

# Dartington

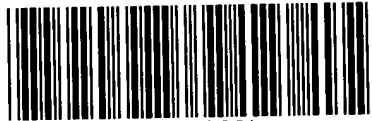
The Dartington Hall Trust

Annual report and financial statements  
for the year ended 31 March 2016

Registered Charity Number: 279756

Registered Company Number: 01485560

WEDNESDAY THURSDAY **SATURDAY**



\*A5XM7QCQ\*  
A09 07/01/2017 #366  
COMPANIES HOUSE

---

\*A5M74RNM\*  
A21 19/12/2016 #161  
COMPANIES HOUSE

# The Dartington Hall Trust

Annual report and financial statements  
for the year ended 31 March 2016

## Contents

	<b>Page</b>
Legal and administrative information	2
Strategic report for the year ended 31 March 2016	3
Report of the Trustees for the year ended 31 March 2016	12
Independent auditors' report to the members of The Dartington Hall Trust	16
Consolidated statement of financial activities for the year ended 31 March 2016	18
Balance sheets as at 31 March 2016	19
Consolidated cash flow statement for the year ended 31 March 2016	20
Notes to the financial statements for the year ended 31 March 2016	21

# The Dartington Hall Trust

## Legal and administrative information

### Reference and administrative details

**Charity number:** 279756  
**Company number:** 01485560  
**Registered office:** The Elmhirst Centre, Dartington Hall, Totnes, Devon TQ9 6EL  
**Website:** [www.dartington.org](http://www.dartington.org)

### Directors and Trustees

The Trustees of the charitable company (the charity) are its directors for the purpose of the Companies Act 2006 and throughout this report are collectively referred to as the Trustees. The Trustees who were in office serving during the year and up to the date of signing the financial statements were as follows:

Stephan Chambers  
Susan Elizabeth (Liz) Firth (Chair from 21<sup>st</sup> March 2015 until 31<sup>st</sup> August 2015, resigned 31<sup>st</sup> October 2015)  
Stephen Jones (resigned 4<sup>th</sup> March 2016)  
Tim Jones  
Gerard Lemos  
Peter Mather  
Dr Greg Parston (Chair) (appointed 4<sup>th</sup> March 2016)  
Sylvie Pierce  
Robert Sexton  
Sangeeta Singh MBE (appointed 4<sup>th</sup> March 2016)  
Andrew Ward (appointed 16<sup>th</sup> September 2016)  
Dame Josephine Williams DBE  
Patricia Williams

### Executive Chair

Dr Greg Parston (from 1<sup>st</sup> September 2015 until 3<sup>rd</sup> March 2016)

### Chief Executive and management team

Vaughan Lindsay (CEO, resigned 1<sup>st</sup> May 2015)  
Karen Williams (appointed interim CEO from 1<sup>st</sup> May 2015 to 31<sup>st</sup> August 2015)  
Rhodri Samuel (CEO, appointed 1<sup>st</sup> September 2015)

Celia Atherton (Director, Social Justice, resigned 31 March 2016)  
Amy Bere (General Manager, Arts, appointed 14 September 2015)  
Barbara King (Managing Director, The Shops @ Dartington)  
Jon Rae (Head of School, Schumacher)  
Jo Talling (Property Director)  
Tej Walia (General Manager, Dartington Hall)  
Claire Wheatcroft (Head of Communications)  
Karen Williams (Chief Operating Officer and Finance Director)

### Company Secretary

Karen Williams (1<sup>st</sup> September 2015 until 16<sup>th</sup> October 2015)  
Christopher Moores (resigned 1<sup>st</sup> September 2015, reappointed 17<sup>th</sup> October 2015)

### Our advisers

#### Bankers:

Barclays Bank Plc  
3 Bedford Street, Exeter EX1 1LX

#### Auditors:

PricewaterhouseCoopers LLP  
Princess Court: 23 Princess Street, Plymouth PL12EX

#### Solicitors:

Foot Anstey  
Salt Quay House, 4 North East Quay, Sutton Harbour, Plymouth PL4 0BN

# The Dartington Hall Trust

## Strategic Report for the year ended 31 March 2016

### Dartington is changing

The Trust is at a turning point – as is our society. Our vision seeks to meet the challenge of a new time and to secure a sustainable future for the Trust and the estate. We will do this by becoming a 'progressive laboratory' to explore more holistic and integrated ways of living and learning. Through this evolves our purpose: to seek to pioneer deep personal and societal change, underpinned by strong human and ecological values and by an ethos of openness, experimentation and learning-by-doing.

We want to create the optimum conditions for an expanded and thriving community which offers the expression of a 'many-sided' life to everyone who lives, works and learns on the estate and which shares this approach with our local, national and international visitors. We want to build on our existing strengths and expand our activities in multidisciplinary learning, arts, making, progressive enterprise, farming and food. We want to increase our advocacy for social justice and sustainability. We want to improve our reputation as a destination. We also want to become a national pioneer in the creation of new homes and neighbourhoods.

It is important to us to break down boundaries between all those on the estate, whether Trust staff, volunteers, students, enterprises or residents. This links into our desire to become a better neighbour and partner to our surrounding communities, encouraging positive community relationships, action and exchange.

### The Elmhirsts' 'Dartington Experiment'

The new vision has been inspired by the holistic and progressive ideas of our founders, Dorothy and Leonard Elmhirst. The Elmhirsts' 'Dartington Experiment' was informed by "an absolutely clear concept from the outset" which sought to establish Dartington as:

- A centre in the countryside where a **many-sided life** could find expression
- A place where **living and learning** could flourish together and where the **practical life** was balanced with the activities of the **mind and the spirit**
- A place to live with **beauty** always and to show reverence for the old and a joy in the new
- A centre where **human values** would be respected above all others: care and respect for individuals; concern for one another; a sense of responsibility for our neighbour.

The original Dartington Experiment sought to achieve a vital and sustainable future for the rural economy and to tackle contemporary challenges and problems in a troubled and fractured world. This approach seems as progressive and relevant today as it did in 1925 when it all began.

### A time for action

As custodians of Dartington estate and the people who live and work here, we have a pressing responsibility to care for this remarkable 1,200 acre site, which includes over 40 listed buildings and structures, including the medieval Great Hall and courtyard and our beautiful formal gardens. Without change, we will not exist in five years. We believe our new vision can enable us to meet this responsibility and to reinvigorate our charitable programmes by reconnecting to the Elmhirsts' original concept of expressing a 'many-sided' life.

During these times of financial pressure, being risk averse and overly bureaucratic is simply not an option. We know that we need to adapt to thrive. This means being more collaborative, more open and welcoming with our communities, more innovative and more coherent in all that we do.

It also means looking at our internal structures and how we are organised to simplify, empower and connect. We have already introduced new project management disciplines and launched a number of short to medium-term projects to demonstrate change, explore new ways of working and help to address past mistakes. These include opening up previously unused spaces, creating new opportunities to eat, drink, play and enjoy our estate, bringing forward a self-build housing project, a new campsite and exploring the potential for improved interpretation that celebrates our unique and inspiring story.

# The Dartington Hall Trust

## Strategic Report for the year ended 31 March 2016

We have committed to and are radically changing our approach to development. We now work with our communities in a spirit of increased openness and collaboration in order to develop our Estate Framework, a high level spatial plan to guide all future development on the estate.

### In 2015/16 we have agreed our new purpose, with eight strategic themes:

- 1. *Building pioneering places and communities:***  
We want to create beautiful and sustainable homes and settlements designed to encourage a many-sided life and a strong sense of community wellbeing.
- 2. *Centre for progressive enterprise***  
We want to build and support a more connected and interactive community of ethical, social and creative enterprises on the Dartington estate.
- 3. *Destination***  
We want to be known as one of the most interesting, welcoming and successful destinations in Devon.
- 4. *Multidisciplinary learning campus***  
We want to pioneer new forms of flexible, human-scale, intergenerational learning
- 5. *Centre for arts, crafts and design***  
We want to offer a year-round progressive programme of events, festivals and residencies across all forms of art, making, architecture and design.
- 6. *Social justice***  
We want to be an advocate and activist in issues spanning mental health, our ageing population, the rehabilitation of prisoners, social welfare and the wellbeing of refugees and asylum seekers.
- 7. *Model of land management***  
We want to be a pioneer in a mixed model of progressive farming, food and forestry.
- 8. *Convenor of ideas and debate about societal change***  
We want to convene conversations, debates, symposiums in learning, ecology, social justice and welfare, arts, transition design, craft and making, wellbeing, place-making, progressive enterprise, land management and more.

**We are now working towards implementing our new vision and purpose, by developing a strategic plan, Estate Framework and financial plan to enable this.**

### Over the last year we have progressed the following activities:

- 1. *Building pioneering places and communities***
  - developed our estate framework guiding principles and worked towards publishing Dartington's Estate Framework Phase 1 document in 2016
  - actively participated in the Dartington parish Neighbourhood Plan process
  - held four Open Space events with almost 600 people attending, three other public consultation events and four meetings of a place-making advisory group comprising local people, practitioners and advisers. Discussions and feedback from these events have helped shape the Estate Framework as well as informing our broader plans
  - started to develop on the estate a self-build / custom-build housing scheme for up to 40 homes with high levels of affordability.

# The Dartington Hall Trust

## Strategic Report for the year ended 31 March 2016

### 2. *Centre for progressive enterprise*

- provided office, workshops and commercial space to 145 small businesses, charities and social ventures
- built and filled 5,000 square feet of good quality enterprise space in Webbers Yard, Dartington village, supporting 28 jobs and four thriving local enterprises
- launched SEEDbed in partnership with Plymouth University and South West Investors Group; this is a new type of social accelerator programme offering intensive support and affordable loan investment for up to 18 South West social ventures
- supported the DCN (Dartington Collaborative Network) to forge stronger relationships and exchanges of ideas between and with people who live and work on the estate.

### 3. *Destination*

- welcomed 650,000 visitors to the Dartington Hall Trust to enjoy our grounds and gardens, stay, eat, shop, work and participate in our many arts and learning events
- held and enabled many great festivals and events including our Food Fair, Community Day, Dartington International Summer School and Festival, Ways With Words, TEDx Totnes, Dartington Duathlon and Tango Festival
- showed for the first time to sell out audiences at our Barn cinema, archive footage of farming on the estate alongside wonderful scenes from Foundation Day 1969 as well as recording audiences of 40,000 to our independent and art house cinema programme
- began to develop more on the estate for visitors to enjoy including introducing three open access areas for dogs and their owners, developing new plans to open a café, campsite, play facilities and improved interpretation of the Dartington story, inspired by our Open Space events.

### 4. *Learning*

- welcomed 34 postgraduate students, 570 short course participants and 2,320 people to our Earth Talks at Schumacher College
- enrolled 58 participants with School for Social Entrepreneurs across three programmes (Plymouth, Dartington, Bristol) and collaborated with Devon County Council on the Community Investment Scheme
- supported four apprenticeships with South Devon College, created an intern position with Plymouth hospitality school, provided nine training events with Haven Care and enabled 16 work experience assignments, contributing 5,400 volunteering hours to the Trust
- began to develop a progressive learning network holding two events and planning for more in 2016/17.

### 5. *Centre for arts & crafts and design*

- held a revitalised Dartington International Summer School and Festival under Joanna MacGregor's directorship, welcoming over 1,000 participants and 2,500 concert goers
- launched a new craft programme, Crafted @ Dartington, bringing affordable, accessible craft activities to 400 budding makers
- opened up spaces that had for many years been unused to new arts activities including rooms at Aller Park and our Shippon Studios
- created After Dark, a series of secret intimate gigs and events in hidden, dormant and unseen spaces at Dartington.

### 6. *Social justice*

- supported over 11,000 social workers working with 50,000 of the most disadvantaged children and adults in the country, helping to improve their lives
- worked with LandWorks and their many supporters to help them achieve independent status. Since its inception in 2013, LandWorks has enabled 26 current and former prisoners to find more purposeful lives away from crime with 13 having found employment

# The Dartington Hall Trust

## Strategic Report for the year ended 31 March 2016

- collaborated with local community groups and organisations to fundraise for and launch the White House project, providing a place of retreat, social inclusion and cultural connection for refugees and asylum seekers
- achieved a living wage for all our staff and a 6:1 ratio of our highest paid employee to the lowest paid full-time equivalent

### 7. Model of land management

- welcomed farmers Jon and Lynne Perkin to Old Parsonage Farm, seeing them take over the management of Sharpham Wine and Cheese's purebred Jersey herd, develop their own herd of goats and begin production of Dartington Dairy ice-cream
- supported 15 different land-based enterprises across the estate from community supported agriculture to apiaries, farming largely organically and very much in a spirit of collaboration
- welcomed back curl buntings to the estate. This rare bird, found almost exclusively in Devon, was seen by a visiting RSPB officer who concluded their presence was due to positive changes we have made to how we manage the land
- invested in two significant renewable energy projects (950kw biomass boiler; 500kh(p)solar, photo voltaic array) reducing our carbon emissions by 725 tonnes and annual fuel bills by £160,000.

### What we plan to achieve in the future

In 2016/17 we will develop our strategic plan, Estate Framework and corresponding financial plan in collaboration and conversation with our many communities of interest. Alongside this, we are implementing a range of short- and medium-term projects which are a direct response to the ideas and suggestions of participants at our Open Space sessions and continuing conversations.

### Short-to-medium term projects

#### New café

We are refurbishing the Gallery space in the Visitor Centre to return it to its former use as a café to serve wholesome and delicious food.

#### Signage

We will start to change our estate wayfinding signage (and reduce authoritarian "please do not" signage in the gardens and across the estate).

#### Play

We are working with estate-based play equipment company Earthwrights to create a small natural play facility close to the Roundhouse.

#### Campsite

We plan to hold two pop-up camps mid-2016 and will develop a campsite on the estate for use from Spring 2017.

#### Roundhouse

We are developing plans to create a new cinema bar in the Roundhouse following the creation of the new café in the Gallery.

#### Feasibility studies

We will carry out feasibility studies on imaginative visitor interpretation; bring the Walled Garden back into productive use; work towards the long term protection and evolution of the formal gardens; and consult on a viable and appropriate future use of High Cross House.

# The Dartington Hall Trust

## Strategic Report for the year ended 31 March 2016

### Dartington Space

We will install our second biomass boiler at Space (a mix of office and studio spaces) and are planning improvements to encourage increased use of shared spaces.

### Foxhole

We have opened The Foxhole building for 'meanwhile uses' (to cover enterprises, arts, learning, hostel accommodation and the wellbeing of refugees and asylum seekers).

### Self-build

We will develop a self-build/custom-build housing scheme on the estate with a high level of affordable housing.

## Financial review 2015/16

We are developing a new strategic plan and at the same time creating an Estate Framework to uniquely unite our strategy and purpose with our land and historic buildings. These, combined with the formulation of a new financial plan creating a sustainable and resilient future for the charity, are our leadership priorities for 2016/17.

We are focusing on three areas to address our financial sustainability and liquidity:

- to **improve financial performance** of our own activities and enterprises
- to **make the most of our asset base** to support our purpose and create value and return
- to **build partnerships and develop relationships** to bring more activity, life and investment to the estate.

Whilst much has been achieved this year towards financial sustainability, there is a great deal more we need and will be doing in 2016/17 to address our future viability. For many years, our financial plan has funded our activities in two ways: first, from generating our own revenue from student fees; ticket sales; space hires; commercial and rental income and secondly, from drawing on our historic assets through sales of land, property and works from our collection. Over time, this approach has supported our wide-ranging programmes and the cost inherent in the stewardship of an historic estate.

Whilst our balance sheet remains strong and our general funds within the range set by Trustees, we are committed to changing this model to create a sustainable future for many years to come.

### Income and expenditure

Overall, we have improved our financial performance this year on our day-to-day operational performance, with a net deficit of £(1.9)m before gains on investment compared to £(2.1)m in 2014/15. This has been achieved through targeted improvement across all activities, reducing costs where possible and increasing the contribution from our trading activities to fund the fixed costs of the estate and our now closed final salary pension scheme.

Restricted funds raised in 2014/15 but not spent at the end of the year have been used this year in support of LandWorks, SEEDbed, and the first phase of our Heritage Revealed project. This has resulted in a deficit on restricted funds of £(0.1)m this year compared to a surplus in 2014/15 of £448k.

Total income increased from £12.5m in 2014/15 to £12.6m (1%). Charitable income rose by £0.2m (3%), with grant income increasing by £0.1m (12%) with additional funding for SEEDbed and Schumacher College programmes. Trading activities have performed well this year with an increase in net contribution of £0.1m 54% on 2014/15. This performance continues positive trends in our hospitality and retail activities and provides a more predictable and resilient base for our new financial plan.



# The Dartington Hall Trust

## Strategic Report for the year ended 31 March 2016

Expenditure is lower as a result of our continued focus on efficiency and cost reduction. Unrestricted expenditure has reduced by 2% on 2014/15 (£0.3m), including a reduction in the overall cost of senior management together with savings achieved through better procurement (stationery, print), deferral of equipment replacement (technology) and improvement to processes. We have also met our target of achieving The Living Wage Foundation's recommended living wage for all staff and achieved a 6:1 ratio of our highest paid employee to the lowest paid. We increased our expenditure on investments by £0.2m (32%) improving the infrastructure at Webbers Yard in Dartington village.

### Fixed assets

Our approach to fixed assets has been revised this year as a result of the changes required by FRS102. All our land and buildings that help us deliver our charitable objectives are classified as charitable assets in the financial statements. These include all buildings used by either the Trust or our trading subsidiaries to carry out their activities. It also includes all our land and woodland and those properties where the tenancies are fair rented. The Trustees have created a fixed asset designated fund, equivalent to the net book value of these assets and representing the element of the Dartington reserves tied to these charitable assets. As these funds are linked to charitable assets, they are not freely available to be spent on our ongoing activities.

### Investments

Under its Memorandum of Association, Dartington has the power to invest funds not immediately required for charitable purposes. The Trustee Board monitors investment performance and have agreed a medium risk, capital preservation approach to investment management in the medium term. In 2016/17, an investment strategy will be developed to support the strategy and purpose, reflecting the estate framework and providing an important element of the new financial plan.

Dartington's investments are held in land, property and treasury deposits in proportions to mirror our short-, medium- and long-term reserves requirements. Our land and property investments are valued on rotation every five years by an appropriately qualified person.

Treasury deposits include FTSE, S&P and Euro Stoxx linked investment notes as well as treasury balances held with a number of counterparties to spread our exposure to risk.

In the year, we received £1.4m (2015: £1.4m) income from our investment portfolio, similar to the previous year. The value of our investment portfolio has decreased in value this year by £0.5m (2015: decrease of £1.8m), reflecting anticipated movements in treasury deposits and the sale of four leasehold commercial buildings in Webbers Way balanced by market revaluations.

### Dartington Trading Company Limited

On 19th December 2014, Dartington Trading Company Limited reduced its share capital by cancelling and extinguishing 1,289,730 of its issued (ordinary) shares of £1.00 each. The corresponding adjustment to its reserves was to credit the profit and loss reserve by £1,289,730. Dartington as sole shareholder approved this transaction and has adjusted its balance sheet accordingly.

Dartington has a formal loan agreement with Dartington Trading Company Limited which is reviewed annually and is fully repayable by 31 March 2022. This £1.0m loan is secured by a fixed and floating charge on Dartington Trading Company Limited's assets. At 31 March 2016, this loan was fully repaid (2015: £0.3m remained outstanding).

### Reserves

Dartington relies on a mixture of income from a variety of sources to fund core programmes as well as a continued investment in our land and buildings. We are committed to achieving a financially sustainable future for our programmes and the estate, though this can never be guaranteed.

# The Dartington Hall Trust

## Strategic Report for the year ended 31 March 2016

It is important, therefore, that Dartington holds sufficient reserves to ensure we can continue to fulfil our commitments while we work towards a new sustainable financial model as well as should there be an unexpected change in our circumstances. These changes could include:

- an unexpected dip in income and / or increase in expenditure from our programmes.
- unplanned substantial repairs and maintenance expenditure required on our charitable assets.

When considering our reserves policy, the Trustees take into account the following:

- reserves are an inherent part of Dartington's strategic risk management process. The need for reserves will vary depending on our financial position and our assessment of the many risks Dartington faces at a particular time.
- the need for reserves is assessed as part of our emerging strategic framework, planned to be delivered by March 2017.
- the importance of balancing the short-term need for spending on our core programmes with the need to maintain our stability in the longer term.

This year the Trustees have decided to set our general reserves level at 9-12 months' expenditure to provide sufficient funds to achieve a financially secure future for the Trust. This amounts to up to £8.4m (2015: up to £9.4m) and reflects consideration of the factors described above. This reserve level is reviewed each year and our reserves policy is reviewed as part of our strategic planning process.

### General fund

The general fund is not restricted nor designated for use on a particular programme or some other purpose such as the maintenance fund. In 2015/16 our general fund decreased by £1.0m to £8.4m. Our general fund remains within the target range set by the Trustees.

### Designated funds

Designated funds are those unrestricted funds that have been allocated for a particular purpose by the Trustees. Below is a summary of the main designated funds held. The others are disclosed in Note 20.

#### Fixed asset fund

The fixed asset fund is equivalent to the net book value of the land and buildings used to support Dartington's charitable and trading operations and Dartington collection. The Trustees have designated this fund to represent the element of our reserves which are tied to our charitable assets, including land and buildings and as a consequence are not available to be spent on our on-going activities.

#### Maintenance fund

This fund protects the organisation from unplanned and significant expenditure required to maintain the land and buildings on our estate. It does not reflect the full value of all the works needed. This fund will be utilised when unexpected maintenance is needed in addition to the day-to-day planned preventative maintenance programme currently in place.

In 2015/16, Dartington invested £0.1m (2014/15: £0.1m) more than our usual planned preventative maintenance programme in maintaining our land and property.

#### Revaluation fund

This fund reflects the unrealised gain in value of our investment assets.

#### Restricted funds

These funds are tied to a particular activity by the funder or the nature of the appeal and cannot be used to fund other activities at Dartington. More details of our restricted funds can be found in Note 20 of the financial statements.

# The Dartington Hall Trust

## Strategic Report for the year ended 31 March 2016

### Investment policy

The Trustees are developing a new investment policy to reflect the emerging strategic plan, Estate Framework process and financial plan. It is expected that this will be approved in 2017/18.

### Key risks and uncertainties

The Board of Trustees is responsible for the oversight of the risks faced by Dartington. The Trustees and Audit and Risk Management Committee regularly review The Trust's risk position, internal controls assessment and compliance with relevant statutory and finance regulations.

During the year, we reviewed our risk management process and reengineered our approach to reflect our emerging organisational purpose and strategy. Our risk management process is designed to identify the major risks that could impact on the successful delivery of our emerging strategy. This process identifies the major risks Dartington faces, the likelihood of occurrence, the significance of the risk and any mitigating controls that are in place or are planned to be in place. It also seeks to identify any actions and resources required to manage these risks further.

Dartington's financial sustainability and long-term liquidity are its main strategic risks. The financial sustainability risk is being managed by improving further the viability and impact of our own activities, essentially getting our 'own house in order' whilst also seeking to grow our net revenue through new activities. In the short-term, we plan to do this through growing visitor numbers as well as attracting more enterprises to join our thriving cluster of small businesses on the estate. In the medium to long-term, our Estate Framework process is looking to make the most of our land and buildings assets to underpin our strategy as well as increase the value of our assets through purposeful development to help support our objectives and grow unrestricted, core revenue.

We are also exploring partnership and major fundraising opportunities to bring life, vitality and much-needed resources to rejuvenate and renovate some of our iconic buildings, such as Aller Park, High Cross House and Foxhole. Our successful Heritage Lottery Grant to fund our Heritage Revealed project centred around our Deer Park Wall is showing that this approach is yielding some success which we hope to build on in 2016/17.

The liquidity risk is being managed through regularly monitoring our working capital requirements and cash flows to ensure sufficient funds are available to support our current and future operations. We also manage our credit risk by depositing with a number of different financial institutions with strong credit ratings in order to diversify our credit risk exposure.

### Post balance sheet events

On 1 May 2016 LandWorks became a separate charitable incorporated organisation (CIO). At this date all activities were transferred to LandWorks CIO including £0.1m funds restricted to the LandWorks project.

### Our commitment to diversity

Dartington strives to be an equal opportunities employer. Our diversity focus group meets to discuss equality across the organisation and all of our policies and processes are designed with the intention to be inclusive to all.

### Our people by gender

Numbers as at 31 March	Male	Female	Female %
Trustees	6	4	40%
Management team	3	5	63%
All employees	100	172	63%

becoming disabled, every effort is made to ensure that their employment with Dartington continues and that appropriate training is arranged.

# The Dartington Hall Trust

## Strategic Report for the year ended 31 March 2016

### Employment of people with disabilities

Dartington gives full and fair consideration to applications for employment from people with disabilities, bearing in mind their particular aptitudes and abilities. In the event of members of staff

### Pay and benefits

We are committed to paying all our staff the 'Foundation for Living Wage' recommended pay rate (by April 2016) and have plans in place to achieve this. We are also determined to provide a good employee package and ensure that all our staff, regardless of hours, receive the same good terms of employment.

The Strategic Report was approved by the Trustees on 9<sup>th</sup> December 2016

A handwritten signature in black ink, appearing to read 'Greg Parston', with a stylized flourish at the end.

Dr Greg Parston  
Chair and Trustee

# The Dartington Hall Trust

## Report of the Trustees for the year ended 31 March 2016

The Trustees are pleased to present their annual Trustees' Report together with consolidated financial statements of the charity and its subsidiary companies for the year ended 31 March 2016 which are also prepared to meet the requirements for a directors' report and financial statements for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006 and 'Accounting and Reporting by Charities' the 2015 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 (FRS102).

The legal and administrative information set out on page 2 and the Strategic Report set out on pages 3 to 11 form part of this report.

### **Structure, governance and management:**

#### **Governing document and structure**

The Dartington Hall Trust (Dartington) is a company limited by guarantee and is registered in England. It is also a charity registered in England and Wales. Dartington was incorporated on 14 March 1980 and is governed by the company's Memorandum and Articles of Association, which were last revised in August 2015. A copy is available on request from the Company Secretary.

Dartington has two active, wholly owned, trading subsidiaries (Dartington Accommodation and Catering Services Limited and The Dartington Trading Company Limited), both incorporated in the United Kingdom. These companies pay distributable, taxable profits to Dartington by gift aid.

#### **Board of Trustees**

Dartington's Trustees are listed on page 2 of this report. The Trustees meet at least four times each year to set and oversee the delivery of Dartington's strategy, decide policy and provide leadership and direction for the organisation. The salaries of the management team are set by the Trustees (previously the Finance Committee). The process includes reference to peers' remuneration and also external benchmarks.

A number of Trustee Committees supported the Trust's work throughout the year.

#### **Audit and Risk Management Committee**

The Audit and Risk Management Committee reviews and recommends to the Trustees systems of internal control on financial and governance issues and oversees strategic risk management. It also reviews the draft Annual Report and Accounts and meets with Dartington's external auditors.

#### **Nominations Committee**

The Nominations Committee leads on recruitment of and makes recommendations to the Board on the appointment of new Trustees.

#### **Recruiting Trustees**

Attracting and recruiting Trustees with the right skills, experience and knowledge is important to us. As a result, we have adopted best practice in terms of Trustee recruitment, using an open and transparent process including advertisement and other techniques to attract suitable candidates with the right skills, experience and diversity to fulfil their purpose. Under our Articles of Association, Trustee terms of office are limited to a maximum of three terms, each of three years.

#### **Training Trustees**

Dartington recognises the significant responsibilities placed by law on charity Trustees and therefore offers a programme of training for all Trustees including a comprehensive induction programme for new Trustees, which includes orientation days to learn more about Dartington's work and opportunities to meet staff. All Trustees are encouraged to take part in events and courses that are run during the year at Dartington.

# The Dartington Hall Trust

## Report of the Trustees for the year ended 31 March 2016

### Management

Responsibility for day-to-day management matters and the implementation of policy is delegated to the Chief Executive, supported by the management team.

### Our people

We would not have been able to start on this journey of change and transition without the passion, dedication and energy of our 272 staff and 311 regular volunteers. Our people are key to our success. Despite much uncertainty, our staff and volunteers have delivered our most successful year for many years. The Trustees are incredibly proud of their work and what they have achieved in this year of transition. It is with their commitment and willingness to embrace new ways of working that we have begun to shift our approach, working collaboratively with our many communities to create a new strategy and future for Dartington.

### Communication and involvement

We provide a range of opportunities for our people to meet and share information, including staff meetings, emails, the intranet and our monthly staff bulletin. These help us share news, our successes, our disappointments and how well we are performing financially.

We also held four Open Space events inviting the public, our staff and volunteers to help shape our future. These well attended, insightful events have influenced refinements to our staff-led engagement programme ('Engage'). Focusing on strategic themes as well as day-to-day issues, Engage empowers our people to openly discuss and debate creative ideas to make a difference to their working life. For 2016/17, we plan to build on this approach to help our staff, volunteers and many communities inform and help create Dartington's future.

### Volunteers

Dartington's 311 regular volunteers gave more than 30,380 hours of their time last year (2014/15: 314 and 31,200) with commitment and dedication. We involve people locally, nationally and internationally in our work. Volunteers support conservation and woodland activity, events, festivals, films, gardening and community projects, administrative work as well as promote Dartington to visitors. This year, our volunteer programme continued to be supported by the generosity of the Mrs W Godfrey-Payton Trust.

### Public benefit

When shaping our objectives and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit and fee charging as required by the Charities Act 2011. Dartington relies on voluntary income, grants, fees and charges, along with profits made by our trading activities and investment returns to cover our ongoing operating costs.

We give consideration to how accessible Dartington is to those on low incomes when considering fees, charges, concessions and in the bursaries we offer. All education programmes at Dartington offer scaled fees and bursary schemes. They are open to all unless the course relates to a particular group (such as children, in which case it would be open to all children). If there is a geographical restriction, it is never smaller than South West England. We work with local schools, offer bursaries for our education programmes and reduced price seating for concessions and young people at our events. Each year, we expand the range of learning resources made available online - enabling more people to benefit from them, both in the UK and worldwide. We also publish our archive and collection catalogue online, broadening their reach.

### Statement of Trustees' Responsibilities

The Trustees (who are also directors of The Dartington Hall Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and

# The Dartington Hall Trust

## Report of the Trustees for the year ended 31 March 2016

applicable law). 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 the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company/group 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
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 charitable company and the group 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 charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

So far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware and
- the Trustees have taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Directors' indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and currently remains so the company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

# The Dartington Hall Trust

## Report of the Trustees for the year ended 31 March 2016

### Fundraising in 2015/16

We wish to thank our many funders and friends whose support is so essential to our work and the social impact we are committed to delivering. The following donors committed amounts in excess of £10,000 in the year:

Arts Council England  
Big Lottery Fund (on behalf of the Office for Civil Society, Cabinet Office)  
Bristol City Council  
Dartington International Summer School Foundation  
Devon County Council  
Environment Agency  
Esmée Fairbairn Foundation  
European Regional Growth Fund  
Heritage Lottery Fund  
Kadoorie Farm and Botanic Garden  
Mrs W Godfrey-Payton Trust  
Richard Creed  
Plymouth City Council  
Rural Growth Network  
Schumacher College Foundation  
Sigrid Rausing Trust  
Sir Halley Stewart Charitable Trust

The report of the Trustees was approved by the Trustees on 9<sup>th</sup> December 2016.



Dr Greg Parston  
**Director & Trustee**



# The Dartington Hall Trust

## Independent auditors' report to the members of The Dartington Hall Trust

### Report on the financial statements

#### Our opinion

In our opinion, The Dartington Hall Trust's group financial statements and parent charitable company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2016 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure and of the group's cash flows 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.

#### What we have audited

The financial statements, included within the Annual report and financial statements (the "Annual Report"), comprise:

- the group and parent charitable company balance sheets as at 31 March 2016;
- the group and parent charitable company statement of financial activities and the group and parent charitable company summary income and expenditure accounts for the year then ended;
- the group cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### Opinion on other matter 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' Annual Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees' Annual Report. We have nothing to report in this respect.

#### Other matters on which we are required to report by exception

##### Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

# The Dartington Hall Trust

## Independent auditors' report to the members of The Dartington Hall Trust

### Trustees' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of trustees' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

### Responsibilities for the financial statements and the audit

#### Our responsibilities and those of the Trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the charity's members and trustees as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the trustees; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the trustees' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements. We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Heather Ancient (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
13 December 2016

# The Dartington Hall Trust

## Consolidated statement of financial activities for the year ended 31 March 2016 (including the income and expenditure account)

	Notes	Unrestricted funds 2016 £'000	Restricted funds 2016 £'000	Total 2016 £'000	Total 2015 £'000 (restated)
<b>Income from:</b>					
Donations and legacies	2	13	294	307	455
Income from charitable activities	3	4,813	956	5,769	5,610
Income from trading activities	4	5,145	-	5,145	4,992
Investment and other income	5	1,366	-	1,366	1,396
<b>Total income</b>		<b>11,337</b>	<b>1,250</b>	<b>12,587</b>	<b>12,453</b>
<b>Expenditure on:</b>					
Expenditure on raising funds	6	99	7	106	98
Expenditure on charitable activities	6	7,018	1,349	8,367	8,707
Expenditure on trading activities	6	4,974	-	4,974	4,881
Expenditure on investments	6	672	-	672	509
Closed defined benefit pension scheme cost		388		388	386
<b>Total expenditure</b>		<b>13,151</b>	<b>1,356</b>	<b>14,507</b>	<b>14,581</b>
Net gains on investments		508	-	508	1,934
<b>Net (expenditure)/income</b>		<b>(1,306)</b>	<b>(106)</b>	<b>(1,412)</b>	<b>(194)</b>
<b>Other recognised gain / (losses):</b>					
Actuarial gains / (losses) on defined benefit pension schemes	23	167	-	167	(908)
<b>Net movement in funds</b>		<b>(1,139)</b>	<b>(106)</b>	<b>(1,245)</b>	<b>(1,102)</b>
Total funds brought forward		31,731	421	32,152	33,254
<b>Total funds carried forward</b>		<b>30,592</b>	<b>315</b>	<b>30,907</b>	<b>32,152</b>

The statement of financial activities includes all gains and losses recognised in the year and all income and expenditure derive from continuing activities. There is no material difference between the net income/(expenditure) stated above and their historical cost equivalent in the current and prior year.

Full details of the comparative numbers for the previous year are included within Notes 2-6. The full details of the prior year adjustment are disclosed in Note 27.

# The Dartington Hall Trust

## Consolidated Balance sheet as at 31 March 2016

	Notes	Group 2016 £'000	Group 2015 £'000 (restated)	Charity 2016 £'000	Charity 2015 £'000 (restated)
<b>Fixed assets</b>					
Tangible assets	10/11	9,720	9,120	9,643	8,937
Heritage assets	10/11	621	621	621	621
Investments	12	20,778	21,288	20,778	21,288
Investment in subsidiary undertakings	12	-	-	3,042	3,042
<b>Total fixed assets</b>		<b>31,119</b>	<b>31,029</b>	<b>34,084</b>	<b>33,888</b>
<b>Current assets</b>					
Stock	15	504	506	32	28
Debtors	16	2,622	4,488	2,326	4,216
Investments	17	1,000	1,000	1,000	1,000
Cash at bank and in hand	18	1,251	590	1,172	505
<b>Total current assets</b>		<b>5,377</b>	<b>6,584</b>	<b>4,530</b>	<b>5,749</b>
Creditors: amounts falling due within one year	18	(4,717)	(4,403)	(7,221)	(3,951)
<b>Net current assets</b>		<b>660</b>	<b>2,181</b>	<b>(2,691)</b>	<b>1,798</b>
<b>Total assets less current liabilities</b>		<b>31,779</b>	<b>33,210</b>	<b>31,393</b>	<b>35,686</b>
Creditors: amounts falling due after one year		-	-	-	(2,452)
<b>Net assets excluding pension liability</b>		<b>31,779</b>	<b>33,210</b>	<b>31,393</b>	<b>33,234</b>
Defined benefit pension scheme liability	23	(872)	(1,058)	(872)	(1,058)
<b>Total net assets</b>		<b>30,907</b>	<b>32,152</b>	<b>30,521</b>	<b>32,176</b>
<b>The funds of the charity:</b>					
Restricted income funds	20	315	421	315	421
Unrestricted funds	20	22,511	23,693	19,554	21,146
Revaluation reserve	20	8,953	9,096	11,524	11,667
Pension reserve	23	(872)	(1,058)	(872)	(1,058)
Total unrestricted funds		<b>30,592</b>	<b>31,731</b>	<b>30,206</b>	<b>31,755</b>
<b>Total charity funds</b>	20	<b>30,907</b>	<b>32,152</b>	<b>30,521</b>	<b>32,176</b>

The notes on pages 21 to 46 form part of the financial statements.

These financial statements on pages 18 to 46 were approved by the Board of Trustees on 9<sup>th</sup> December 2016 and were signed on their behalf by:



**Dr Greg Parston**  
Director & Trustee

Registered number: 01485560

# The Dartington Hall Trust

## Consolidated statement of cash flows for the year ended 31 March 2016

Statement of cash flows	Note	2016 £'000	2015 £'000
<b>Cashflow from operating activities:</b>			
Net cash provided by (used in) operating activities	22(a)	<b>(2,471)</b>	(2,896)
<b>Cashflow from investing activities:</b>			
Interest and rents from investments	5	<b>1,366</b>	1,396
Proceeds from sale of fixed assets		<b>21</b>	5
Purchase of fixed assets		<b>(1,137)</b>	(281)
Proceeds from sale of investments		<b>3,787</b>	3,572
Purchase of investments		<b>(905)</b>	(2,070)
<b>Net cash (used in) / provided by investing activities</b>		<b>3,132</b>	2,622
<b>Change in cash and cash equivalents in the reporting period</b>	22(c)	<b>661</b>	(274)
Cash and cash equivalents at the beginning of the reporting period		<b>590</b>	864
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>1,251</b>	<b>590</b>

# The Dartington Hall Trust

## Notes to the financial statements for the year ended 31 March 2016

### 1 Accounting policies

#### **Basis of accounting**

These financial statements have been prepared in compliance 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 (FRS102) (effective 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The Dartington Hall Trust meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

#### **Transition to FRS102**

This is the first year in which the financial statements have been prepared under FRS102 and Charity SORP (FRS102). The last financial statements under the previous UK GAAP were for the year ended 31 March 2015. The date of transition to FRS102 and the Charity SORP (FRS102) is 1 April 2014. The transition to FRS102 has resulted in a small number of changes in accounting policies to those previously used. The prior year financial statements were restated on adoption of FRS102 in the current year. An explanation of how the transition to FRS102 has affected the reported financial position and financial performance is given in Note 27.

#### **Preparation of the accounts on a going concern basis**

The accounts have been prepared on a going concern basis. The Trustees are of the view that the level of reserves and forecast liquidity will support the charity and its activities for the foreseeable future.

#### **Group financial statements**

Consolidated financial statements have been prepared in respect of the charitable company and its two trading subsidiaries, on a line by line basis. In accordance with section 408 of the Companies Act 2006, a separate statement of financial activities for the company has not been presented. The principal accounting policies, which have been applied consistently throughout the group companies in the year, are set out below:

#### **Company status**

The Charity is a company limited by guarantee and is registered in England. The registered office of the entity is The Elmhirst Centre, Dartington Hall, Totnes, Devon, TQ9 6EL. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

#### **Incoming resources**

Voluntary income including donations, gifts, legacies and grants are recognised where there is entitlement, receipt is probable and the amount can be measured with sufficient reliability. Such income is only restricted or deferred when:

- The donor has imposed conditions which must be met before the Charity has unconditional entitlements or
- The donor specifies it must only be used in future accounting periods.

Income from charitable activities, which includes income received under contract or where entitlement to grant funding is subject to specific performance conditions, is recognised as earned as the related goods or services are provided. This income is treated as deferred when it is received in advance of the activity to which it relates.

The Trust receives the benefit of work carried out by volunteers, the value of which is not included in the accounts. Gifts in kind are included as income in the accounts where the donated goods / services can be reliably valued and benefit our charitable objectives.

# The Dartington Hall Trust

## Notes to the financial statements for the year ended 31 March 2016

Income from trading activities represents the amounts sold during the year, exclusive of value added tax and the revenue is recognised in the financial statements when the goods are sold to the customer. Retail sales are made in the United Kingdom and are usually in cash or by credit and debit card. Rents receivable are accounted for on an accruals basis and investment income is recognised on a receivable basis.

### Taxation

Dartington, as a registered charity, is exempt from taxation on income falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that this is applied to its charitable objectives. No tax charge has arisen in its trading subsidiaries because of their policy of gifting taxable profits to the parent charity each year. Dartington has no similar exemption from value added tax. Irrecoverable value added tax is included in the cost of those items to which it relates. All other income and expenses are net of value added tax.

### Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party; it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under appropriate category headings.

- Costs of raising funds comprises the costs of attracting voluntary income together with investment management.
- Costs of charitable activities include core expenditure incurred in support of our charitable objectives and include both direct and support costs.
- Investment in future charitable activities include costs incurred in supporting our emerging strategy and growing our charitable programmes where revenues are expected to accrue in future years.
- Governance costs include those incurred in the governance of the charity and are primarily associated with constitutional and statutory requirements.
- Support costs include functions that assist the work of the charity but do not directly undertaken charitable activities. Support costs include finance, information technology, telecommunication costs, human resources, payroll, health and safety and security costs, and have been allocated to activity cost categories on a basis consistent with the use of resources.

Where costs cannot be directly attributed to particular headings, they have been apportioned to activities on an appropriate basis.

### Fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. The cost of tangible fixed assets is their purchase cost, together with any costs attributable to bringing the assets to its working condition for its intended use. Property utilised by the charity's activities in support of our charitable objectives is stated at cost in the financial statements. No depreciation has been charged on those properties where the lives of the properties are considered to be so long and residual values high enough to ensure that there is no significant depreciation. An annual review takes place to establish any permanent diminution in the value of these properties.

Fixed asset improvement costs are capitalised at cost where the expenditure provides enhanced revenue generation or reduces future costs. All other expenditure incurred in repairing and maintaining our land and buildings is recognised in the accounts as it is incurred.

Expenditure on fixed asset improvements, plant and equipment, musical instruments, computer equipment and motor vehicles costing over £5,000 is capitalised. This is a change to previous years in which the capitalisation threshold was £1,000. This change has resulted in an additional £41,000 being charged to expenditure in 2015/16.

# The Dartington Hall Trust

## Notes to the financial statements for the year ended 31 March 2016

A full year's depreciation is charged in the year of acquisition and no charge is made in the year of disposal. Depreciation is provided to write off the cost of these assets by equal annual instalments over their useful lives, as follows:

Freehold property, fixed asset improvements	5 - 10 years
Plant and equipment	4 - 40 years
Musical instruments	4 years
Computer equipment	4 years
Motor vehicles	4 - 5 years

### Heritage assets

The Trust holds a collection of furniture and works of art which reflects Dartington's heritage as a place of experiment and provides context for our current programme of activities. The Collection has been assembled over many years and comprises books, furniture, ceramics, paintings and other works of arts such as sculpture. The Dartington Collection is classified as a heritage asset and is valued in the financial statements at cost. Expenditure required to preserve or prevent further deterioration of individual collection items is recognised in the accounts as it is incurred.

### Stock

Stocks which are goods held for resale are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving items. Cost is determined using the weighted average method.

### Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Where trade and/or other debtor arrangements represent a financing transaction, the transaction is measured at the present value of future receipts discounted at a market rate of interest.

### 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.

### Investments

#### Fixed asset investments

All listed investments (including derivative-based instruments) are stated at market value at the balance sheet date. The valuation of investments in group undertakings is based on net asset values as well as consideration of their future net contribution to the Trust. Investments in other unquoted shares are stated at net asset value.

#### Financial instruments

Complex financial instruments are held in the form of index linked deposits. They are included in the accounts at fair value. Initially this is usually the transaction price with subsequent valuations, at the end of each reporting period, measured at market value. Any changes in valuation are recognised in the SOFA.

#### Investment properties

Investment properties are included at valuation on an existing use basis. Valuations are carried out on an annual basis and are mainly undertaken by the Trust's own professionally qualified surveyors. In accordance with Statement of Standard Accounting Practice No. 19:

- (i) investment properties are revalued annually at open market value. All surpluses and deficits arising on valuation are taken directly to the accounts and
- (ii) no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.



# The Dartington Hall Trust

## Notes to the financial statements for the year ended 31 March 2016

This treatment may be a departure from the requirements of the Companies Act 2006 concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the Trustees consider that systematic annual depreciation would be inappropriate.

The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the property valuations and the amount which might otherwise have been shown cannot be separately identified or quantified.

### **Current asset investments**

Cash deposits held to provide working capital for the day-to-day operations at Dartington are classified as current asset investments in the financial statements. The accounts include the unrealised and realised gains and losses arising on revaluations and disposals throughout the year.

### **Social Investments**

Social investments that are loans are accounted for at the outstanding amount of the loan less any provision for unrecoverable amounts.

### **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. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### **Operating leases agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SOFA on a straight line basis over the period of the lease.

### **Pension costs**

#### ***Defined benefit pension scheme***

Pension assets and liabilities are recorded in line with FRS102, with scheme valuations undertaken by independent actuaries. FRS102 measures the value of pension assets and liabilities at the balance sheet date and determines the benefits accrued in the year and the interest on assets and liabilities. This scheme, which is closed to new entrants and to future accrual, provides benefits based on final pensionable salary. The operating costs of the scheme and of providing benefits are apportioned to expenditure headings with the SOFA.

Scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet data and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities.

The change in the value of assets and liabilities arising from the asset valuation, changes in benefits, actuarial assumptions or change in the level of deficit attributable to members is recognised in the SOFA within actuarial gains / losses on defined benefit pension scheme.

The resulting defined benefit asset or liability is presented separately on the face of the balance sheet. The Dartington Hall Trust recognises assets for its defined benefit pension scheme to the extent that they are considered recoverable through reduced contribution in the future, or through refunds from the scheme.

#### ***Defined contribution pension scheme***

Pension costs in respect of our defined contribution scheme are charged to the SOFA for the period in which they are payable. Such costs are allocated to activities and between funds according to an employee's normal job function.

### **Research**

Expenditure on research is written off to the SOFA in the year in which it is incurred.

# The Dartington Hall Trust

## Notes to the financial statements for the year ended 31 March 2016

### Fund accounting

**Unrestricted funds** are used to further the charitable objectives at the discretion of the Trustees.

**Designated funds** represent funds set aside for specific purposes as decided by the Trustees

**Restricted funds** are used for specific purposes as requested by the donor or by the nature of the appeal.

## 2 Donations and legacies

	Unrestricted 2016 £'000	Restricted 2016 £'000	Total 2016 £'000	Unrestricted 2015 £'000	Restricted 2015 £'000	Total 2015 £'000
Individuals	13	75	88	13	75	88
Trusts & foundations	-	200	200	-	367	367
Legacies	-	19	19	-	-	-
	13	294	307	13	442	455

## 3 Income from charitable activities

	Unrestricted 2016 £'000	Restricted 2016 £'000	Total 2016 £'000	Unrestricted 2015 £'000	Restricted 2015 £'000	Total 2015 £'000
Grant income	27	956	983	75	803	878
Partner income	1,507	-	1,507	1,550	-	1,550
Contract income for services	529	-	529	560	-	560
Course fees	1,890	-	1,890	1,660	-	1,660
Admissions	307	-	307	322	-	322
Rents	507	-	507	553	-	553
Other	46	-	46	87	-	87
	4,813	956	5,769	4,807	803	5,610

At the year end, restricted grant income of £36k (2015: £41k) for DSSE has been deferred and is included in creditors.

# The Dartington Hall Trust

## Notes to the financial statements for the year ended 31 March 2016

Grant income comprises:

	2016 Total £'000	2015 Total £'000
Arts Council England	61	76
Big Lottery Fund – Social Incubator Fund	-	227
Big Lottery Fund – LandWorks	126	-
European Regional Development Fund	-	74
Heritage Lottery Fund	66	-
Rural Growth Network	92	55
Other Statutory grants	98	63
Educational institutions, charities and private trusts	540	383
	<b>983</b>	<b>878</b>

## 4 Income from trading activities

	Hotel activities 2016 £'000	Retail activities 2016 £'000	Total 2016 £'000	Total 2015 £'000
Turnover	2,165	2,980	5,145	4,992
Costs	(2,050)	(2,924)	(4,974)	(4,881)
<b>Enterprise profit</b>	<b>115</b>	<b>56</b>	<b>171</b>	<b>111</b>
Contribution to estate maintenance paid directly to Dartington	192	78	270	283
<b>Enterprise contribution to Dartington</b>	<b>307</b>	<b>134</b>	<b>441</b>	<b>394</b>

## 5 Investment and other income

	2016 £'000	2015 £'000
Interest on cash at bank	1	1
Income notes	239	301
Rents	1,126	1,094
	<b>1,366</b>	<b>1,396</b>

Rental income excludes any rents received from the Charity's trading subsidiaries.

# The Dartington Hall Trust

## Notes to the financial statements for the year ended 31 March 2016

### 6 Expenditure

	Activities undertaken directly £'000	Support costs £'000	Total 2016 £'000	Total 2015 £'000
Expenditure on raising funds	106	-	106	98
Expenditure on charitable activities:				
Arts & Crafts Programme	1,289	169	1,458	1,773
Schumacher College	1,761	231	1,992	1,889
RiP / RiPfa	1,880	247	2,127	2,115
LandWorks	182	24	206	149
SEEDbed / DSSE	301	40	341	270
Grounds Gardens & Land Use	403	53	456	404
Other Projects	149	19	168	155
Place	1,431	188	1,619	1,952
Expenditure on trading activities	4,974	-	4,974	4,881
Expenditure on investments	672	-	672	509
Cost of closed defined benefit pension scheme	388	-	388	386
	<b>13,536</b>	<b>971</b>	<b>14,507</b>	<b>14,581</b>

Indirect support costs are directly allocated to charitable activities where possible - for example, insurance costs on actual allocations. All unallocated support costs are then apportioned on the basis of a proportion of charitable costs incurred.

#### Support costs

	2016 £'000	2015 £'000
Finance	313	321
Human Resources & Payroll	158	166
Information Technology	170	226
Central Management	84	81
Communications	163	163
Governance	83	91
	<b>971</b>	<b>1,048</b>

### 7 Trustees' remuneration

The charity Trustees were not paid and did not receive any other benefits from employment with the Trust or its subsidiary company in the year (2015 £nil). No charity Trustee received payment for professional or other services supplied to the charity (2015 £nil). Trustees incurred out of pocket expenses in the year and were reimbursed as follows:

# The Dartington Hall Trust

## Notes to the financial statements for the year ended 31 March 2016

	2016 Number	2016 £'000	2015 Number	2015 £'000
Travel/subsistence costs	10	10	10	11

£2,558 (2015: £2,533) was paid for professional indemnity insurance to cover the Trustees and officers in the performance of their duties.

Greg Parston was invited to join the Board as Executive Chair for a 7 month term from September 2015 with the specific purpose of carrying out a governance review and supporting the new CEO in developing a clear purpose and strategy to secure the future success and sustainability of the Trust. During his tenure as Executive Chair, the Trustees felt that Greg demonstrated good leadership skills and could continue to build on the positive work he had achieved with them. He was formally invited to join the Board as Chair of Trustees from 4th March 2016 for an initial 3 year term.

### 8 Group staff costs

	2016 £'000	2015 £'000
Wages and salaries	5,185	4,946
Social security costs	403	397
Other pension costs	189	189
Cost of closed defined benefit scheme	371	359
	<b>6,148</b>	<b>5,891</b>

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year were as follows:

	2016 Number	2015 Number
£70,000 - £79,999	1	2
£80,000 - £89,999	1	-
£110,000 - £119,999	-	1

The key management personnel of the parent charity, the Trust, comprise the Trustees, the chief executive officer, the chief operating officer, general manager of the arts, social justice director, head of school at Schumacher College, property director and head of communications. The total employee benefits of the key management personnel of the Trust were £404.1k (2015: £440.8k).

The key management personnel of the group comprise those of the Trust and the key management personnel of Dartington Catering and Accommodation Services Ltd (DACs) and Dartington Trading Company Ltd (DTL). The key management personnel of the two trading companies are the DACs General Manager and DTL Managing Director whose employee benefits total £115.7k (2015 £113.2k). The employee benefits of key management personnel for the group was therefore £519.8k (2015 £554k).

In 2015/2016, 1 of the 2 staff earning in excess of £60,000 (2015: 2 of the 3 staff earning in excess of £60,000) participated in the defined benefit pension scheme (see note 23). There were no contributions (2015 £0) made to the defined benefit pension scheme in relation to these 2 members of staff (2015: 2).

# The Dartington Hall Trust

## Notes to the financial statements for the year ended 31 March 2016

The defined benefit scheme closed to future accrual on 5 October 2010 and these employees were transferred to a defined contribution scheme. Contributions of £12,886 (2015: £28,252) were made in relation to the one member of staff earning in excess of £60,000 (2015: 2).

The average monthly number of employees, which includes directors, calculated on a full-time equivalent basis, analysed by function was:

	2016 Number	2015 Number
Costs of generating funds	2	2
Enterprises	91	92
Property and investment	14	14
Charitable activities	114	114
	<b>221</b>	<b>222</b>

## 9 Net (expenditure) / income

Net (expenditure) / income is stated after charging/crediting the following:	2016 £'000	2015 £'000
Auditors' remuneration		
Audit fees (charity)	20	19
Audit work re FRS102 (charity)	4	-
Consultancy services – impact assessment fees re FRS102	9	-
Tax advisory services (charity)	2	2
Operating land rentals:		
Land and buildings	21	21
Depreciation of owned assets	404	459
Loss / (Profit) on disposal of fixed assets	72	(7)

# The Dartington Hall Trust

## Notes to the financial statements for the year ended 31 March 2016

### 10 Charity: Tangible assets

	Freehold land and property	Equipment, instruments and vehicles	Heritage assets	Total
	£'000	£'000	£'000	£'000
<b>At 31 March 2015</b>				
Cost	8,194	3,235	621	12,050
Accumulated depreciation	(339)	(2,153)	-	(2,492)
<b>Net book value</b>	<b>7,855</b>	<b>1,082</b>	<b>621</b>	<b>9,558</b>
<b>Year ended 31 March 2016</b>				
Opening net book amount	7,855	1,082	621	9,558
Additions	-	1,128	-	1,128
Transfer to Investments	(39)	-	-	(39)
Disposals	-	(42)	-	(42)
Depreciation	(105)	(236)	-	(341)
<b>Closing net book amount</b>	<b>7,711</b>	<b>1,932</b>	<b>621</b>	<b>10,264</b>
<b>At 31 March 2016</b>				
Cost	8,155	4,028	621	12,804
Accumulated depreciation	(444)	(2,096)	-	(2,540)
<b>Net book amount</b>	<b>7,711</b>	<b>1,932</b>	<b>621</b>	<b>10,264</b>
<b>Historical cost:</b>				
At 31 March 2015	8,194	3,235	621	12,050
<b>At 31 March 2016</b>	<b>8,155</b>	<b>4,028</b>	<b>621</b>	<b>12,804</b>

Works of art held as part of the Dartington collection are considered heritage assets and are included in the financial statements at historical cost. Freehold property, equipment, plant, musical instruments and motor vehicles are stated at historical cost.

A fixed legal charge, secured on property assets to the value of £8m, is held by the Dartington Hall Trust pension fund.

# The Dartington Hall Trust

## Notes to the financial statements for the year ended 31 March 2016

### 11a Group: Tangible assets

	Freehold land and property	Equipment, instruments and vehicles	Heritage assets	Total
	£'000	£'000	£'000	£'000
<b>At 31 March 2015</b>				
Cost	8,194	4,344	621	<b>13,159</b>
Accumulated depreciation	(339)	(3,079)	-	<b>(3,418)</b>
<b>Net book value</b>	<b>7,855</b>	<b>1,265</b>	<b>621</b>	<b>9,741</b>
<b>Year ended 31 March 2016</b>				
Opening net book amount	7,855	1,265	621	<b>9,741</b>
Additions	-	1,137	-	<b>1,137</b>
Transfer to Investments	(39)	-	-	<b>(39)</b>
Disposals	-	(94)	-	<b>(94)</b>
Depreciation	(105)	(299)	-	<b>(404)</b>
<b>Closing net book amount</b>	<b>7,711</b>	<b>2,009</b>	<b>621</b>	<b>10,341</b>
<b>At 31 March 2016</b>				
Cost	8,155	4,745	621	<b>13,521</b>
Accumulated depreciation	(444)	(2,736)	-	<b>(3,180)</b>
<b>Net book amount</b>	<b>7,711</b>	<b>2,009</b>	<b>621</b>	<b>10,341</b>
<b>Historical cost:</b>				
At 31 March 2015	8,194	4,344	621	13,159
<b>At 31 March 2016</b>	<b>8,155</b>	<b>4,745</b>	<b>621</b>	<b>13,521</b>

Works of art held as part of the Dartington collection are considered heritage assets and are included in the financial statements at historical cost. Freehold property, equipment, plant, musical instruments and motor vehicles are stated at historical cost.

A fixed legal charge, secured on property assets to the value of £8m, is held by the Dartington Hall Trust pension fund.



# The Dartington Hall Trust

Notes to the financial statements for the year ended 31 March 2016

## 11b Five year financial summary of heritage asset transactions

	2015/16 £'000	2014/15 £'000	2013/14 £'000	2012/13 £'000	2011/12 £'000
<b>Purchases:</b>					
Collection	-	-	-	-	-
<b>Donations</b>	-	-	-	-	-
<b>Total additions</b>	-	-	-	-	-
<b>Disposals:</b>					
Carrying amount	-	-	-	-	85
Sale proceeds	-	-	-	-	1,054

## 11c Further information on the Trust's collection of heritage assets

### Dartington collection

The Trust holds a collection of furniture and works of art which reflects Dartington as a place of experiment and provides context for our current programme of activities. The Collection has been assembled over many years and comprises of books, furniture, ceramics, paintings and other works of arts such as sculpture.

### Preservation and management

Dartington maintains an electronic catalogue of all items in the collection and all conservation work performed on the collection is recorded in this catalogue. Items of the collection are displayed throughout The Dartington Hall estate and on loan to galleries to widen access further.

## 12 Investments

	Investment properties £'000	Other investments £'000	Treasury deposits £'000	Total group investments £'000	Investment in subsidiary undertakings £'000
<b>Cost or valuation:</b>					
At 1 April 2015	14,477	20	6,791	21,288	3,042
Additions	281	75	-	356	-
Transfers from fixed assets	39	-	-	39	-
Transfer from cash	-	-	549	549	-
Disposals	(784)	-	(1,009)	(1,793)	-
Revaluation	542	-	(203)	339	-
<b>At 31 March 2016</b>	<b>14,555</b>	<b>95</b>	<b>6,128</b>	<b>20,778</b>	<b>3,042</b>
<b>Historical cost:</b>					
At 31 March 2015	5,520	20	6,652	12,192	1,761
<b>At 31 March 2016</b>	<b>5,538</b>	<b>95</b>	<b>6,192</b>	<b>11,825</b>	<b>1,761</b>

# The Dartington Hall Trust

## Notes to the financial statements for the year ended 31 March 2016

Investment property is measured at market value. Property valuations are carried out during the year, by suitably qualified internal valuers. Dartington also uses a range of regional and national external valuers to provide independent valuations. All external and internal valuers are members of the Royal Institution of Chartered Surveyors and have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The Trustees believe that the carrying value of the investments is supported by their underlying net assets and forecast future income streams.

At 31 March 2016, the group held 4 FTSE and S&P linked deposits that are recognised at fair value. The deposits are due to mature in 2016/17 and beyond and interest is earned at a specified rate over the term of the deposit. However, should the level of the FTSE 100 index or S&P drop by more than a specified percentage at the redemption date, the deposit amount repayable to the group on maturity will be less than the initial deposit investment.

Other investments include 29.2% of the ordinary share capital of Grant Instruments (Cambridge) Limited.

The results of Grant Instruments (Cambridge) Limited for the year ended 31 May 2015 were:

	2015 £'000	2014 £'000
Profit for the financial year	36	348
Revaluation of fixed assets	1,124	1,167
Shareholders' funds	(1,203)	(44)

	2016 £'000	2015 £'000
<b>Investments in excess of 5% of total investments</b>		
<b>Charity and group:</b>		
Investment properties	14,555	14,477
Barclays Treasury deposit	6,128	6,791
<b>Charity only:</b>		
Dartington Hall Properties Limited	2,152	2,152
Dartington Trading Limited	210	210

# The Dartington Hall Trust

## Notes to the financial statements for the year ended 31 March 2016

### 13 Subsidiary undertakings

The subsidiary undertakings are all registered in England and Wales and all shareholdings are in ordinary shares. All are wholly owned. Subsidiary undertakings owned indirectly are shown below their sub-group holding company.

	<b>Nature of business</b>
Dartington Investments Limited	Dormant
Dartington Hall Limited	Holding company
Dartington Hall Corporation	Holding company
The Dartington Trading Company Limited	Retail
Dartington Hall Properties Limited	Holding company
Dartington Property Limited	Dormant
Dartington Hall Farms Limited	Dormant
Dartington Accommodation and Catering Services Limited	Accommodation and catering
Dartington Woodlands Limited	Dormant
Dartington Development Limited	Dormant
Dartington Hall Development Limited	Dormant

### 14 Consolidated profit and loss account from trading subsidiaries

The wholly owned trading subsidiaries are all incorporated in the United Kingdom. These enterprises pay all taxable profits to the Charity by gift aid.

Dartington Accommodation and Catering Services Limited (Company Number: 01212831) provides hotel services for the charity and external customers including catering, conference and accommodation facilities. The Dartington Trading Company Limited (Company Number: 01218378) runs the Shops at Dartington (formerly the Cider Press Centre), a visitor attraction with shops, eating places and workshops and also operates a bookshop in Totnes.

All intra group transactions have been eliminated on consolidation.

# The Dartington Hall Trust

## Notes to the financial statements for the year ended 31 March 2016

	Dartington Accommodation and Catering Services Limited £'000	The Dartington Trading Company Limited £'000	Total £'000
<b>Year ended 31 March 2016</b>			
Turnover	2,744	2,980	5,724
Total costs	(2,593)	(2,932)	(5,525)
<b>Profit</b>	151	48	199
Retained in subsidiary			
The assets and liabilities of the subsidiaries were:			
Total assets	748	773	1,521
Total liabilities	(453)	(434)	887
Total net assets	295	339	634
<b>Aggregate share capital and reserves</b>	<b>295</b>	<b>339</b>	<b>634</b>

## 15 Stock

	2016 Charity £'000	2016 Group £'000	2015 Charity £'000	2015 Group £'000
Consumable stores	15	15	11	11
Retailing	-	454	-	466
Raw materials	17	35	17	29
	32	504	28	506

## 16 Debtors

	2016 Due within one year £'000	2015 Due within one year £'000
<b>Charity</b>		
Trade debtors	1,588	1,520
Other debtors	679	2,624
Prepayments and accrued income	59	72
	2,326	4,216

# The Dartington Hall Trust

## Notes to the financial statements for the year ended 31 March 2016

	2016 Due within one year £'000	2015 Due within one year £'000
<b>Group</b>		
Trade debtors	1,732	1,639
Other debtors	686	2,641
Prepayments and accrued income	204	208
	<b>2,622</b>	<b>4,488</b>

## 17 Current asset investments

	2016 Charity £'000	2016 Group £'000	2015 Charity £'000	2015 Group £'000
Treasury deposits	1,000	1,000	1,000	1,000

## 18 Creditors

	2016 Due within one year £'000	2016 Due after more than one year £'000	2015 Due within one year £'000	2015 Due after one year £'000
<b>Charity</b>				
Trade creditors	575	-	710	-
Amounts owed to group undertakings	3,251	-	197	2,452
Other creditors	79	-	137	-
Payments received for performance related grants	36	-	41	-
Accruals and deferred income	3,280	-	2,866	-
	<b>7,221</b>	<b>-</b>	<b>3,951</b>	<b>2,452</b>

# The Dartington Hall Trust

## Notes to the financial statements for the year ended 31 March 2016

	2016 Due within one year £'000	2016 Due after more than one year £'000	2015 Due within one year £'000	2015 Due after one year £'000
<b>Group</b>				
Trade creditors	897	-	1,006	-
Taxation and social security	183	-	138	-
Other creditors	108	-	350	-
Accruals and deferred income	3,529	-	2,909	-
	<b>4,717</b>	<b>-</b>	<b>4,403</b>	<b>-</b>

Deferred income includes fees received in advance of a course taking place, Partner grants, contract income and grants when the income is subject to performance related conditions and events and when these conditions have not been met within the accounting period.

	2015 £'000	Released £'000	Deferred £'000	2016 £'000
Fees received in advance	234	(234)	269	269
Partner Grants received in advance	1,398	(1,383)	1,305	1,320
Contract income	46	(46)	131	131
Grants	41	(41)	36	36
Rental income	44	(44)	35	35
Social investment loan fund	300	(75)	300	525
	<b>2,063</b>	<b>(1,823)</b>	<b>2,076</b>	<b>2,316</b>

## 19 Analysis of group net assets between funds

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
<b>Group fund balances at 31 March 2016 are represented by:</b>			
Tangible assets	10,284	57	10,341
Investments	20,703	75	20,778
Net current assets	477	183	660
Long term pension liability	(872)	-	(872)
	<b>30,592</b>	<b>315</b>	<b>30,907</b>

# The Dartington Hall Trust

## Notes to the financial statements for the year ended 31 March 2016

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
<b>Charity fund balances at 31 March 2016 are represented by:</b>			
Tangible assets	10,207	57	10,264
Investments	23,745	75	23,820
Net current assets and liabilities falling due within one year	(2,874)	183	(2,691)
Long term pension liability	(872)	-	(872)
	<b>30,206</b>	<b>315</b>	<b>30,521</b>

## 20 Group statement of funds

	Balance 31 March 2015 £'000	Income £'000	Expenditure £'000	Gains and losses on revaluation £'000	Transfers between funds £'000	Balance at 31 March 2016 £'000
<b>Unrestricted Funds</b>						
General fund	9,474	6,192	(7,892)	169	463	8,406
<b>Designated funds</b>						
Fixed assets fund	8,476	-	(105)	-	(39)	8,332
Maintenance fund	2,811	-	(72)	-	-	2,739
Subsidiary fund	2,747	5,145	(4,974)	-	39	2,957
Web development fund	185	-	(108)	-	-	77
<b>Total designated</b>	<b>14,219</b>	<b>5,145</b>	<b>(5,259)</b>	<b>-</b>	<b>463</b>	<b>14,105</b>
Revaluation fund	9,096	-	-	339	(482)	8,953
Pension reserve	(1,058)	-	-	167	19	(872)
<b>Total unrestricted funds</b>	<b>31,731</b>	<b>11,337</b>	<b>(13,151)</b>	<b>675</b>	<b>-</b>	<b>30,592</b>
<b>Restricted funds</b>						
Arts Council	32	61	(42)	-	-	51
Summer School	-	123	(123)	-	-	-
Social Entrepreneurs	-	201	(201)	-	-	-
SEEDbed	163	55	(150)	-	-	68
Refugee Support Network	-	11	(1)	-	-	10
Esmee Fairbairn	26	46	(36)	-	-	36
Deer Park wall	-	102	(102)	-	-	-
Ruth Ash bequest	73	-	(63)	-	-	10
Schumacher	-	269	(267)	-	-	2
Volunteers	57	-	(45)	-	-	12
Other	70	382	(326)	-	-	126
<b>Total restricted funds</b>	<b>421</b>	<b>1,250</b>	<b>(1,356)</b>	<b>-</b>	<b>-</b>	<b>315</b>
<b>Total funds</b>	<b>32,152</b>	<b>12,587</b>	<b>(14,507)</b>	<b>675</b>	<b>-</b>	<b>30,907</b>

# The Dartington Hall Trust

## Notes to the financial statements for the year ended 31 March 2016

### Designated funds

**Fixed assets fund:** This fund represents the net book value of our land and buildings fixed assets in the Dartington estate and the Dartington collection. The Trustees have designated this fund to represent the proportion of the Dartington unrestricted funds not readily transferable into cash and as a consequence unable to be spent on our ongoing charitable activities. The in-year transfer represents the depreciation charged on these assets during the year.

**Maintenance fund:** This fund protects the organisation from unplanned and significant expenditure required to maintain the estate. It does not reflect the full value of all necessary works required as determined by the estate plan. This fund is utilised when unexpected maintenance is needed in addition to the day-to-day planned maintenance programme.

**Subsidiary fund:** This fund represents the P&L reserves held in Dartington's subsidiary companies and is therefore not accessible to fund Dartington's day-to-day activities.

**Revaluation fund:** This fund represents the unrealised gain in value on our investment assets. The in-year transfer reflects the realised gain relating to assets that have been sold during the year.

## 21 Charity statement of funds

The statement of funds for the charity is the same as the table above after removing the Subsidiary Fund in designated funds £2.9m and adding the revaluation reserve in investments in subsidiaries amounting to £2.6m

## 22 Cash flow information for the Group

	2016 £'000	2015 £'000
(a) <b>Reconciliation of changes in resources to net outflow from operating activities:</b>		
Net outgoing resources for the year	(1,412)	(194)
Depreciation	404	459
Loss on disposal of fixed assets	73	2
Profit on disposal of investments	(169)	(1,142)
Revaluation of investments	(339)	(792)
Pension scheme finance (credit) / charge	(19)	10
Decrease in stocks	2	27
Decrease / (Increase) in debtors	41	(37)
Increase in creditors	314	167
Rental income	(1,126)	(1,094)
Interest received	(239)	(301)
Securities income	(1)	(1)
<b>Net cash outflow from operating activities</b>	<b>(2,471)</b>	<b>(2,896)</b>



# The Dartington Hall Trust

## Notes to the financial statements for the year ended 31 March 2016

	2016 £'000	2015 £'000
<b>(b) Reconciliation of net cash flow to movements in net funds and debt:</b>		
Increase / (Decrease) in cash and cash equivalents in the year	661	(274)
Movement in net funds and debt in the year		
Net funds at 1 April	590	864
<b>Net funds at 31 March</b>	<b>1,251</b>	<b>590</b>

	1 April 2015 £'000	Cash flow £000	31 March 2016 £'000
<b>(c) Analysis of net funds and debt:</b>			
Cash at bank and in hand	590	661	1,251
Short- term deposits	1,000	-	1,000
	<b>1,590</b>	<b>661</b>	<b>2,251</b>

## 22 Capital commitments

At the 31 March 2016, The Dartington Hall Trust had financial commitments on building contracts of £98,378 (2015: £314,015).

## 23 Pension and similar obligations

### Pension commitments

#### Stakeholder Pension Scheme

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £189,291 (2015: £188,847). Contributions totalling £15,561 were outstanding at the year-end (2015: £17,510). There were no amounts prepaid at the year end.

#### Dartington Hall Estate Pension Fund

Dartington operates a funded pension scheme, established under The Trust, providing benefits based on final salary. The total contribution made for the year ended 31 March 2015 were £124,200 (2015: £163,500) of which employer's contributions totalled £124,200 (2015: £163,500) and employees' contributions totalled £0 (2015: £0).

This defined benefit pension scheme was closed to new members on 1 October 2006 and to future accrual on 5 October 2010. Newton Investment Management and Legal and General act as investment managers to the Pension Trustees.

# The Dartington Hall Trust

## Notes to the financial statements for the year ended 31 March 2016

The financial assumptions used by the actuary to calculate the scheme liabilities under FRS17 were as follows:

	2016	2015
	%	%
Rate of increase in pensionable salaries	3.2	3.2
RPI inflation	2.7	2.7
CPI inflation	1.8	1.8
Rate of increase in pensions in payment:		
5.00% / RPI	1.8	1.8
2.50% / RPI	1.6	1.6
Discount rate for liabilities	3.2	3.2
Commutation of pensions to lump sums	20%	20%

The mortality assumptions have been updated and are based on standard mortality tables which allow for future mortality improvements.

	2016	2015
Retiring today:		
Males	<b>21.4</b>	21.6
Females	<b>23.3</b>	23.5
Retiring in 20 years		
Males	<b>22.9</b>	22.1
Females	<b>24.1</b>	24.3

# The Dartington Hall Trust

## Notes to the financial statements for the year ended 31 March 2016

The value of assets in the scheme, the present value of liabilities and the expected rate of return at the balance sheet date were:

	2016 Fair Value £'000	Expected rate of return % pa	2015 Fair Value £'000	Expected rate of return % pa
Equities	8,440	5.50	9,128	5.50
Bonds	1,601	3.10	1,673	3.10
LDI funds	4,220	2.20	4,108	
Cash	291	0.50	304	0.50
Total market value of assets	14,552		15,213	
Present value of scheme liabilities	(15,424)		(16,271)	
Deficit in the scheme	(872)		(1,058)	
Limit on pension asset allowable	-		-	
Allowable deficit in the scheme	(872)		(1,058)	

The amounts recognised in net incoming resources are as follows:

	2016 £'000	2015 £'000
Past service cost	150	140
<b>Total operating charge</b>	<b>150</b>	<b>140</b>
Expected return on pension scheme assets	(479)	(585)
Interest on pension liabilities	512	591
<b>Pension finance cost</b>	<b>33</b>	<b>6</b>
<b>Actual return on scheme assets:</b>		
Expected return on pension scheme assets	479	585
Actuarial gain/(loss) on assets	(621)	1,562
<b>Actual return on scheme assets</b>	<b>(142)</b>	<b>2,147</b>

# The Dartington Hall Trust

## Notes to the financial statements for the year ended 31 March 2016

### Analysis of amount recognised in Statement of Financial Activities

	2016 £'000	2015 £'000
Total actuarial gain / (loss)	167	(908)
<b>Total actuarial gain / (loss)</b>	<b>167</b>	<b>(908)</b>
Total cumulative actuarial loss recognised in SOFA at 1 April	(3,490)	(2,582)
Total cumulative actuarial loss recognised in SOFA at 31 March	(3,323)	(3,490)

### Movement in deficit in the year:

	2016 £'000	2015 £'000
Deficit in scheme at the start of the year	(1,058)	(140)
Employer contributions	219	163
Past service cost	(150)	(140)
Other finance cost	(33)	(6)
Scheme expenses	(17)	(27)
Actuarial gain / (loss)	167	(908)
<b>Deficit in the scheme at the end of the year</b>	<b>(872)</b>	<b>(1,058)</b>

### Asset and liability reconciliation:

#### Reconciliation of liabilities

	2016 £'000	2015 £'000
<b>Liabilities at the start of the year</b>	<b>16,271</b>	<b>13,655</b>
Interest cost	512	591
Actuarial (gain) / loss	(788)	2,470
Benefits paid	(721)	(585)
Past service cost	150	140
<b>Liabilities at the end of the year</b>	<b>15,424</b>	<b>16,271</b>

#### Reconciliation of assets

	2016 £'000	2015 £'000
<b>Assets at the start of the year</b>	<b>15,213</b>	<b>13,515</b>
Expected return on assets	479	585
Actuarial (loss) / gain	(621)	1,562
Employer contributions	219	163
Scheme expenses	(17)	(27)
Benefits paid	(721)	(585)
<b>Assets at the end of the year</b>	<b>14,552</b>	<b>15,213</b>

# The Dartington Hall Trust

## Notes to the financial statements for the year ended 31 March 2016

### History of asset values, present value of liabilities and deficit / surplus

	2016 £'000	2015 £'000	2014 £'000	2013 £'000	2012 £'000
Fair value of assets	14,552	15,213	13,515	13,868	12,624
Present value of liabilities	(15,424)	(16,271)	(13,655)	(13,720)	(12,596)
<b>Pension (deficit) / surplus</b>	<b>(872)</b>	<b>(1,058)</b>	<b>(140)</b>	<b>148</b>	<b>28</b>

### History of experience gains and losses

	2016 £'000	2015 £'000	2014 £'000	2013 £'000	2012 £'000
Experience (losses) / gains on assets	(621)	1,562	(364)	1,229	120
Experience (losses) / gains on liabilities	-	-	-	(214)	110

## 24 Financial commitments

The company had no annual commitments under non-cancellable operating leases. The group had the following annual commitments under non-cancellable land and buildings operating leases:

	Group	
	2016 Land and buildings £'000	2015 Land and buildings £'000
Within one year	-	21
Within two to five years	-	-
	-	21

# The Dartington Hall Trust

Notes to the financial statements for the year ended 31 March 2016

## 25 Related party transactions

Name	Organisation / Role	Nature of related party transaction
Tim Jones	South West Local Enterprise Partnership - Trustee	Grant received by The Trust £92k (2015: £55k)
Gerard Lemos	DHT - Trustee	Leasehold agreement over 20 years with DHT. Agreement based on standard terms of business
Patricia Williams	Dartington International Summer School Foundation - Director	Grant received £60k (2015: £62k)
Rhodri Samuel	DHT – CEO	Assured shorthold tenancy agreement with DHT. The agreement is based on standard terms of business.
Claire Wheatcroft	DHT – Head of Communications	Assured shorthold tenancy agreement with DHT. The agreement is based on standard terms of business.
Schumacher College Foundation	Connected charity – Trustees are employees of DHT	Donations received by The Trust £266k (2015:£224k)

All other related party transactions other than those between members of the consolidated group, are disclosed in the Trustees' Report. Advantage has been taken of the exemption not to provide details of the transactions between members of the consolidated group.

## 26 Ultimate control

No one individual has ultimate control over The Dartington Hall Trust.

# The Dartington Hall Trust

## Notes to the financial statements for the year ended 31 March 2016

### 27 Transition to Charities SORP (FRS 102)

These accounts for the year ended 31 March 2016 are the first accounts of The Dartington Hall Trust that comply with the Charities SORP (FRS 102). The date of the transition to the Charities SORP (FRS 102) is 1 April 2014.

The following reconciliations detail the differences between funds and the net movement in funds presented previously and the amounts as restated to comply with the Charities SORP (FRS 102).

	Group Unrestricted Funds £'000	Group Restricted Funds £'000	Group Total Funds £'000
<b>Funds as at 1 April 2014 reconciliation</b>			
Funds as at 1 April 2014 as previously stated:	31,978	273	<b>32,251</b>
Decrease in freehold property valuation	(6,215)	-	<b>(6,215)</b>
Increase in investment property valuation	6,971	-	<b>6,971</b>
Increase in income note investment valuation	247	-	<b>247</b>
<b>Funds as at 1 April 2014 under the Charities SORP (FRS 102)</b>	<b>32,981</b>	<b>273</b>	<b>33,254</b>
<b>Funds as at 31 March 2015 reconciliation</b>			
Funds as at 31 March 2015 as previously stated:	29,945	421	<b>30,366</b>
Decrease in freehold property valuation	(6,116)	-	<b>(6,116)</b>
Increase in investment property valuation	7,764	-	<b>7,764</b>
Increase in income note investment valuation	138	-	<b>138</b>
<b>Funds as at 31 March 2015 under the Charities SORP (FRS 102)</b>	<b>31,731</b>	<b>421</b>	<b>32,152</b>