieved directly or via collective investment vehicles such as unit or investment trusts. No single direct equity investment should exceed 5 % of the total value of the portfolio and no single investment in a collective fund should exceed 10 % of the value of the portfolio. Investments in negotiable instruments known as 'derivatives' are not permitted without prior approval of the trustees.



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

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

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

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

On draw down of the loan to fund the Malvern Hills Bill, towards the end of the financial year, £190,000 is reclassified to the Promotion & Preparation of the Bill designated fund (see net assets between funds note) but at the balance sheet date remains in the Land Purchase (1992) portfolio with Brewin Dolphin. Earnings since this transfer will be general fund income because the loan agreement deals with all financial recompense to the Land Purchase Fund. These funds will be drawn down to cash as the need arises but in the meantime any income that can be earned on the funds is to the benefit of the Trust.

Investment performance

Over the 12 months to 31st March 2025, inflation continued to be moderate across most developed markets, although progress was uneven and slower than many central banks had hoped. Interest rates remained elevated, with policymakers adopting a cautious stance amid resilient labour markets and sticky core inflation. Geopolitical risks persisted, particularly in the Middle East and Eastern Europe, contributing to intermittent volatility in energy prices and global supply chains. Despite these headwinds, equity markets performed strongly, buoyed by expectations of interest rate cuts and robust earnings from key sectors. The US market performed particularly well towards the end of 2024 due to the expectation of Trumps proposed policies being a positive for the US market but towards the end of February we saw weakening of the US market due to such uncertainty around tariffs. The European region on



the other hand performed well over the start of 2025 in part due to the planned expenditure across the region towards defence spending.

Over the financial year to 31 March 2025, the combined portfolio generated a total return of +2.19 % net of fees. This compares to the Asset Risk Consultants (ARC) Steady Growth Index performance of +2.71 % (net of fees) and the RBC Brewin Dolphin Risk Category 6 Strategic Asset Allocation of +2.89 % (gross of fees). The ARC index is made up of around 5,000 charity portfolios from 35 different investment managers, providing a good comparison to the performance of sector peers with a similar level of investment risk.

The annual returns (year ended 31 March 2025) were as follows:

Land Purchase (1992) Fund (main portfolio)

Return gross of fees +2.34 %, net return +1.64 % (ARC Steady Growth 2.71 %)

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

Return gross of fees +4.08 %, net return +3.37 % (ARC Balanced asset 3.43 %)

Parliamentary and Land Maintenance portfolio

Return gross of fees +2.84 %, net return +2.14 % (ARC Steady Growth 2.71 %)

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 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 is reassessed annually. The Board agreed to keep the policy at £350,000 in the Board Meeting dated 12 September 2024. This policy review will be repeated at the November 2025 meeting when these accounts are approved.

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

At 31st March 2025 total funds of the charity were £4,275,183 (2023/24 £3,855,317). This included restricted funds of £2,914,588 (2023/24 £3,091,034) and committed designated funds of £1,118,634 (2023/24 £897,153). 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 £627,968, made up of the following:

	£
General fund excluding net book value of assets	210,312
Free' designated funds	
Unrestricted gifts	406,903
Dog campaign	3,501
Modernisation of Acts - other costs	7,252
Total	<u>627,968</u>

The total of the free reserve was down on the March 2024 figure (£742,341).

The overall free reserve remains higher than the target minimum of £350,000.

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

Pension scheme

FRS 102

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

The FRS 102 accounting deficit at the year end has been calculated as £130,000 (2023/24 £612,000). The employer's contribution rate during the year was 22.4% (2023/24 21.8%).

Triennial valuation

The most recent completed 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 31st March 2025 valuation information is not yet available for inclusion in these statutory accounts.



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 2024/25 totalled £77,630 (2023/24 £74,200). The amount due for 2025/26 is £81,150.

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 senior management team has a further opportunity to grow and develop with the appointment of the new Land and Property Manager in 2024 and a new Operations Manager, recruited following the retirement of Peter Kelsall. Whilst recommendations of the Staffing Review 2023-24 have been completed, new actions will be agreed on the basis of the 2025 employee engagement survey.

The communications output is evolving with more emphasis on reaching new audiences and explaining who we are and what we do. The Trust will be holding drop-in sessions over the summer 2025 to give members of the public the opportunity to learn more about the charity's work and the new Bill. Peaks in activity on the Trust's website occurred in May and June 2024 related to the sale of car parking passes and the public consultation on the Bill. There was also a peak in February 2024 on vacancies listed. Active users of the website in the financial year 2024-25 were over 88,000. Peaks in activity on the Trust's website continued on the Governance Change pages until July 2024, which was around the time of the public consultation on the Bill. The Trust's Facebook channel has 6.2k followers (up by 1,000 on 2023-2024) and highest reaches were on stories around the annual hay cut, bracken rolling and the February vacancies. Highest reach on Instagram was on posts about winter tree safety works, International Bat Night and deadline for a vacancy in July 2024. Stockwatch continues to be popular with a regular slot in the Malvern Gazette.

The Trust's consultation for its private Bill was extensively publicized with over 15,000 leaflets and hundreds of posters circulated. The Trust also held 5 drop-in sessions and informal sessions in Trust car parks to answer questions from members of the public. There was a concerted campaign of misinformation about the Bill (including a web site telling people how to complete the Trust's consultation questionnaire in 4 minutes without reading the consultation document) and the Trust set up frequently asked questions and a myth-busting sections on its website.



Over the next 12 months the Trust will continue to deliver its adopted Land Management Plan. Several recent and forthcoming changes in personnel will bring extra challenge, especially for a small team.

Practical works on the estate will continue to maintain the open access and associated infrastructure plus the care of our natural and cultural heritage too. The mowing plan will once more try to strike balance between providing open spaces suitable for picnics and games but also wilder areas where orchids and bees as well as flora and fauna can flourish.

Special effort is required to repair the eroded ridgeline, guard against wildfires and enhance some of the Trust's newly acquired lands. At Colwall Coppice, for example, we hope to obtain grant funding to support uneconomic tree thinning and planting. This to help diversity the ancient woodland and increase its resilience to tree diseases and a changing climate.

The period in which the next MHT Land Management Plan is to be drawn together will be extended. The new plan will go live in April 2027 – this extension will allow more data gathering and greater consultation with stakeholders in 2025 and 2026.

Remuneration policy and salary costs

Salaries were last independently benchmarked in spring 2022. A pay benchmarking exercise was commenced in summer 2025 and is still ongoing at the time this report was approved.

The salary of the Chief Executive Officer is set by the Board, following an annual appraisal. Negotiations regarding pay awards across all LGPS staff pay scales were finally settled upon in November 2024 and 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.

Post balance sheet event

The Malvern Hills Trust was, and continues to be, deeply saddened by the untimely passing of one of its Field Team. Martin Cottrell, a dedicated member of the staff for over thirty years, died on Friday 2 May.

The matter is currently subject to ongoing investigations by the relevant regulatory authority, and the Trust is co-operating fully.

The trustees have reviewed the potential implications for the charity's operations, staffing and governance and will take any appropriate actions once the investigations have concluded. No financial adjustments are required to the year end accounts as the event occurred after the reporting date and does not relate to conditions existing at that time.

The trustees wish to express their deepest sympathy to his widow and family, friends and colleagues.

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.

During the year the Finance Administration and Resources Committee has met and discussed the Risk Management Strategy. There is now a shorter more manageable working document with easy filtering to identify risk owners and which risks committees and/or the whole board are responsible for monitoring.



The key risks identified during the year were as per 2023-24:

- 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 2023-2024, 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

Impending changes in local government are likely to have an impact on Trust elections if the new Act isn't passed by 2027. Uncertainty over the changes is also an issue.

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 13th November 2025



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 2025 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 2025 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 2025

	Note	Unrestricted funds	Restricted funds	Total funds 2025	Total funds 2024
		£	£	£	£
Income and endowments from:					
Donations and legacies	3	28,926	5,000	33,926	18,243
Charitable activities:					
Management of the hills and commons	4	986,961	9,095	996,056	870,563
Car parks	4	446,381	0	446,381	398,720
Other trading activities	5	57,688	16,000	73,688	50,931
Investments:					
Bank deposits		32,503	6,176	38,679	46,134
Investment portfolio		0	34,247	34,247	33,698
Other	6	13,895	0	13,895	22,913
Total income		1,566,354	70,518	1,636,872	1,441,202
Expenditure on:					
Charitable activities	7	1,599,466	38,648	1,638,114	1,338,810
Other expenditure	7	434	7,722	8,156	9,079
Total expenditure	7	1,599,900	46,370	1,646,270	1,347,889
Net gains on investments	9	0	3,264	3,264	88,332
Net income/(expenditure)		(33,546)	27,412	(6,134)	181,645
Transfers between funds	23	203,858	(203,858)	0	0
Other recognised gains/(losses)					
Actuarial gains/(losses) on defined benefit pension scheme	27	426,000	0	426,000	77,000
Net movement in funds		596,312	(176,446)	419,866	258,645
Reconciliation of funds:					
Total funds brought forward		764,283	3,091,034	3,855,317	3,596,672
Total funds carried forward	24	1,360,595	2,914,588	4,275,183	3,855,317

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 35 to 65 form part of these financial statements.



Balance Sheet as at 31st March 2025

	Note	2025	2024
		£	£
Fixed Assets			
Tangible fixed assets	14	430,515	428,748
Heritage assets	14/15	1,346,835	1,346,835
Investments	16	1,313,707	1,303,281
Total fixed assets		3,091,057	3,078,864
Current Assets			
Livestock		31,452	31,452
Investments		339,788	424,788
Debtors	17	245,168	306,520
Short term deposits		937,858	898,082
Cash in hand		152	176
Total current assets		1,554,418	1,661,018
Creditors: Amounts falling due within one year	18	(240,291)	(272,565)
Net Current Assets excluding pension liability		1,314,127	1,388,453
Net assets excluding pension liability		4,405,183	4,467,317
Pension Fund liability	27	(130,000)	(612,000)
Net Assets including pension liability		4,275,183	3,855,317
The funds of the charity			
Unrestricted - General Fund	19	371,961	479,130
Unrestricted - Designated Funds	20	1,118,634	897,153
Unrestricted - Pension Fund	21	(130,000)	(612,000)
Restricted Funds	22	2,914,588	3,091,034
Total charity funds		4,275,183	3,855,317

The notes on pages 35 to 65 form part of these financial statements.

Signed

John Michael
Chair of Trustees on behalf of the Trustees
DATE 13th November 2025



Statement of cash flows for the year ended 31st March 2025

	2025 £	2024 £
Cash flows from operating activities		
Net movement in funds	(6,134)	181,645
Add back depreciation charge	74,965	56,819
Profit on disposal of fixed assets	(8,455)	(11,712)
Investment (gains)/ losses	(3,264)	(88,332)
Difference pension charge and cash contributions	(56,000)	(48,000)
Income on investing activities retained in portfolio	(72,926)	(79,832)
Decrease / (increase) in stock	0	0
(Increase)/decrease in debtors	61,352	(189,588)
Increase in creditors	(32,274)	126,113
Net cash provided by/(used in) operating activities	(42,736)	(52,887)
Cashflows from investing activities:		
Proceeds from the sale of fixed assets	8,455	11,712
Purchase of fixed assets	(76,731)	(126,490)
Transfer to current asset investments	85,000	(340,000)
Purchase of investments	(198,004)	(173,249)
Proceeds on disposal of investments	181,281	152,023
Interest received	72,926	79,832
Net cash provided by investing activities	72,927	(396,172)
Change in cash and cash equivalents in the reporting period	30,191	(449,059)
Cash at beginning of period	898,260	1,334,341
Cash at end of period	938,010	898,260
Movement in portfolio cash	(9,559)	(12,978)
Change in cash and cash equivalents in reporting period	30,191	(449,059)

The notes on pages 35 to 65 form part of these financial statements.



Notes to the financial statements for the year ended 31st March 2025

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 inflow of £30,191 (2023/24 £449,059 outflow) 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 cattle owned by Malvern Hills Trust. These animals are part of a long-term grazing licence, and their day-to-day care is provided by the licensee. An independent valuation of the livestock is undertaken at the commencement and termination of the licences. The current licence details are as follows:

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

(Central Hills Grazing licence – no MHT owned livestock)

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

We also provide the licensees with certain equipment.

l) Pension scheme

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

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

m) Fund accounting

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

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

Further explanation of the nature and purpose of each fund is included in notes 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, short term deposits, trade debtors and accrued income. Financial liabilities measured at settlement value comprise trade creditors and accruals.

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

r) Significant estimates and judgements

Significant estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The items in the financial statements where these estimates and judgements have been made include the useful economic lives of tangible fixed assets and bad debts.

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

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

The present value of the Worcestershire County Council Pension Fund defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 March 2025. 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

	2025	2024
	£	£
Gifts	13,824	11,168
Legacies	20,102	7,075
	<u>33,926</u>	<u>18,243</u>

The income from donations and legacies was £33,926 (2023/24 £18,243) of which £28,926 was unrestricted (2023/24 £13,697) and £5,000 restricted (2023/24 £4,546).

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 2025	Total 2024
	£	£	£	£
Income				
Levy on Council Tax payers in precepted parishes	697,070	0	697,070	663,800
Stewardship grants	270,413	0	270,413	148,536
Other grants	28,574	0	28,574	58,227
Car park takings	0	446,381	446,381	398,720
Total income from charitable activities	<u>996,056</u>	<u>446,381</u>	<u>1,442,437</u>	<u>1,269,283</u>

Stewardship grants includes £1,465 restricted income (2023/24 £Nil) and Other grants includes £7,630 (2023/24 £39,036) restricted income. All other amounts are unrestricted.

5 Analysis of income from other trading activities

	2025	2024
	£	£
Rental income	46,762	36,631
Easements and wayleaves	26,886	14,300
Sale of books, leaflets & maps	40	0
	<u>73,688</u>	<u>50,931</u>

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



6 Analysis of other income

	2025	2024
	£	£
Employment allowance*	0	5,000
Compensation for works	75	308
Profit on disposal of fixed assets	8,455	11,712
Sundry Income	5,365	5,893
	<u>13,895</u>	<u>22,913</u>

All of the above income is unrestricted.

* HMRC Employment Allowance in 2024/25 has been netted off employment costs, in 2023/24 it was included under sundry income. The new presentation is more appropriate.

7 Analysis of expenditure

	Estate manage't	Wardening	Car parks	PR	Governance	Office costs	Total 2025	2024
	£	£	£	£	£	£	£	£
Salaries (note 10)	223,823	145,713	0	0	111,148	298,169	778,852	713,350
Direct expenses	241,999	21,573	29,532	24,293	0	0	317,397	307,806
Rates and water	3,896	0	2,886	0	0	2,436	9,217	8,195
Electricity & gas	3,568	0	1,857	0	0	4,432	9,858	14,629
Insurance	31,518	0	0	0	2,743	0	34,262	32,719
Maintenance of buildings	11,624	0	0	0	0	0	11,624	5,673
Depreciation	71,860	0	0	0	0	3,104	74,965	56,819
Investment management	8,156	0	0	0	0	0	8,156	9,079
Support costs (note 8)	18,792	0	1,801	0	285,606	95,740	401,939	199,620
	<u>615,237</u>	<u>167,286</u>	<u>36,076</u>	<u>24,293</u>	<u>399,497</u>	<u>403,881</u>	<u>1,646,270</u>	<u>1,347,889</u>

Expenditure was £1,646,270 (2023/24 £1,347,889) of which £1,599,900 was unrestricted (2023/24 £1,292,224) and £46,370 was restricted (2023/24 £55,665).



8 Analysis of support costs

	Estate manage't	Governance	Car parks	Office costs	Total 2025	Total 2024
	£	£	£	£	£	£
Telephones	2,334	0	0	2,852	5,185	3,422
Cleaning	1,233	0	0	4,156	5,389	4,351
Postage	0	0	0	2,411	2,411	2,324
Office equipment	0	0	0	1,680	1,680	2,841
Printing & stationery	0	0	0	6,618	6,618	6,569
Travelling	0	0	0	614	614	794
IT	0	0	0	16,219	16,219	14,303
Legal fees	5,783	242,970	0	0	248,753	45,216
Audit fee	0	14,200	0	0	14,200	14,875
Election expenses	0	0	0	0	0	24,032
Other professional fees	1,626	9,658	0	11,506	22,790	6,471
Subscriptions	0	0	0	3,119	3,119	2,005
Newspaper adverts	0	12,900	0	0	12,900	646
Training	3,725	5,877	0	3,750	13,352	19,332
Miscellaneous	0	0	0	730	730	3,094
Recruitment	4,091	0	0	12,247	16,338	14,915
Pension finance cost	0	0	0	29,000	29,000	32,000
Bank charges	0	0	1,801	839	2,641	2,431
	18,792	285,606	1,801	95,740	401,939	199,620

9 Net income/(expenditure) for the year

This is stated after charging:

	2025 £	2024 £
Depreciation	74,965	56,819
Gains/(losses):		
Realised gains/(losses)	6,046	4,425
Unrealised gains/(losses)	(2,782)	83,907
Auditor's remuneration:		
Audit fees	13,950	14,875
Other advice	250	965



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

	2025 £	2024 £
Salaries and wages	631,369	584,418
Social security costs	55,015	54,727
Pension costs	165,623	157,599
Group life assurance	3,085	3,356
FRS 102 - pension adjustment	(85,000)	(80,000)
FRS 102 - short term compensated absence charge to SOFA	8,761	(6,750)
	<u>778,852</u>	<u>713,350</u>

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

	2025 Number	2024 Number
£60,001 - £70,000	1	1

Contributions totaling £5,775 (2023/24: £Nil) 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 (2023/24 £nil). No travelling expenses were reimbursed to trustees during the year (2023/24 £nil). No charity trustee received payment for professional or other services supplied to the charity (2023/24 £nil).

The key management personnel comprises the Chief Executive Officer, the Conservation Manager, the Operations Manager, the Secretary to the Board, the Governance Change Officer, the Land and Property Manager and the Finance and Administration Manager. The total employee benefits of key management personnel of the charity, including employer's NI and pension contributions, was £317,644 (2023/24 £287,298).

11 Staff numbers

The average monthly head count was 21.5 staff (2023/24 21.1 staff) and the average monthly number of full-time equivalent employees (including part-time staff) during the year was as follows:

	2025	2024
Wardens	4.0	3.8
Field Staff	6.2	6.4
Conservation, land & property	2.8	2.6
Office based staff	5.6	5.0
	<u>18.6</u>	<u>17.8</u>



12 Related party transactions

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

During 2024/25 no related party transactions were identified (2023/24 £Nil).

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 2024	1,346,835	102,733	138,770	977,984	160,460	523,250	64,519	3,314,550
Additions	0	0	0	12,788	0	60,282	3,661	76,731
Disposals	0	0	0	0	0	(29,475)	(421)	(29,896)
At 31st March 2025	1,346,835	102,733	138,770	990,772	160,460	554,057	67,760	3,361,386
Depreciation								
At 1st April 2024	0	0	30,525	904,258	160,460	386,210	57,513	1,538,967
Charge in the year	0	0	2,775	25,850	(0)	43,235	3,104	74,965
On disposals	0	0	0	0	0	(29,475)	(421)	(29,896)
At 31st March 2025	0	0	33,300	930,108	160,460	399,971	60,196	1,584,035
Net book value								
31st March 2024	1,346,835	102,733	108,245	73,726	(0)	137,039	7,006	1,775,584
31st March 2025	1,346,835	102,733	105,470	60,663	0	154,086	7,563	1,777,350

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



15 Heritage Assets

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

Year		£	£
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	(4,500)	
			10,717
1986	Earnslaw and Wyche Quarries	25,212	
	Less: Countryside Commission grant	(12,500)	
			12,712
1986	Grundy's Meadow	6,203	
	Less Countryside Commission grant	(3,058)	
			3,145
1989	Ballards Land, Upper Colwall	15,000	
	Less Gift from Mrs N. Hadfield	(3,750)	
			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 2025		<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	Total 2025	2024
	£	£	£	£
Opening Market Value	618,055	685,226	1,303,281	1,206,692
Additions	87,151	110,853	198,004	173,249
Disposals	(66,035)	(109,200)	(175,235)	(147,598)
Equalisations	(823)	(700)	(1,522)	133
Unrealised gains/(losses)	972	(3,754)	(2,782)	83,907
Change in cash	(6,868)	(1,171)	(8,039)	(13,102)
Closing market value	632,452	681,255	1,313,707	1,303,281



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

Land Purchase (1992) Portfolio ONE		2025		2024
		£		£
UK Bonds	7.0 %	28,866	5.1 %	20,509
Overseas bonds	10.7 %	43,862	10.3 %	41,350
UK equities	14.1 %	57,794	14.9 %	59,963
North American equities	34.9 %	142,942	32.3 %	129,990
European equities	7.8 %	32,057	8.4 %	33,762
Japanese equities	3.1 %	12,840	3.3 %	13,377
Developed Asia ex Japan equities	5.9 %	24,227	5.3 %	21,492
Emerging markets	1.0 %	3,999	1.0 %	4,029
Global investments	4.3 %	17,731	4.8 %	19,401
Absolute return	2.6 %	10,727	5.5 %	22,086
Property	2.0 %	8,090	2.1 %	8,418
Commodities	1.8 %	7,370	0.0 %	0
Other investments	3.5 %	14,535	4.4 %	17,880
Cash and cash product	1.1 %	4,562	2.6 %	10,359
		<u>409,600</u>		<u>402,616</u>

£190,000 of this balance has been used for the partial loan funding of the promotion and preparation of the bill.

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

Land Purchase (1992) Portfolio TWO		2025		2024
		£		£
UK Bonds	10.6 %	23,642	9.0 %	19,296
Overseas bonds	22.0 %	49,005	23.4 %	50,315
UK equities	7.9 %	17,625	8.3 %	17,972
North American equities	16.6 %	36,966	15.7 %	33,922
European equities	3.0 %	6,778	3.5 %	7,549
Japanese equities	1.6 %	3,594	1.7 %	3,757
Developed Asia ex Japan equities	3.7 %	8,300	3.4 %	7,328
Emerging markets	0.9 %	2,035	1.0 %	2,050
Global investments	3.0 %	6,739	3.3 %	7,208
Absolute return	11.6 %	25,875	13.6 %	29,331
Property	5.1 %	11,467	5.5 %	11,784
Commodities	6.5 %	14,458	3.2 %	6,994
Other investments	2.3 %	5,157.6	2.7 %	5,710
Cash and cash product	5.0 %	11,213	5.7 %	12,222
		<u>222,852</u>		<u>215,438</u>



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

Parliamentary & Lands Maintenance Portfolio		2025		2024
		£		£
UK Bonds	9.1 %	61,951	8.5 %	58,189
Overseas bonds	8.2 %	56,103	8.6 %	59,090
UK equities	12.6 %	85,861	14.8 %	101,654
North American equities	35.5 %	241,953	33.5 %	229,488
European equities	7.9 %	53,907	7.1 %	48,523
Japanese equities	3.4 %	23,178	3.4 %	23,571
Developed Asia ex Japan equities	5.8 %	39,698	5.7 %	38,879
Emerging markets	0.7 %	5,026	0.7 %	5,063
Global investments	5.0 %	34,349	5.4 %	37,110
Absolute return	2.0 %	13,679	4.0 %	27,180
Property	1.4 %	9,464	1.4 %	9,857
Commodities	2.5 %	17,368	0.0 %	0
Other investments	3.5 %	23,773.79	3.9 %	26,508
Cash and cash product	2.2 %	14,944	2.9 %	20,114
		<u>681,255</u>		<u>685,226</u>

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

17 Debtors

	2025	2024
	£	£
Trade debtors	17,804	46,530
VAT repayable	7,145	12,766
Accrued income	164,679	196,966
Prepayments	55,540	50,258
	<u>245,168</u>	<u>306,520</u>

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



18 Creditors: amounts falling due within one year

	2025	2024
	£	£
PAYE and National Insurance	14,094	13,686
Wages	5,767	7,718
Trade creditors	74,427	142,474
Accrued charges	64,252	42,249
Other creditors	15,189	12,241
Deferred income	49,628	46,025
FRS102 compensated absence provision	16,933	8,172
	<u>240,291</u>	<u>272,565</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 2024	46,025
Released to the SOFA in the year	(46,025)
Received in the year	<u>49,628</u>
Balance at 31 March 2025	<u>49,628</u>
Prior 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>

19 General fund

	2025	2024
	£	£
General fund - balance 1 st April 2024	479,130	436,588
Incoming resources	1,268,823	1,188,572
Resources expended	(1,257,626)	(1,103,595)
Transfers	<u>(118,366)</u>	<u>(42,435)</u>
Balance 31 st March 2025	<u>371,961</u>	<u>479,130</u>



20 Designated funds

Current year

	Balance 1st April 2024	Movement incoming	Resources outgoing	Transfers (to)/from other funds	Balance 31st March 2025
	£	£	£	£	£
Unrestricted gift fund	389,386	21,657	0	(4,140)	406,903
HLS, BPS & grazing reserve fund	112,078	10,264	(12,279)	(30,983)	79,080
Countryside Stewardship fund	200,437	265,192	(84,791)	0	380,839
Tree disease fund	35,865	0	(2,295)	0	33,570
Ash Dieback fund	90,869	377	(29,731)	0	61,515
Fundraising support fund	10,000	0	0	(10,000)	0
Modernisation of Acts other costs	40,186	41	(73,975)	104,000	70,252
Preparation & Promotion of Private Bill	(14,342)	0	(190,354)	220,983	16,287
Election expenses fund	0	0	0	5,000	5,000
Dog campaign	3,501	0	0	0	3,501
Car Park repair fund	4,369	0	0	(4,369)	(0)
Designated fixed asset fund	12,528	0	0	(2,117)	10,411
Boundary Commission Advice	12,276	0	0	0	12,276
Tree & Track fund	0	0	(3,000)	17,000	14,000
Marketing & Comms	0	0	0	25,000	25,000
Sink hole fund	0	0	(1,850)	1,850	0
	897,153	297,530	(398,274)	322,224	1,118,634

Prior year

	Balance 1st April 2023	Movement incoming	Resources outgoing	Transfers (to)/from other funds	Balance 31st March 2024
	£	£	£	£	£
Unrestricted 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
costs	34,010	0	(3,413)	9,589	40,186
Prep & Promotion Bill	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



- The unrestricted gift fund holds donations, legacies and gifts which were not restricted by the donor and which have been designated for use in projects in accordance with the Trustees' policy.
- The Stewardship funds (including HLS BPS and grazing reserve) are the grazing projects to secure conservation of the Malvern Hills landscape as set out in the land management plan. The project receives funding from the Higher Level Stewardship and the new Countryside Stewardship schemes.
- The Tree Disease fund is to cover costs arising from tree diseases.
- The Ash Dieback fund was set up during 2021/22 to cover the cost of managing Ash Dieback. Spending to date is over £142,000 and we now do not expect the costs to be as high as first thought. We do however now have Acute Oak Decline to deal with so the fund remains in place at the moment and may be redirected to this new threat.
- The Fundraising support fund is to cover costs of future fundraising activities. A decision to release this fund back to general fund was made during the year.
- 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 £5,000 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 was delayed by COVID-19 and more recently delayed due to the changing Conservation Manager. This will be spent in 2025/26.
- The designated fixed asset fund represents the balance on designated assets purchased which remain designated until fully written down.
- The car park repair fund was to cover the cost of car park repairs, this was due to be completed in 2022/23 but had been delayed due to weather and time resource. The fund is now cleared as work done was capital spend and the designated fund subsequently released.
- The Boundary Commission Advice fund was setup in 2022 to cover legal costs in relation to Boundary Commission issues.
- The Track & Tree fund was setup in 2024 to earmark funds that were budgeted in 2024/25 but had to be delayed due to bad weather and other external factors.
- The Marketing & Comms fund was designated in 2024/25 to resource services from a PR company for 12 months to deliver communication outputs.
- The Sink hole fund was setup in 2024 in anticipation of possible costs associated with a sink hole on Trust land.



21 Unrestricted pension fund

Current year

	Balance 1st April 2024	Movement incoming	Resources outgoing	Actuarial gains/(losses)	Balance 31st March 2025
	£	£	£	£	£
Pension Fund	(612,000)	0	56,000	426,000	(130,000)

Prior year

	Balance 1st April 2023	Movement incoming	Resources outgoing	Actuarial gains/(losses)	Balance 31st March 2024
	£	£	£	£	£
Pension Fund	(737,000)	0	48,000	77,000	(612,000)

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

Further information is given in note 28.

22 Restricted funds

Current year

	Balance 1st April 2024	Movement incoming	Resources outgoing	Transfers (to)/from other funds	Net gains/(losses) on investments	Balance 31st March 2025
	£	£	£	£	£	£
Lands Maintenance fund	193,962	5,675	(1,111)	(5,675)	(51)	192,800
SDF fund	453	0	(453)	0	0	0
Nature of the Malverns book	2,901	0	0	0	0	2,901
Restricted gifts	5,131	0	(3,470)	4,140	0	5,801
Tree planting	904	0	(220)	0	0	684
Bench fund	7,408	5,000	(1,163)	(5,220)	0	6,025
Boost4Biodiversity	1,389	0	0	0	0	1,389
Urban tree challenge fund	2,673	4,631	(1,311)	0	0	5,993
Access For All	2,864	2,000	(2,953)	0	0	1,911
Land Purchase (1992) fund	512,991	14,858	(2,480)	(189,290)	498	336,577
Land Purchase 2 Fund	215,458	5,411	(1,274)	0	2,994	222,589
Parliamentary fund	513,363	30,479	(2,858)	(20,601)	(177)	520,206
Capital Outlay Discharged	1,631,538	0	(28,625)	12,788	0	1,615,701
Foothill Grasslands CSMT	0	1,465	0	0	0	1,465
Handgate (Defra)	0	1,000	(453)	0	0	547
	3,091,034	70,518	(46,370)	(203,858)	3,264	2,914,588



Prior 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
Restricted 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
	<u>2,999,397</u>	<u>72,248</u>	<u>(43,854)</u>	<u>(25,090)</u>	<u>88,332</u>	<u>3,091,034</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 £5,675 investment income was transferred to the General Fund (2023/24 £5,644).
- The SDF (Sustainable Development Fund) fund is for information boards at North and Tank Quarries as well as other SDF projects.
- 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 restricted Gifts fund comprises legacies and donations made for specified projects to improve the amenities of the Malvern Hills.
- The Tree Planting fund received donations for planting trees at Thirds Wood.
- 'Picnic bench' donations fund has been renamed 'Benches fund' and incorporates benches at the Community Woodland and memorial benches.
- The Boost4Biodiversity fund is from Severn Trent, to fund pond works.
- The UTCF fund (Urban Tree Challenge Fund) is a grant from the Forestry Commission to support tree planting in urban areas.



- 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. During the year £190,000 has been loaned from the Land Purchase Fund to assist in the financing of the Private Bill. As already explained in the Trustees Report this was approved by the Charity Commission and there are conditions on the loan as well as repayment terms.
- The Land Purchase 2 Fund was formed following the Board of Trustees instruction to redirect investment funds into a lower risk managed category.
- The Parliamentary fund was established with a contribution by W. Berington under Section 56(5) of Malvern Hills Act 1924 to receive Capital Receipts and use of the capital of the fund is restricted to the purchase of land and improvements to capital assets. Investment income earned on this fund may be used for the Trust’s general purposes. During the year, £14,479 investment income was transferred to the General Fund (2023/24 £14,399).
- The Capital Outlay Discharged fund is represented by the cost of land and the net book value of improvements to land and buildings, the original cost of which was funded from the Lands Maintenance or Parliamentary Funds. These assets can only be sold in very limited circumstances (that is, they are inalienable) and any proceeds must be used for the purchase of land, so this fund should be considered as inalienable.
- The Foothill Grasslands CSMT fund is government grant aid towards our conservation work.
- Handgate (DEFRA) fund is grant funding for specific gate projects.



23 Transfers between funds

Transfers made during the year 2024/25 were:

Restricted

					£
From	Gifts unrestricted	To	Gifts restricted	Partial funding of SAW basin	4,140
From	Land Maint fund	To	General fund	Non restricted investment income	(5,675)
From	General fund	To	Bench fund	Staff time to deliver 2024 & 2025	(5,220)
From	Land Purch fund	To	Bill Loan Capital	Loan draw down tranche 1 & 2	(190,000)
From	Parl fund	To	General fund	Non restricted investment income	(14,479)
From	General fund	To	Land Purch fund	Compensation payment loan tranche 1	710
From	General fund	To	Parl fund	Easement 23/24 transferred to RF	6,666
From	Parl fund	To	Cap outlay dischg	Parliamentary Fund asset purchases	(12,788)
From	Parl fund	To	Cap outlay dischg	Parliamentary Fund asset purchases	12,788
From	Bill Loan Capital	To	Prom & Prep Bill	LP loan funds promotion & prep of bill	(190,000)
From	General fund	To	Bill Loan Capital	Loan draw down tranche 1 & 2	190,000
					<u>(203,858)</u>

Designated

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



General

General					£
From	Land Maint fund	To	General fund	Non restricted investment income	5,675
From	General fund	To	Bench fund	Staff time to deliver 24 & 25	5,220
From	Parl fund	To	General fund	Non restricted investment income	14,479
From	General fund	To	Land Purch fund	Compensation payment loan tranche 1	(710)
From	General fund	To	Parl fund	Easement 23/24 transferred to RF	(6,666)
From	Fundraising DF	To	General fund	Release per Board approved	10,000
From	General Fund	To	Election expenses	Budgeted annual election expenses	(5,000)
From	General Fund	To	Modernise Acts other	24/25 budget for Bill other costs	(104,000)
From	General Fund	To	Sink Hole	Designate £30k sink hole fund per board approval	(30,000)
From	Sink Hole DF	To	General Fund	Release fund per board approval	28,150
From	General Fund	To	Tree & Track fund	Bad weather track & tree work per board approval	(17,000)
From	General Fund	To	Marketing & Comms	Marketing & comms DF board approved	(25,000)
From	Car park repair fund	To	General fund	Car park cost capital so fund release	4,369
From	Desig Fixed Assets	To	General fund	Designated asset depreciation	2,117
					<u>(118,366)</u>



Prior year transfers were:

Restricted

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

Designated

From General Fund	To Boundary Comm'n fund	To cover expected spend		10,000
From General Fund	To FAM/CEO replacement	To cover FAM and CEO replacement cost		25,000
From General Fund	To Election expenses	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 replacement	Additional FAM CEO overspend		2,662
From HLS Chase End fund	To General Fund	Recharged stewardship salary costs		(409)
From HLS Old Hills fund	To General Fund	Recharged stewardship salary costs		(655)
From FIPL tools	To Desig fixed assets	designated fund asset purchases		12,704
From General Fund	To Election expenses	Additional election overspend		4,523
				<u>67,525</u>

General

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



24 Analysis of net assets between funds

Current year

	Heritage assets £	Fixed asset investments £	Tangible fixed assets £	Pension liability £	Other net assets ** £	Total £
Restricted funds						
Capital Outlay Discharged	1,346,835	0	268,866	0	0	1,615,701
Parliamentary fund	0	490,504	0	0	29,702	520,206
Land Purchase (1992) fund	0	219,601	0	0	116,976	336,577
Land Purchase 2 Fund	0	222,851	0	0	(262)	222,589
Lands Maintenance fund	0	190,751	0	0	2,049	192,800
Nature of the Malverns	0	0	0	0	2,901	2,901
Gift fund	0	0	0	0	5,801	5,801
Tree planting	0	0	0	0	684	684
Picnic benches	0	0	0	0	6,025	6,025
Access for All**	0	0	0	0	1,911	1,911
Urban Tree Challenge fund	0	0	0	0	5,993	5,993
Foothill Grasslands CSMT	0	0	0	0	1,465	1,465
Handgate (Defra)	0	0	0	0	547	547
Bill Loan Capital	0	0	0	0	0	0
Boost4Biodiversity	0	0	0	0	1,389	1,389
	1,346,835	1,123,707	268,866	0	175,181	2,914,588
Unrestricted funds						
General fund	0	0	161,649	0	210,312	371,961
Designated funds	0	190,000	0	0	928,634	1,118,634
Pension fund	0	0	0	(130,000)	0	(130,000)
	0	190,000	161,649	(130,000)	1,138,946	1,360,595
Total funds	1,346,835	1,313,707	430,515	(130,000)	1,314,126	4,275,183

Any project shortfall will be met from the General Fund.

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



Prior year

	Heritage assets £	Fixed asset Investment s £	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
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
	1,346,835	1,303,281	284,704	0	156,214	3,091,034
Unrestricted funds						
General fund	0	0	144,045	0	335,085	479,130
Designated funds	0	0	0	0	897,153	897,153
Pension fund	0	0	0	(612,000)	0	(612,000)
	0	0	144,045	(612,000)	1,232,238	764,283
Total funds	1,346,835	1,303,281	428,749	(612,000)	1,388,452	3,855,317

Any project shortfall will be met from the General Fund.

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

25 Financial and capital commitments

At 31st March 2025, no capital expenditure had been contracted for (2024 £nil). Capital expenditure which had been approved but not contracted was £Nil (2023/24 £30,081).

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 2025 total £82,043 (2023/24 £82,043).

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



26 Serious incident – Post balance sheet event

A serious incident at work occurred after the balance sheet date involving the death of a member of staff. The matter is currently the subject of ongoing regulatory investigations by the relevant authorities and no conclusions have yet been reached.

This tragic event did not exist at the balance sheet date and does not relate to conditions that were in place at that time. Consequently, it represents a non-adjusting event after the reporting period in accordance with FRS 102 Section 32 (Events after the End of the Reporting Period) and Charities SORP (FRS 102) paragraphs 13.9 to 13.13.

No adjustments have been made to the financial statements for this event. The trustees have considered the potential financial and operational implications and will take appropriate actions once the investigations have concluded.

27 Operating leases

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

	2025	2024
	£	£
Within the next 12 months	21,975	23,295
Within 1-5 years	41,203	59,880
5 years plus	1,867	2,625
	<u>65,045</u>	<u>85,800</u>

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

	2025	2024
	£	£
Within the next 12 months	2,200	2,200
Within 1-5 years	5,500	7,700
5 years plus	0	0
	<u>7,700</u>	<u>9,900</u>



28 Defined benefit pension scheme

Malvern Hills Trust participates in the Worcestershire County Council Pension Fund, which is part of the Local Government Pension Scheme (LGPS), a multi-employer scheme. Contributions are charged to the statement of financial activities so as to spread the cost of pensions over employees' working lives with the charity. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The scheme was most recently formally valued as at 31st March 2022 and was updated by the actuary on an FRS102 basis as at 31 March 2024.

At the time this report was approved the 31 March 2025 triennial valuation is still in progress.

The employer's contribution (including the FRS102 adjustment) for the period was £130,000 (2023/24 £127,000).

The amounts recognised in the Balance Sheet are as follows:

	2025	2024
	£	£
Present value of funded obligations	(2,776,000)	(3,178,000)
Fair value of plan assets	2,646,000	2,566,000
	<u>(130,000)</u>	<u>(612,000)</u>
Amounts recognised as:		
Liabilities	(130,000)	(612,000)
Assets	0	0
Net amount recognised	<u>(130,000)</u>	<u>(612,000)</u>

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

	2025	2024
	£	£
Current service cost	45,000	47,000
Interest on pension liabilities	151,000	145,000
Past service cost	0	0
Administration costs	0	0
Expected return on plan assets	(122,000)	(113,000)
Contributions by employer	<u>(130,000)</u>	<u>(127,000)</u>
Total pension cost charged within net incoming resources	(56,000)	(48,000)
Remeasurements (Actuarial (gain)/loss)	<u>(426,000)</u>	<u>(77,000)</u>
Total amount (credited)/charged to SOFA	<u>(482,000)</u>	<u>(125,000)</u>



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

	2025	2024
	£	£
Opening defined benefit obligation	3,178,000	3,128,000
Current service cost	45,000	47,000
Interest on pension liabilities	151,000	145,000
Member contributions	14,000	15,000
Actuarial (gains)/losses on liabilities	(500,000)	(33,000)
Past service cost	0	0
Benefits/transfers paid	(112,000)	(124,000)
Benefit obligation at end of period	<u>2,776,000</u>	<u>3,178,000</u>

Explanation of the “interest” figure in the above table

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

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

The “interest” figure for the year 2024/25 uses the 31/03/2025 rate of 5.8 % (2023/24 uses the 31/03/2024 discount rate of 4.8 %)

Changes in the plan assets during the period to 31st March 2025 were as follows:

	2025	2024
	£	£
Fair value of plan assets at beginning of period	2,566,000	2,391,000
Expected return on scheme assets	122,000	113,000
Administration expenses	0	0
Remeasurements (assets) (Actuarial gains/(losses) on plan assets)	(74,000)	44,000
Employer contributions	130,000	127,000
Member contributions	14,000	15,000
Benefits/transfers paid	(112,000)	(124,000)
Fair value of plan assets at end of period	<u>2,646,000</u>	<u>2,566,000</u>



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

Asset category	Fair value at 31st March 2025		Fair value at 31st March 2024	
		£		£
Equities	42 %	1,111,000	43 %	1,103,000
Other bonds	37 %	979,000	36 %	924,000
Property	19 %	503,000	19 %	488,000
Cash Liquidity	2 %	53,000	2 %	51,000
		<u>2,646,000</u>		<u>2,566,000</u>

	2025	2024
	£	£
Actuarial gains/(losses) on assets	(74,000)	44,000
Actuarial gains/(losses) on liabilities	(500,000)	33,000

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

	2025	2024
Discount rate	5.8 %	4.8 %
Rate of increase in salaries	4.3 %	4.3 %
Rate of increase in pension	2.8 %	2.8 %
Rate of CPI inflation	2.8 %	2.8 %

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

	2025	2024
Discount rate	5.80 %	4.80 %
Rate of pension increase	2.80 %	2.80 %
Assumed life expectations on retirement age 65:		
Retiring today - males	21.2	21.3
Retiring today - females	23.6	23.6
Retiring in 20 years - males	22.5	22.6
Retiring in 20 years - females	25.4	25.5

Contributions

The employer expects to contribute £ 133,000 in the period to 31st March 2026. Included in this figure is £81,150 agreed to be paid in April 2025 as part of the deficit recovery plan.

The contributions payable by the employers are reassessed at each triennial valuation. A triennial valuation was carried out at 31st March 2025 but at the time this report was approved the valuation is still in progress. The next actuarial valuation of the Worcestershire County Council Pension Fund will be carried out with an effective date of 31st March 2028.



29 Financial instruments

	2024 £	2024 £
Financial assets measured at fair value	1,313,707	1,303,281

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

FINAL DRAFT



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

	Unrestricted funds	Restricted funds	Total funds 2024	Total funds 2023
	£	£	£	£
<i>Income and endowments from:</i>				
Donations and legacies	13,697	4,546	18,243	13,879
Charitable activities:				
Management of the hills and commons	831,527	39,036	870,563	756,190
Car parks	398,720	0	398,720	360,753
Other trading activities	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	22,913	0	22,913	16,529
Total income	1,357,142	84,060	1,441,202	1,395,317
<i>Expenditure on:</i>				
Charitable activities	1,290,495	48,315	1,338,810	1,287,897
Other expenditure	1,729	7,350	9,079	15,937
Total expenditure	1,292,224	55,665	1,347,889	1,205,079
Net gains/(losses) on investments	0	88,332	88,332	(90,627)
Net income/(expenditure)	64,918	116,727	181,645	241,963
<i>Transfers between funds</i>	25,090	(25,090)	0	0
<i>Other recognised gains/(losses)</i>				
Actuarial gains/(losses) on defined benefit pension scheme	77,000	0	77,000	1,541,000
Net movement in funds	167,008	91,637	258,645	280,963
<i>Reconciliation of funds:</i>				
Total funds brought forward	597,275	2,999,397	3,596,672	2,177,072
Total funds carried forward	764,283	3,091,034	3,855,317	2,177,072