
GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED
(A Company Limited by Guarantee)

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GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

Trustees	Lady Willoughby de Eresby Mrs C A Butler (appointed 9 July 2021) Mr R I Calvocoressi CBE Mr F J F M Dymoke Mr N Harries (appointed 9 July 2021) Sir M Jones Mr H P Matheson Lt Col. S St. M Miller Mrs S Troughton DStJ
Company registered number	01356661
Charity registered numbers	507478 and SC039364
Registered office	Grimsthorpe Estate Office Grimsthorpe Bourne PE10 0LY
Company secretary	Mr F J F M Dymoke
Managing Director	Lt. Col S St. M Miller
Independent auditor	Streets Audit LLP Chartered Accountants and Statutory Auditor Lucy Tower Street Lincoln Lincolnshire LN1 1XW
Bankers	Bank of Scotland 1 Galvelmore Street Crieff Perthshire PH7 4DN
Solicitors	Taylor Vinters Merlin Place Milton Road Cambridge Cambridgeshire CB4 0DP
Investment Managers	Ruffer LLP 31 Charlotte Square Edinburgh, EH2 4ET
Investment Managers	CCLA Investment Management Limited 85 Queen Victoria Street London, EC4V 4ET

GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report together with the audited financial statements of the Charity for the 1 April 2021 to 31 March 2022. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

a. Policies and objectives

The objectives of the charity are:

The Grimsthorpe Estate, South Lincolnshire, is centred on a Grade 1 listed mansion of great architectural and historical importance and its important 17th century designed parkland which includes two hundred acres of Sites of Special Scientific Interest of outstanding entomological and botanical interest, and is listed as Grade 1 within the National Register of Parks and Gardens. The Estate includes over two hundred dwelling houses and other buildings (many of which are listed) grouped in three villages, with over twelve thousand acres of farmland and woodland. The Directors of the Trust give equal weight, on the one hand to offering the public the opportunity to visit the house with its historic collection and the surrounding parkland and, on the other, to preserving Grimsthorpe as a traditional Lincolnshire estate.

At Drummond Castle, Perthshire, the aspect of the greatest public interest is the nineteenth century formal parterre, which forms part of a ten acre terraced garden, dating back to the 17th century. The gardens are of international importance and are listed Category A. The Keep and mansion are of historic importance in their own right and form part of the architectural structure of the garden. The Drummond collection is now all stored or housed in the mansion. The part in store is available for research purposes while that which is housed is available to specialist groups by arrangement. Both the formal and kitchen gardens are open to visitors daily during the summer.

Income from the property, the Investment Fund and other investments is used to preserve and improve Grimsthorpe and Drummond Castles, their contents and surroundings for the public benefit.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

The charity's main objectives for the year once again centred on the maintenance and conservation of the two Castles, their collections and surroundings. Work identified in the Park Management Plan to further enhance and conserve both natural and built features in Grimsthorpe Park was planned and executed.

c. Staff

Health and safety issues at both Estates are kept under review by outside consultants and through a programme of regular meetings with staff. The minutes of these meetings are reviewed by the Trustees. By this means the Trust aims to comply with current legislation throughout the whole range of activities on both estates and in accordance with the Trust's policy.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

d. Main activities undertaken to further the Charity's purposes for the public benefit

In planning the Trust's activities the Trustees take into account the Charity Commission's general guidance on public benefit and feel that through the conservation work carried out throughout both Estates, the ongoing enhancement of public access facilities and by loans to exhibitions, the Trust's obligations are met.

Strategic report

Achievements and performance

a. Main achievements of the Charity and review of activities

During the year the charity furthered its objectives to preserve and improve the Grimsthorpe and Drummond Castle Estates and to enhance the public benefits which they provide, by the following means:

Grimsthorpe Castle – Maintenance

A flat roof with covers a large proportion of the West elevation of Grimsthorpe Castle has been re-covered, and insulated. The North facing side of the South Collywestern Roof and associated dormer windows, has been re-layed and repaired. A new fire alarm system has been installed in the Castle, which has been hard wired on the second floor and in part of the ground floor, allowing radio signal to be used for the alarms in the State rooms (which is non-intrusive).

The opportunity was taken to capitalise on the extensive scaffolding required to replace the west roof, and an extensive programme of masonry, predominately on the west elevation were carried out. This working included chimneys, window surrounds and associated lead works.

Grimsthorpe Castle – Collection

The Porcelain Ewer with ormolu mounts on one of the pair of ewers in the State Dining Room were cleaned last year.

A pair of matched George II Giltwood Mirror has been restored

Loans

Benjamin by Francisco de Zurbaràn (Inv. 201) is currently on loan to the Auckland Project's Spanish Gallery. It is due to return to Grimsthorpe at the end of March 2023.

Long Term Loans

The Gwydyr Chair 1665-1680 (CADW No GU08)

Loaned to Mr and Mrs Peter Welford, Gwydyr Castle. Previous valuation for May 2005 – June 2010 £2,500. Renewed 21 September 2018 for ten years.

Two Fencing Masks, mid-19th century

Two fencing masks loaned to the Royal Armouries, Leeds. The loan is currently being renewed for a further three years.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Strategic report (continued)

Achievements and performance (continued)

Evening, Oil on canvas, British School after Richard Wilson R.A.

Loaned to the Judges' Lodgings, Lincoln by the Earl of Ancaster in September 1956. Lincolnshire County Council have agreed the sale of the Judges' Lodgings and requested the removal of the painting from the premises. The painting is currently in storage in the Chapel Gallery whilst a permanent home for it is found.

b. Main achievements of the Charity and review of activities (continued)

Grimsthorpe Castle – Gardens

Cultural control has been put in place to successfully control box blight, which has reduced the reliance on chemical applications to tackle the disease. A programme to rejuvenate the Rose Parterre has commenced, removing old diseased rose plants and exhausted soil and replacing with modern variety that are repeat flowering and have better resilience to pests and disease. Areas within the garden are being managed as wildflower meadows to encourage increased biodiversity, which has already resulted in a growing population of orchids.

Grimsthorpe Park

The decline of Ash trees continue to force a programme of felling and restocking works within the park. Work to restore an ornate bridge within the historic 'Vaudey Valley' has been undertaken, replacing the Oak upstands and replacing the limestone on both elevations. A section of Grimsthorpe Lake have been dredged as part of a two year project, with the second phase due to commence in October 2022 in accordance with the wildlife licencing prescriptions.

Public Access

Grimsthorpe reopened to visitors in late May 2021, and emerged from the pandemic with visitor numbers almost back to pre-Covid levels. Online ticket sales from Grimsthorpe's website increased and this, along with a new EPoS till system, helped to reduce queues as well as contact on site and made for a more streamlined experience. The castle, park, gardens and children's playground continue to be popular choice for visitors both nationally and internationally.

Drummond Castle

At Drummond, routine conservation and maintenance work to the Castle has continued with a particular focus on the external stonework. Dry rot monitoring continues and following the completion of the majority of roof and masonry repairs, the spread of Dry rot has stabilised.

Drummond Castle Gardens

Some of the box hedge has been replaced with new stock, where losses have occurred due to blight. The introduction of all-terrain robotic mowers has proved successful, especially on the terrace banks. Storm Arwen damaged one of the stautes which has gone for restorative work.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Strategic report (continued)

Achievements and performance (continued)

c. Investment policy and performance

Under the Memorandum and Articles of Association, the charity has the power to invest in any way that the Trustees see fit. The policy of the Trustees is to preserve the real value of the investment portfolio, after allowing for the annual withdrawal of income and capital if justified by investment returns and approved by the Trustees. Sufficient liquidity is maintained so that, together with assured income, funds are available for the cash requirements for the Estates for at least one year.

Most of the Trust's financial assets are held in funds managed by investment managers and no constraints are imposed on the managers to take account of social, environmental or ethical considerations.

Financial review

a. Going concern

Throughout the year, the UK has experienced a pandemic of the Coronavirus. The potential effects to the charity and its future prospects cannot be fully quantified but the trustees remain committed to the protection of the charity. This is being regularly reviewed by the trustees. In addition the trustees are mindful of the significant ongoing support offered by the UK Government. Accordingly the financial statements have been prepared on a going concern basis.

b. Reserves policy

It is the Trustees' intention in the short term to use all income from the charity's investments and activities to further the aim of the charity. A sufficient proportion of the investment fund is maintained in a liquid form so that it is available to meet any shortfall in income that may result from short term economic factors.

The total reserves of the charity at 31 March 2022 amounted to £42,634,736 (2021: £41,747,084). Of the reserves, £5,120,107 were considered free reserves in the general fund account of the charity (2021: £3,521,852).

The nature of the charity's assets and activities means that future spending is difficult to anticipate and a notional figure of £100,000 has been agreed as the minimum level of free reserves of the charity on the basis that would enable the charity to continue with all essential costs in the case of a short term emergency. The charity has substantial assets, and the trustees have the power to convert such assets to unrestricted income as they see fit for the continued operation of the charity. In addition, the trust holds a large collection of land, property and art which is being used by the trustees and management to generate income for the ongoing operation of the charity. The trustees consider the current level of reserves held by the charity to be sufficient for its continued operation.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

c. Principal funding

Total incoming resources amounted to £3,038,260 (2021: £2,556,591) while total resources expended were £4,067,913 (2021: £2,823,789). This resulted in an overall deficit before investment gains/losses of £1,029,653 (2021: £267,198 deficit). Included within total incoming resources were profits on the disposal of assets totalling £Nil (2021: £2,000).

A net gain on disposal of investments during the year and revaluation of the remaining portfolio as at the year end amounted to a gain of £1,917,305 (2021: £3,478,790). This left an overall positive net movement on funds which is reflected in the increased total net assets of the balance sheet at the year end; being £42,634,736 (2021: £41,747,084).

Structure, governance and management

a. Constitution

Grimsthorpe & Drummond Castle Trust Limited is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association dated 9 March 1978, but subsequently modified on 14 December 2005.

The principal objects of the Charity are the preservation and enhancement, for the public benefit, of Grimsthorpe Castle in Lincolnshire and Drummond Castle in Perthshire and their gardens and parkland together with the collections of art, furniture and the family and estate archives associated with the properties.

Following an application to the Office of the Scottish Charity Regulator it has been confirmed that the company complies with Scottish Charity legislation. On 1 March 2008 notification was received that the charity would be entered on the Scottish Charity Register with the Charity No. SC039364. The company continues to be registered as a charity with the Charity Commission of England and Wales, registration number 507478.

b. Methods of appointment or election of Trustees

There shall be not less than five and not more than nine Trustees and shall consist of the following:

- i) one person who for the time being is entitled to the name, style and dignity of the Barony of Willoughby de Eresby, if willing to act as a Director, or such person as he/she may appoint in writing;
- ii) subject to the prior approval of the Board, a nominee of the Barony of Willoughby de Eresby; two persons selected by the Board from those individuals nominated to be members of the Council; and
- iii) such other persons that may be elected from time to time by the Board, after consultation with the Council

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

The Board of Trustees are responsible for the management and finances of the Charity. They are assisted by the Council, previously called the Advisory Committee, who provide general and technical guidance on matters of relevance to the Charity.

The Board of Trustees administers the Charity. The Board meets quarterly.

The Managing Director is appointed by the Trustees to manage day to day operations of the Charity. He has delegated authority in line with policies established by the Trustees for operational matters including finance, property management and employment issues.

COUNCIL

The following were members of the Council during the year:

Lady Willoughby de Eresby	
Mrs C A Butler	
Mr R I Calvocoressi	
Mr F J F M Dymoke	
Mr N Harries	
Sir M Jones	
Mr H P Matheson	
Lt. Col. S St. M Miller	
Mrs S H Troughton	
Mr J Bevan	Trustees appointment
Mr C Cator	Trustees appointment
Mr D Knott	The Royal Botanic Garden, Edinburgh
Mrs E Miller	Trustees appointment
Dr J Tate	The National Museums of Scotland

d. Policies adopted for the induction and training of Trustees

Trustees are selected on the basis of their specialist skills and knowledge of relevance to the Trust's broad activities. New Trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the charity structure and decision making processes, recent activities and financial performance and future plans.

e. Related party relationships

The charity operates independently and does not collaborate to a significant degree with other charities or bodies. Appropriate disclosures of transactions with charities and organisations have been incorporated into these financial statements.

f. Financial risk management

The Trustees have identified the risks to which the charity is exposed and reviews these annually. The most significant risks predominantly relate to staff issues, fire, health and safety and food hygiene. Because of the level and diversity of the company's capital resources the potential for financial risk is limited.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Plans for future periods

The Trustees will continue to seek to further the Trust's objectives to preserve and improve the Grimsthorpe and Drummond Castle Estates. At Grimsthorpe Castle the programme of stonework conservation, electrical upgrading and the implementation of the roof maintenance programme will continue. Work is ongoing in the Old Walled Garden at Grimsthorpe in order to stabilise the walls. A new car park has been constructed at Grimsthorpe as part of a phased approach to reinvigorate the visitor experience offering. Works to construct an Art Gallery, ticket office, Café and gift shop will continue.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Plans for future periods (continued)

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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 Companies Act 2006. 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.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Streets Audit LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Sir Mark Jones
(Chair of Trustees)
Date: 7 December 2022

M. P. Jones
7.12.22

GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED

Opinion

We have audited the financial statements of Grimsthorpe & Drummond Castle Trust Limited (the 'charity') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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 charitable company'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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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, except to the extent otherwise explicitly stated in our report, 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company and sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED (CONTINUED)

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.
- performed physical verification of a sample of the Art Collection to gain assurance over controls in place for asset management of the collection.
- reviewed Trustee meeting minutes for evidence of appropriate decision-making and management controls.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED (CONTINUED)



Linda Lord (Senior Statutory Auditor)

for and on behalf of
Streets Audit LLP

Chartered Accountants and Statutory Auditor

Lucy Tower Street

Lincoln

Lincolnshire

LN1 1XW

Date: 20/12/2022

Streets Audit LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:						
Donations and legacies	3	9,772	-	-	9,772	145,739
Charitable activities	4	3,010,630	-	-	3,010,630	2,396,777
Investments	5	-	17,858	-	17,858	14,075
Total income and endowments		3,020,402	17,858	-	3,038,260	2,556,591
Expenditure on:						
Raising funds	6	-	128,071	-	128,071	146,692
Charitable activities	7	3,916,601	23,241	-	3,939,842	2,677,097
Total expenditure		3,916,601	151,312	-	4,067,913	2,823,789
Net expenditure before net gains on investments		(896,199)	(133,454)	-	(1,029,653)	(267,198)
Net gains on investments		-	1,894,692	22,613	1,917,305	3,478,790
Net (expenditure)/income		(896,199)	1,761,238	22,613	887,652	3,211,592
Transfers between funds	17	2,494,454	(6,875)	(2,487,579)	-	-
Net movement in funds		1,598,255	1,754,363	(2,464,966)	887,652	3,211,592
Reconciliation of funds:						
Total funds brought forward		3,521,852	14,152,724	24,072,508	41,747,084	38,535,492
Net movement in funds		1,598,255	1,754,363	(2,464,966)	887,652	3,211,592
Total funds carried forward		5,120,107	15,907,087	21,607,542	42,634,736	41,747,084

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 19 to 39 form part of these financial statements.

GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 01356661

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	28,270,347	23,198,406
Investments	13	631,411	15,316,569
		<u>28,901,758</u>	<u>38,514,975</u>
Current assets			
Stocks	14	22,695	11,837
Debtors	15	973,817	2,015,562
Cash at bank and in hand		13,785,939	1,656,177
		<u>14,782,451</u>	<u>3,683,576</u>
Creditors: amounts falling due within one year	16	(1,049,473)	(451,467)
Net current assets		<u>13,732,978</u>	<u>3,232,109</u>
Total assets less current liabilities		<u>42,634,736</u>	<u>41,747,084</u>
Net assets excluding pension asset		<u>42,634,736</u>	<u>41,747,084</u>
Total net assets		<u><u>42,634,736</u></u>	<u><u>41,747,084</u></u>
Charity funds			
Endowment funds	17	21,607,542	24,072,508
Restricted funds	17	15,907,087	14,152,724
Unrestricted funds	17	5,120,107	3,521,852
Total funds		<u><u>42,634,736</u></u>	<u><u>41,747,084</u></u>

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

The financial statements were approved and authorised for issue by the Trustees on and signed on their behalf by:

Sir Mark Jones
 (Chair of Trustees)

M. P. Jones
 7.12.22

The notes on pages 19 to 39 form part of these financial statements.

GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£	£
Cash flows from operating activities		
Net cash used in operating activities	620,385	<i>(1,231,171)</i>
	<hr/>	<hr/>
Cash flows from investing activities		
Dividends, interests and rents from investments	17,858	<i>14,075</i>
Proceeds from the sale of tangible fixed assets	-	<i>2,000</i>
Purchase of tangible fixed assets	(5,110,944)	<i>(1,504,553)</i>
Proceeds from sale of investments	16,612,456	<i>4,195,047</i>
Purchase of investments	(9,993)	<i>(10,947)</i>
	<hr/>	<hr/>
Net cash provided by investing activities	11,509,377	<i>2,695,622</i>
	<hr/>	<hr/>
Cash flows from financing activities		
	<hr/>	<hr/>
Net cash provided by financing activities	-	-
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	12,129,762	<i>1,464,451</i>
Cash and cash equivalents at the beginning of the year	1,656,177	<i>191,726</i>
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	13,785,939	<i>1,656,177</i>
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 19 to 39 form part of these financial statements

GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. General information

As set out in the Trustee's report, Grimsthorpe & Drummond Castle Trust Limited is an incorporated registered charity in England & Wales. The principal office of the charity is Grimsthorpe Estate Office, Grimsthorpe, Bourne, PE10 0LY.

The principal objective of the charity is set out in the Trustees' report.

These financial statements have been prepared in sterling, which is the functional currency of the charity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Grimsthorpe & Drummond Castle Trust Limited 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.

2.2 Going concern

During the year and subsequent to the year end, the UK has experienced a pandemic of the Coronavirus. The potential effects to the charity and its future prospects cannot be fully quantified but the trustees remain committed to the protection of the charity. This is being regularly reviewed by the trustees. In addition the trustees are mindful of the significant ongoing support offered by the UK Government. Accordingly the financial statements have been prepared on a going concern basis.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Government grants

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

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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

Assets in the course of construction are included at costs incurred to date. Depreciation on these assets is not charged until they are brought into use.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Collection of Art and Furniture donated to the Charity is shown at values adopted by the Trustees based on original insurance values, additions being included at cost, or where donated deemed value.

No depreciation has been charged in respect of these assets as it is the Trustees' opinion that given the charity's policy of regular maintenance and restoration of the properties, and the economic and technological obsolescence of the Heritage Buildings, Art Collection and Furniture is unlikely, these assets have very long useful lives. It is therefore considered that any periodic depreciation charge would be immaterial. In the few instances where disposals of similar assets have taken place in recent years, the disposal proceeds have not been less than their carrying values.

The Trustees are of the opinion that the values of both the Land and Buildings and the Collection are significantly in excess of their carrying values.

The cost of improvements to the structure of existing buildings, where no change in use has occurred, is charged to the Statement of Financial Activities in the period in which the expenditure is incurred. The cost of development of any new dwelling is capitalised subject to any indications of impairment.

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

Depreciation is provided on the following bases:

Land & Buildings	- Nil
Plant, vehicles & equipment	- 5% or 20% Straight line
Collection of Art & Furniture	- Nil

GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

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

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.13 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.15 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Donations	2,450	2,450	728
Government grants	7,322	7,322	145,011
Total 2022	<u>9,772</u>	<u>9,772</u>	<u>145,739</u>
<i>Total 2021</i>	<u>145,739</u>	<u>145,739</u>	

Government grants comprise amounts received under the coronavirus job retention scheme as well as sundry business support grants in the wake of the Covid-19 pandemic.

GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

4. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Income from charitable activities - Grimsthorpe	2,774,867	2,774,867	2,305,836
Income from charitable activities - Drummond	235,763	235,763	90,941
Total 2022	<u>3,010,630</u>	<u>3,010,630</u>	<u>2,396,777</u>

5. Investment income

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Income from investments	-	-	-	1,435
Interest	-	17,858	17,858	12,640
Total 2022	<u>-</u>	<u>17,858</u>	<u>17,858</u>	<u>14,075</u>
<i>Total 2021</i>	<u>1,435</u>	<u>12,640</u>	<u>14,075</u>	

6. Investment management costs

	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Investment management fees	128,071	128,071	146,692
	<u>128,071</u>	<u>128,071</u>	<u>146,692</u>

GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Grimsthorpe	3,270,502	23,241	3,293,743	2,089,684
Drummond	614,341	-	614,341	557,577
Governance	31,758	-	31,758	29,836
Total 2022	<u>3,916,601</u>	<u>23,241</u>	<u>3,939,842</u>	<u>2,677,097</u>
<i>Total 2021</i>	<u>2,658,122</u>	<u>18,975</u>	<u>2,677,097</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Grimsthorpe	2,989,227	304,516	3,293,743	2,089,684
Drummond	588,170	26,171	614,341	557,577
Governance	-	31,758	31,758	29,836
Total 2022	<u>3,577,397</u>	<u>362,445</u>	<u>3,939,842</u>	<u>2,677,097</u>
<i>Total 2021</i>	<u>2,338,148</u>	<u>338,949</u>	<u>2,677,097</u>	

GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Grimsthorpe 2022 £	Drummond 2022 £	Total funds 2022 £	Total funds 2021 £
Public Access Expenditure	271,284	41,074	312,358	155,198
Castle & grounds upkeep	828,262	376,050	1,204,312	1,095,242
Other property upkeep	788,076	88,166	876,242	518,250
Conservation of collection	20,075	-	20,075	18,975
Security	189,428	-	189,428	120,275
Forestry	211,947	-	211,947	167,446
Major Restoration and Improvement	522,008	82,880	604,888	142,405
Office Expenses	1,318	-	1,318	1,509
Management Expenses	156,829	-	156,829	118,848
Total 2022	<u>2,989,227</u>	<u>588,170</u>	<u>3,577,397</u>	<u>2,338,148</u>
<i>Total 2021</i>	<u>1,802,398</u>	<u>535,750</u>	<u>2,338,148</u>	

Analysis of support costs

	Grimsthorpe 2022 £	Drummond 2022 £	Governance 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	256,319	-	11,016	267,335	187,151
Audit Fees	-	-	11,250	11,250	11,250
Professional Fees	4,552	-	-	4,552	4,878
Property Upkeep	9,419	-	-	9,419	13,666
Office Expenses	1,424	-	3,086	4,510	12,407
Management Costs	21,093	26,171	6,406	53,670	99,731
Bad Debts	11,709	-	-	11,709	9,866
Total 2022	<u>304,516</u>	<u>26,171</u>	<u>31,758</u>	<u>362,445</u>	<u>338,949</u>
<i>Total 2021</i>	<u>287,286</u>	<u>21,827</u>	<u>29,836</u>	<u>338,949</u>	

GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

9. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £6,500 (2021 - £6,500), and fees in connection with accountancy and other professional services in the period of £11,750 (2021 - £11,750).

10. Staff costs

	2022 £	2021 £
Wages and Salaries	966,390	795,552
Contribution to defined contribution pension schemes	75,391	58,513
Pension	58,371	48,871
	<u>1,100,152</u>	<u>902,936</u>

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

	2022 No.	2021 No.
Grimsthorpe	49	35
Drummond	8	8
	<u>57</u>	<u>43</u>

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	1	-

The key management personnel of the charity comprise the Trustees. The total employee benefits paid to 1 member of key management personnel (including employer's national insurance) (2021-1 member) of the chaity were £85,547 (2021: £64,060).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

11. Trustees' remuneration and expenses (continued)

During the year ended 31 March 2022, expenses totalling £3,086 were reimbursed or paid directly to 4 Trustees (2021 - £1,187 to 3 Trustees). Expenses related to travel and meeting costs.

12. Tangible fixed assets

	Freehold property £	Plant and machinery £	Other fixed assets £	Total £
Cost or valuation				
At 1 April 2021	19,752,350	606,588	3,311,820	23,670,758
Additions	5,104,069	-	6,875	5,110,944
At 31 March 2022	<u>24,856,419</u>	<u>606,588</u>	<u>3,318,695</u>	<u>28,781,702</u>
Depreciation				
At 1 April 2021	-	472,352	-	472,352
Charge for the year	-	39,003	-	39,003
At 31 March 2022	<u>-</u>	<u>511,355</u>	<u>-</u>	<u>511,355</u>
Net book value				
At 31 March 2022	<u><u>24,856,419</u></u>	<u><u>95,233</u></u>	<u><u>3,318,695</u></u>	<u><u>28,270,347</u></u>
At 31 March 2021	<u><u>19,752,350</u></u>	<u><u>134,236</u></u>	<u><u>3,311,820</u></u>	<u><u>23,198,406</u></u>

Fixed asset additions include £4,193,755 in respect of assets in the course of construction. These costs relate to the construction of the Gallery, the Estate services centre and Featherwell Barns Development.

GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. Fixed asset investments

	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 April 2021	1	15,316,568	15,316,569
Additions	-	9,993	9,993
Disposals	-	(16,011,955)	(16,011,955)
Revaluations	-	1,316,804	1,316,804
At 31 March 2022	<u>1</u>	<u>631,410</u>	<u>631,411</u>
Net book value			
At 31 March 2022	<u>1</u>	<u>631,410</u>	<u>631,411</u>
<i>At 31 March 2021</i>	<u>1</u>	<u>15,316,568</u>	<u>15,316,569</u>

GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
Grimsthorpe & Drummond Castle Enterprises Limited	12261095	Estate Office, Grimsthorpe, Bourne	Dormant

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Net assets £
Grimsthorpe & Drummond Castle Enterprises Limited	1

The subsidiary was incorporated on 14th October 2019 and has remained dormant throughout the current and prior period.

14. Stocks

	2022 £	2021 £
Raw materials and consumables	22,695	11,837

GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	677,591	669,102
Other debtors	167,570	24,234
Prepayments and accrued income	128,656	1,322,226
	973,817	2,015,562
	973,817	2,015,562

Prepayments and accrued income in 2021 includes a balance of £1,196,968 in respect of costs incurred in the initial stages of the development of the Grimsthorpe Gallery. These costs formed part of the final asset and therefore have been included within Fixed asset additions as assets under the course of construction.

16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	783,097	357,402
Other taxation and social security	19,592	13,989
Other creditors	6,673	6,177
Accruals and deferred income	240,111	73,899
	1,049,473	451,467
	1,049,473	451,467
	2022 £	2021 £
Deferred Income Summary: In Advance of Public Access Opening		
Deferred income at 1 April 2021	1,643	1,837
Resources deferred during the year	11,788	1,643
Amounts released from previous periods	(1,643)	(1,837)
Total	11,788	1,643

GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds						
General Funds	3,521,852	3,020,402	(3,916,601)	2,494,454	-	5,120,107
Endowment funds						
Endowment (Permanent)	21,607,542	-	-	-	-	21,607,542
Endowment Fund (Expendable)	2,464,966	-	-	(2,487,579)	22,613	-
	<u>24,072,508</u>	<u>-</u>	<u>-</u>	<u>(2,487,579)</u>	<u>22,613</u>	<u>21,607,542</u>
Restricted funds						
Collection Management Reserve 2005	571,678	445	(19,945)	12,476	66,678	631,332
Collection Management Reserve	11,556,859	17,413	(128,071)	(2,686,215)	1,828,014	10,588,000
Gallery Construction	2,020,891	-	-	2,666,864	-	4,687,755
Forestry Machinery	3,296	-	(3,296)	-	-	-
	<u>14,152,724</u>	<u>17,858</u>	<u>(151,312)</u>	<u>(6,875)</u>	<u>1,894,692</u>	<u>15,907,087</u>
Total of funds	<u><u>41,747,084</u></u>	<u><u>3,038,260</u></u>	<u><u>(4,067,913)</u></u>	<u><u>-</u></u>	<u><u>1,917,305</u></u>	<u><u>42,634,736</u></u>

GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

17. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2021 £</i>
Unrestricted funds						
General Funds	786,023	2,543,951	(2,658,122)	2,850,000	-	3,521,852
Endowment funds						
Endowment (Permanent)	21,607,542	-	-	-	-	21,607,542
Endowment Fund (Expendable)	4,646,891	-	-	(2,850,000)	668,075	2,464,966
	<u>26,254,433</u>	<u>-</u>	<u>-</u>	<u>(2,850,000)</u>	<u>668,075</u>	<u>24,072,508</u>
Restricted funds						
Collection Management Reserve 2005	459,391	390	(5,815)	-	117,712	571,678
Collection Management Reserve	11,032,349	12,250	(159,852)	(2,020,891)	2,693,003	11,556,859
Gallery Construction	-	-	-	2,020,891	-	2,020,891
Forestry Machinery	3,296	-	-	-	-	3,296
	<u>11,495,036</u>	<u>12,640</u>	<u>(165,667)</u>	<u>-</u>	<u>2,810,715</u>	<u>14,152,724</u>
Total of funds	<u><u>38,535,492</u></u>	<u><u>2,556,591</u></u>	<u><u>(2,823,789)</u></u>	<u><u>-</u></u>	<u><u>3,478,790</u></u>	<u><u>41,747,084</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

17. Statement of funds (continued)

Unrestricted funds

General Funds- The unrestricted reserves of the charity.

Endowment funds

Endowment (Permanent)- funds held indefinitely by the charity for the purpose of generating income.

Endowment (Expendable)- funds held in the investment portfolio by the charity for the purpose of generating income which can be converted into income at the discretion of the charity trustees.

Restricted funds

Collection Management Reserve 2005- being funds held specifically for the future management of the collection. This was originally represented by 350,308.61 treasury stock units in addition to accumulated income from these units. The original donor, Lady Willoughby, requested that the proceeds of the sale of a painting be held initially to generate income and preserve the collection. During the year ended 31 March 2019, it became clear that the restriction of a specific number of units was an inappropriate way to designate funds, and with the agreement of the original donor and the current board of trustees an amount of £500,000 was transferred to a separate investment holding, restricted as an original cost rather than tied to unit numbers.

Collection Management Reserve- The reserve also now includes funds generated from the sale of the Lucian Freud painting, "Night Portrait" which are to be used for the preservation and development of the Grimsthorpe Estate. Costs in relation to the upkeep of the castle artworks have been transferred from this fund in the year, in addition to costs relating to the North Avenue Gates and in development of the Grimsthorpe Gallery.

Gallery Construction- The reserve has been created to reflect the value of expenditure undertaken to date in constructing the Gallery and Car Park. These costs for the gallery are currently prepaid on the basis that the project was in the early stages of development at the year end. The costs for the car park are included in fixed assets additions. In due course the costs will form part of the capital asset of the gallery which will be treated as restricted and part of the Collection Management Reserve.

Forestry Machinery - the restricted assets; forestry machinery with the annual depreciation charges allocated to reduce the funds in line with the reduction of the net book value of the vehicle.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

18. Summary of funds

Summary of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
General funds	3,521,852	3,020,402	(3,916,601)	2,494,454	-	5,120,107
Endowment funds	24,072,508	-	-	(2,487,579)	22,613	21,607,542
Restricted funds	14,152,724	17,858	(151,312)	(6,875)	1,894,692	15,907,087
	<u>41,747,084</u>	<u>3,038,260</u>	<u>(4,067,913)</u>	<u>-</u>	<u>1,917,305</u>	<u>42,634,736</u>

Summary of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
General funds	786,023	2,543,951	(2,658,122)	2,850,000	-	3,521,852
Endowment funds	26,254,433	-	-	(2,850,000)	668,075	24,072,508
Restricted funds	11,495,036	12,640	(165,667)	-	2,810,715	14,152,724
	<u>38,535,492</u>	<u>2,556,591</u>	<u>(2,823,789)</u>	<u>-</u>	<u>3,478,790</u>	<u>41,747,084</u>

GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	1,975,050	4,687,755	21,607,542	28,270,347
Fixed asset investments	78	631,333	-	631,411
Current assets	4,194,452	10,587,999	-	14,782,451
Creditors due within one year	(1,049,473)	-	-	(1,049,473)
Total	5,120,107	15,907,087	21,607,542	42,634,736

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Endowment funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	1,587,566	3,296	21,607,544	23,198,406
Fixed asset investments	80	12,851,525	2,464,964	15,316,569
Current assets	2,385,673	1,297,903	-	3,683,576
Creditors due within one year	(451,467)	-	-	(451,467)
Total	3,521,852	14,152,724	24,072,508	41,747,084

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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

	2022	2021
	£	£
Net income for the year (as per Statement of Financial Activities)	887,652	3,211,592
Adjustments for:		
Depreciation charges	39,003	50,078
Gains on investments	(1,917,305)	(3,478,790)
Dividends, interests and rents from investments	(17,858)	(14,075)
Loss/(profit) on the sale of fixed assets	-	(2,000)
Decrease/(increase) in stocks	(10,858)	9,504
Decrease/(increase) in debtors	1,041,745	(872,880)
Increase/(decrease) in creditors	598,006	(134,600)
Net cash provided by/(used in) operating activities	620,385	(1,231,171)

21. Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand	13,785,939	1,656,177
Total cash and cash equivalents	13,785,939	1,656,177

22. Analysis of changes in net debt

	At 1 April 2021	Cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	1,656,177	12,129,762	13,785,939
	1,656,177	12,129,762	13,785,939

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NOTES TO THE FINANCIAL STATEMENTS
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23. Capital commitments

	2022 £	2021 £
Contracted for but not provided in these financial statements		
Construction of the Gallery Car Park	-	614,325
Development of Featherwell Barns	769,578	-
Construction of Estate Services Centre	260,600	-
	<u>1,030,178</u>	<u>614,325</u>

24. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund.

GRIMSTHORPE & DRUMMOND CASTLE TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

25. Operating lease commitments

At 31 March 2022 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	<u>148</u>	<u>148</u>

26. Related party transactions

Trustees may from time to time make donations to the charity. Normally no conditions are attached to these gifts.

Lady Willoughby de Eresby is a Director of Ancaster Estates, a Company which is a tenant of Grimsthorpe & Drummond Castle Trust Limited. All transactions between the Landlord and Tenant are carried out on a normal arms-length commercial basis, Independent Valuers and Agents being used where appropriate. In addition at Drummond, Drummond Estates (Lady Willoughby de Eresby trading as) has been contracted to carry out a small amount of maintenance work and provide services to the Company, all such work being charged on a commercial basis. This was immaterial during the year. The rents charged to Ancaster Estates in the year were £208,200 in respect of Grimsthorpe Castle Farm Rent (2021: £208,200) and £7,500 in respect of Drummond Castle Policy Park (2021: £8,250). Lady Willoughby de Eresby (trading as Drummond Estates) was also a tenant of Grimsthorpe & Drummond Castle Trust Limited in respect of cottages and shooting in Drummond Park, the annual rent being £2,910 (2021: £2,910).

Lt. Col S St. M Miller was employed by the Trust as managing director for the year ended 31 March 2022. Full disclosure has been made in the staff costs section of the financial statements. In addition, the wife and daughter of Lt. Col S St M Miller were employed by the Trust. Mrs E Miller was remunerated for her role as archivist for the Trust and was paid within the banding of £30,000-£35,000 (2021: £20,000-£25,000). Ms H Miller was remunerated for her role as an employee of the Trust and was paid within the banding £20,000-£25,000 (2021: £10,000-£15,000).

Harry Coups, a land agent from Savills who is responsible for the management of many of the charity's properties and tenancies, has an interest in the Clay Pigeon Shooting Clubhouse. Harry Coups has had no involvement with the management of this tenancy or with any transactions the charity has with the property (which are all conducted on an arms length basis). This is as discussed by the trustees prior to the commencement of his engagement with the trust.

At the end of the year the following amounts were owed to/(from) Grimsthorpe & Drummond Castle Trust Limited, all of which were subsequently settled:

Ancaster Estates- debtors of £107,475 (2021: debtors of £111,303) and creditors of £Nil (2021: £1,677).
Drummond Estates- debtors of £1,195 (2021: debtors of £500) and creditors of £32,715 (2021: £18,669)