

# Fulham Palace

est 1904



*Fulham Palace by J.G. circa 1880, LBHF Archive*

## FULHAM PALACE TRUST

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*Annual Report and Accounts  
for the year ended 31 March 2013*



*Tudor Courtyard, Fulham Palace*

# FULHAM PALACE TRUST

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*Second Annual Report of the Trustees and Accounts  
for the year ended 31 March 2013*

[www.fulhampalace.org](http://www.fulhampalace.org)

Company limited by guarantee, registered number 07464167  
Registered Charity number 1140088

# THE BOARD OF TRUSTEES

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## *Chairman*

Timothy C.W. Ingram

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## *Deputy Chairman*

Gordon G. Edington, CBE

• • •

## *Trustees*

Councillor Nicholas B. Botterill (*resigned 19 December 2012*)

Sandra Cook

Phillip A Emery, BEng, MA FSA MifA

Thomas Hackett

The Reverend Canon Joseph P. Hawes

Martin A. Poole

Brita von Schoenaich (*appointed 2 May 2012*)

Dr. Jonathan H. C. Williams

Kenneth Wright

• • •

## *Chief Executive of the Fulham Palace Trust*

Siân Harrington, BA MA MBA AMA

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*Tudor Gate and knot garden at Fulham Palace*

# TRUSTEES' ANNUAL REPORT

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## *Preference and Administrative Details*

### COMPANY SECRETARY

S Harrington

### TRUSTEES AND DIRECTORS OF THE COMPANY

N B Botterill (resigned 19 December 2012)

S Cook

G G Edington

P Emery

T Hackett

J P Hawes

T C W Ingram

M A Poole

B von Schoenaich (appointed 2 May 2012)

J H C Williams

K Wright

### REGISTERED OFFICE

Fulham Palace Trust

Fulham Palace

Bishops Avenue

London

SW6 6EA

### AUDITORS

Critchleys LLP

Greyfriars Court

Paradise Square

Oxford

OX1 1BE

## *Statutory Background*

The Fulham Palace Trust (“the Company”) was incorporated on 8 December 2010 and registered with the Charity Commission on 27 January 2011. It is a company limited by guarantee and registered in England (number 07464167) and is a registered charity (number 1140088). It is governed by Memorandum and Articles of Association.

## *Organisation and Structure*

The board of trustees, which can have up to 12 members, administers the charity. The board meets quarterly and there is a sub-committee covering finance which meets monthly. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, with terms of delegation approved by the trustees, for operational matters including finance, employment, PR/marketing and heritage education related activity.

As set out in the Articles of Association, the London Borough of Hammersmith & Fulham may appoint a maximum of two trustees and the Bishop of London may appoint one trustee. The Chairman may hold that office for a maximum period of 3 years, and may be re-appointed for a further 3 years but no more.

## *Procedures regarding New Trustees*

New trustees receive information about Fulham Palace Trust, its aims and objectives and are given a tour of the Palace, meeting staff and volunteers. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

## *Subsidiary Undertakings*

The results of Fulham Palace Trust’s subsidiary undertaking, Fulham Palace Enterprises Community Interest Company, are summarised in Note 3 to the financial statements.



## *Aims of the Trust*

The charity's objects ("Objects") are specifically restricted to the following:

- to provide for the advancement of public education by the provision of the Fulham Palace Museum (the "**Museum**") comprising such exhibits or items as the Charity may from time to time hold or receive and to preserve the same as a collection (the "**Collection**"); and
- to preserve for the benefit of the inhabitants of the London Borough of Hammersmith and Fulham and of the nation at large whatever of the English historical architectural and constructional heritage may exist in and round Fulham Palace in the form of buildings and gardens of particular beauty or historical, architectural or constructional interest

The Church Commission is the freeholder of the Fulham Palace site, and London Borough of Hammersmith and Fulham is the long leaseholder who ran Fulham Palace until 31 March 2011. The relationship between Fulham Palace Trust and London Borough of Hammersmith & Fulham is formalised in the grant funding agreement dated 1 April 2011.

## *The Fulham Palace Trust Strategic Plan (2011-2013)*

### VISION

To be one of the most beautifully conserved, widely supported, financially self-sustaining and environmentally sustainable, distinctive, inspirational and educational heritage attractions in London.

### MISSION

To restore Fulham Palace and unlock its full social and educational potential for the benefit of all.

### VALUES

We will:

- Ensure that the historic importance of Fulham Palace is protected in all that we do.
- Ensure that Fulham Palace is financially independent.
- Respect the interests of the Palace's freeholder, head lessor and other key stakeholders in our decision making.
- Ensure that our decisions take full account of our statutory responsibilities to protect a nationally-important heritage site and other legal obligations under the terms of our lease.
- Offer diverse ways for visitors to interact with the Palace and provide a range of services that local people can feel proud of.
- Present innovative programs and exhibitions that reflect the spirit of our times and explore new ways to engage with audiences that inspire, innovate and challenge.
- Support all manner of learning and knowledge creation inside the Palace and beyond its boundaries.
- Develop a first class customer service ethos across the whole of the Palace, providing a sense of arrival and ensuring that all visitors feel welcomed, are encouraged to return and minded to share their experience with others.
- Ensure that the Palace is a healthy and safe place to work in and visit.

# CHAIRMAN'S REPORT

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Timothy C. W. Ingram

We started the 2012/13 year (our second year) with the new Trust successfully established and staffed, and with effective governance in place. This enabled us to concentrate our efforts on starting to develop Fulham Palace for the benefit of all.

Fulham Palace has an immensely rich history as the Bishop of London's country retreat spanning 1300 years; it has played its part in major events over this period. It also, of course, has an earlier history dating right back to Neolithic times. This sense of great history in such lovely surroundings makes Fulham Palace a truly magical place.

The Trust's overarching aims continue to be to restore and renew further the Palace, gardens and grounds, and to operate this magnificent site for the benefit of the community.

The Chief Executive's Report covers some of the main activities that have occurred during the year.

## TRUSTEES

Brita von Schoenaich was appointed in May 2012 as a new trustee, particularly to help us on the garden and landscape side, and she has been much involved in the evolution of the garden master plan mentioned below.

Nick Botterill, who is now leader of the Council of the London Borough of Hammersmith and Fulham, resigned as a trustee in December 2012. He has been a trustee of this trust and its predecessor trust (which operated Fulham Palace Museum) for a total of 10 years, and I do wish to record my thanks for all his efforts, and particularly in promoting the support and good relations we have with the council.

## STAFFING

We further strengthened our staff team during the year, particularly in the areas of education, community relations, fund raising and gardening. By 31 March 2013 our employed staff numbers were 14.3 FTE, supplemented by approximately 150 active volunteers.



*Volunteers working in the knot garden at Fulham Palace*

## GARDEN MASTER PLAN AND TUDOR WING

Assisted by the Landscape Agency and Dominic Cole, we have developed a master plan for the gardens and surrounds of Fulham Palace. This has been devised to produce a cohesive vision on how we can restore the gardens back to the magnificence they once had. Of course, nothing in this master plan is 'cast in stone' and as we implement this vision, there will be much fine tuning to the plethora of individual projects that such a plan encompasses. In particular the trustees will very much take into account the views of the local community, which are mainly conveyed through our regular Community Forum meetings.

In addition to implementing the garden master plan, it is also in our vision to restore the Tudor Wing of the Palace (situated on the North East side of the building).



## FUNDING FOR PROJECT

The various component parts for developing the garden master plan and restoring the Tudor Wing are provisionally estimated to cost around £5.5 million. Clearly we will need to raise all this money from external sources, and I am glad to report that a good start has been made to the raising of such funds. We launched our fund raising programme in Autumn last year and by 31 March 2013 had raised an initial seed capital of £79,000, mainly as a result of the greatly appreciated generosity of our Founding Donors. We are now extensively widening the reach of our fund raising both to individuals within the community and to trusts, foundations and the corporate world.

## FINANCES

As our accounts show, in very round numbers, it is costing us around £1 million a year to operate Fulham Palace and our revenues only just cover this. Moreover, for the 2012/13 financial year our grant from the council was cut back to £50,000 having been £138,000 in the previous year. Even though the trust operates with the much appreciated implicit support of the London Borough of Hammersmith and Fulham, the lack of reserves of the trust has concerned the trustees: as at 31.12.13 the quantum of reserves held as unrestricted funds was only £50,536. Accordingly, a number of meetings have been held with the council, and I am glad to say that agreement has recently been reached to strengthen very substantially the financial situation of the trust through:

- Drawing down in full, and depositing in our reserves, a loan of £250,000 from the council, which loan is only repayable if and when we make future surpluses and have reserves in excess of £500,000; and
- The council taking over from the trust the liability of repaying a £350,000 loan from the Architectural Heritage Fund. This loan was granted to enable the two lodges, at the entrance to the Palace, to be refurbished and made habitable.

The beneficial effect on our financial situation will be clearly seen in our 2013/14 accounts. In brief, these actions will effectively strengthen our reserves by about £600,000 and our cash position by an initial £250,000.

I, and all the trustees, are extremely grateful for this very tangible support and wholeheartedly believe that this will greatly enable the smooth operation and development of the palace and garden to the benefit not only of the residents of Hammersmith and Fulham, but also of the wider community.

I have recorded above my thanks to the council for all they are doing, I would also like to thank the management and staff for their hard efforts – often well beyond the hours of a normal day's work -and to my fellow trustees for their tireless efforts. In addition, I must also warmly thank the many volunteers who unselfishly donate their time and efforts into helping us all. Last but not least, I wish also to thank all the organisations who have also helped us in our work.



*Gothic Lodge, Fulham Palace*

# CHIEF EXECUTIVE'S REPORT

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Siân Harrington

## *Review of 2012/2013*

The second year of operation was an exciting and positive year for the Trust. We expanded our staff team from just 6.5 FTE to 14.3FTE, and this brought with it the ability to really move forward with the restoration of the garden and our learning and community development work with our local audiences. Several of the new posts are part-funded by the Heritage Lottery Fund, English Heritage, and the London Borough of Hammersmith and Fulham and we are very grateful for the transformation that this has brought to the Palace.

## VISITOR SERVICES

In 2012/13 201,507 visitors came to Fulham Palace, and 14,649 visitors came to the Museum. A temporary exhibition on the archaeology of Fulham Palace was well received, offering new insights into the long history of the Palace.

We have excellent results for visitor enjoyment at the Palace, with 87% of our visitors rating their experience of the Palace as excellent or very good, and 83% rating the café the same.

In January 2013 Bovingdons Limited succeeded Food Show Limited as operator of the café and providing the organisation and catering for functions at the Palace.

## PRESS AND PUBLICITY

We launched a new website in April 2012 and this continues to receive many positive comments and drive interest in the Palace. Working with our PR company, Fable + Co, we have established contacts with local and specialist press and we are receiving wider recognition for the work that we do. We had just over 800 Twitter followers by the end of March 2013 and this has also proved successful in generating interest in the Palace.

## LEARNING AND COMMUNITY DEVELOPMENT

The Education service continued to build on its success as an extremely popular resource for many local schools and schools from all over London. The opening of the Jessie Mylne Education Centre in 2012 enabled us to increase the number of schools visiting. During the year 143 different classes came to the Palace studying Romans, Tudors, Victorians, WWII, Toys and Creepy Crawlies.

The excellent work of Jenny Newhouse and Miranda Poliakoff in setting up the schools service was recognised through the receipt of a Sandford Award for heritage education.



*Her Grace the Duchess of Marlborough (middle) presenting the Sandford Award to Miranda Poliakoff, Curator, and Jenny Kershaw, Education Officer.*



*All Saints CE Primary School pupils participating in the 2012 community archaeology dig at Fulham Palace.*

Our activities and events programme in 2012/13 included open air cinema, theatre in the walled garden, and a large number of talks, tours and workshops. The open air cinema attracted around 1,000 guests per event. Unfortunately the July jazz concerts had to be cancelled due to wet weather.

In July 2012 we undertook a community archaeology exhibition in the walled garden which was funded by the Heritage Lottery Fund. This uncovered about 250 years' worth of garden archaeology, and uncovered three bee boles in the Tudor wall. The project attracted 94 volunteers, 239 school children and 313 people came to the weekend drop-ins.

In 2012 we expanded the number of volunteer roles at the Palace, and established our first team of garden volunteers. We are grateful for the hard work of all our volunteers. In 2012/13 they contributed 11,046 hours of work to the Palace.

## GARDEN DEVELOPMENTS

Our garden team expanded from four to six in the last year, and got stuck in to their expanded roles and access to the walled garden following the completion of the walled garden restoration project. Tomatoes, chillies and aubergines were planted in the vinery in 2012 and together with apples and plums from the walled garden were used to feed customers in the café and at our open air cinema events. A lovely new planting scheme was established in the knot garden using the colours of Bishop Blomfield's shield as inspiration.

We completed a concept master plan for the gardens in February 2013 and this will provide an overview for future planting schemes.

## INCOME GENERATION AND DEVELOPMENT

In August 2012 the refurbishment of Gothic Lodge and Coachman's Lodge was completed and both lodges are now let to residential tenants. This provides a very valuable income to the Trust each year.

In November 2012 we were able to appoint our first fundraising officer thanks to the generosity of our founding donors. We have held a number of successful fundraising dinners and started to make applications to trusts and foundations. A list of our donors and supporters can be found on the website at <http://www.fulhampalace.org/get-involved/support-us/thank-you/>

I'd like to thank all the staff and volunteers at Fulham Palace for helping make this such a great year for the Trust.

## *2013/2014 and Beyond*

In 2013/14 the priorities for the Trust will be as following.

### PRESS AND PUBLICITY

We will aim to further develop our PR strategy to increase our profile locally and London-wide, and with the specialist press, e.g. gardening, food and weddings.

### LEARNING AND COMMUNITY DEVELOPMENT

We will continue to expand the new volunteer programme with the aim of increasing the number and range of volunteers from the local community. We intend to increase the number of school visits and to increase the range of talks and tours for adults and families.

### INCOME GENERATION

It is crucial that we support Bovingdons Ltd to develop the wedding and corporate business and maintain a high standard of café operation.

In a year when we will add another commercial tenant to the site we need to maintain zero voids and manage our tenanted portfolio to a high standard.

### DEVELOPMENT

We will continue implementing aspects of the garden master plan and develop a tree strategy for the site.

We will make a round one application to the Heritage Lottery Fund for the final stage of restoration of the Palace and grounds.

We will progress our new fund-raising strategy for capital projects and revenue support, launching a new membership scheme and patrons scheme.



*The Reverend Canon Joseph P. Hawes and Bishop of London Richard Chartres at the Chairman's Summer Garden Party on 16 July 2013 to celebrate the launch the new fundraising campaign.*

## OPERATIONAL

We will continue to develop our financial, HR, risk management and health and safety processes.

Our **Key Performance Indicators** for the year are as follows:

FULHAM PALACE	2011/12 OUTTURN	2012/13 OUTTURN	2013/14 TARGET
Total visits to Fulham Palace main gate (number)	224,003	201,507	250,000
Good/excellent satisfaction with Fulham Palace (percentage)	n/a	87%	85%
Good/excellent satisfaction – café (percentage)	n/a	83%	90%
Fulham Palace Grounds and Bishop's Park achieve Green Heritage Site award and Green Flag	-		1 Green Flag
Person Hours volunteering (number)	17,086	11,046	14,000
LBHF Primary schools involved with education activities at Fulham Palace (number)	19	24	38
LBHF Primary schoolchildren participating in education activities at Fulham Palace (number)	1,074	1,910	2,000
Number of school classes taught at Fulham Palace (based on school months) (number)	100	143	160
Total number of pupils visiting Fulham Palace (based on school months)	2,504	3,569	4,000
Fulham Palace Grounds must comply with NI 197 specification (biodiversity standard)	Yes	Yes	Yes
Visitors to the Museum of Fulham Palace in person (number)	14,214	14,649	15,000
Museum registration (accreditation)	Yes	Yes	Yes



## PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the guidance published by the Charity Commission.

## RISK ASSESSMENT

The major risks to which the charity is exposed have been identified and reviewed and systems have been established to mitigate these risks.

## RESERVES POLICY

The Trustees have reviewed the charity's need for reserves in line with the guidance issued by the Charity Commission.

Having taken this guidance into account, the Trustees have established a policy whereby the charity's target is to hold reserves equal to between three and six months' expenditure.

As at 31 March 2013, unrestricted reserves stood at £50,536. The Trustees' intention is therefore to increase reserves in coming years by raising additional funds.

This target level of reserves takes into account:

- Risks associated with each stream of income and expenditure being different from that budgeted
- Planned activity level
- The charity's commitments

The charity does not currently hold any designated reserves.

## INVESTMENTS

Monies surplus to operational working capital requirements are invested in line with our investment policy, the objective of which is to maximise returns whilst ensuring that as far as possible funds are adequately safeguarded.

SIGNED ON BEHALF OF THE TRUSTEES on 23 September 2013

Timothy Charles William Ingram

# DIRECTORS' RESPONSIBILITIES

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The directors are responsible for preparing the Annual Report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the incoming resources and application of resources of the group for that period. In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the directors are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware and each director has taken the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

# INDEPENDENT AUDITOR'S REPORT

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We have audited the accounts of Fulham Palace Trust for the period ended 31 March 2013 which comprise the Group Statement of Financial Activities, the Balance Sheet for the Group and Company and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 16, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

## SCOPE OF THE AUDIT OF THE ACCOUNTS

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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 accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## BASIS FOR QUALIFIED OPINION ON FINANCIAL STATEMENTS

The Directors have not complied with the disclosure requirements of FRS17 Retirement Benefits, in relation to the five employees in the London Borough of Hammersmith and Fulham Pension Scheme, as they were unable to justify the actuary's costs. As a consequence the accounts do not provide the information as required regarding recognising the proportion of the pension scheme deficit to be included in the accounts. The total deficit of the scheme shown in the actuarial valuation at 31 March 2010 was £186m (4,125 active members at that date), but we are not able to quantify the non-compliance as the actuarial valuation at the balance sheet date relating to the five employees has not been obtained.

## QUALIFIED OPINION ON ACCOUNTS

In our opinion, except for the effects of the matter described in the Basis for qualified opinion paragraph, the accounts:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 31 March 2013 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

## OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the accounts are prepared is consistent with the accounts.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In respect solely of the non-compliance with FRS 17 described above

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made.

Robert Kirtland  
Senior Statutory Auditor

For and on behalf of:  
Critchleys LLP, Statutory Auditor  
4 October 2013

Oxford

# GROUP STATEMENT OF FINANCIAL ACTIVITIES

*including Income and Expenditure Account for the year ended 31 March 2013*

	Notes	Restricted Funds £	Unrestricted Funds £	Total 2013 £	Total 2012 £
<b>Incoming resources from</b>					
<b>Generated funds:</b>					
Voluntary income	2	133,965	195,542	329,507	138,818
Activities for generating funds:					
Income from subsidiary	3	-	185,907	185,907	105,403
Palace income	4	-	651,883	651,883	678,602
Investment income	5	-	574	574	216
<b>Total Incoming Resources</b>		<u>133,965</u>	<u>1,033,906</u>	<u>1,167,871</u>	<u>923,039</u>
<b>Resources Expended</b>					
<b>Cost of generating funds:</b>					
Costs of generating voluntary income	6	46,795	28,016	74,811	17,204
Subsidiary expenses	3	-	14,062	14,062	97,401
Palace expenses	4	-	64,999	64,999	92,233
<b>Charitable activities</b>	7	51,447	879,244	930,691	717,330
<b>Governance costs</b>	9	-	7,465	7,465	5,300
<b>Total Resources expended</b>		<u>98,242</u>	<u>993,786</u>	<u>1,092,028</u>	<u>929,468</u>
<b>Net incoming resources before transfers</b>		35,723	40,120	75,843	(6,429)
Gross transfers between funds		-	-	-	-
<b>Net income for the year</b>		35,723	40,120	75,843	(6,429)
<i>Reconciliation of funds</i>					
Total funds brought forward		<u>17,943</u>	<u>10,416</u>	<u>28,359</u>	<u>34,788</u>
<b>Total funds carried forward</b>		<u>53,666</u>	<u>50,536</u>	<u>104,202</u>	<u>28,359</u>

The notes on pages 22 to 31 form part of these accounts.

All activities are continuing. There are no gains or losses other than those shown above.

Details of restricted funds are set out in note 18 of the accounts.

Unrestricted Funds of the group comprise Non Charitable Trading Funds (Fulham Palace Enterprises Community Interest Company reserves) and the General Fund (which is the Company's operating fund). The total Unrestricted Funds at the end of the year of £50,536 comprise a nil balance on the Non Charitable Trading Funds and a surplus on the General Fund of £50,536. Further details relating to the funds are given in note 17 to these accounts.

As the Company is limited by guarantee, and with charitable objectives, a reconciliation of "shareholders funds" is not considered appropriate.

# BALANCE SHEET FOR THE GROUP AND THE COMPANY

for the year ended 31 March 2013

	Notes	Group 2013 £	Company 2013 £	Group 2012 £	Company 2012 £
<b>Fixed assets</b>					
Tangible assets	12	307,635	307,635	20,140	20,140
<b>Current assets</b>					
Stocks	13	8,600	8,600	8,600	8,600
Debtors	14	121,501	122,333	172,849	106,948
Cash at bank and in hand		<u>219,609</u>	<u>201,224</u>	<u>547,987</u>	<u>376,065</u>
		<u>349,710</u>	<u>332,157</u>	<u>729,436</u>	<u>491,613</u>
<b>Current liabilities</b>					
Creditors due within one year	15	<u>(224,814)</u>	<u>(207,261)</u>	<u>(321,217)</u>	<u>(83,394)</u>
<b>Net current assets</b>		<u>124,896</u>	<u>124,896</u>	<u>408,219</u>	<u>408,219</u>
<b>Total assets less current liabilities</b>		432,531	432,531	428,359	428,359
<b>Creditors:</b>					
Amounts falling due after more than one year	16	<u>(328,329)</u>	<u>(328,329)</u>	<u>(400,000)</u>	<u>(400,000)</u>
<b>Net assets</b>		<u>104,202</u>	<u>104,202</u>	<u>28,359</u>	<u>28,359</u>
<b>Represented by:</b>					
Unrestricted funds	17	50,536	50,536	10,416	10,416
Restricted funds	18	<u>53,666</u>	<u>53,666</u>	<u>17,943</u>	<u>17,943</u>
		<u>104,202</u>	<u>104,202</u>	<u>28,359</u>	<u>28,359</u>

The notes on pages 22 to 31 form part of these accounts.

These accounts were approved and authorised for issue by the Board of Trustees on 23 September 2013

# NOTES TO THE ACCOUNTS

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*for the year ended 31 March 2013*

## 1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's accounts:

### *Basis of Accounting*

The accounts are prepared under the historical cost convention and in compliance with all applicable accounting standards. The exemption from preparing a cash flow statement has been used on the grounds that the Company is a small company.

### *Presentation of the Accounts*

The accounts have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005 and the Companies Act 2006.

### *Group Financial Statements*

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Fulham Palace Enterprises Community Interest Company on a line by line basis. A separate Statement of Financial Activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006 and paragraph 304 of SORP 2005.

### *Income*

All incoming resources are accounted for when the charity has entitlement to the funds, certainty of receipt and the amount is measurable. Where income is received in advance or a deposit is made it is deferred until the charity is entitled to that income – usually when the event occurs. Grants are included on a receivable basis subject to adjudged ability to meet any associated conditions. Donations and voluntary income are included in the accounts when received. Legacies are accounted for when the charity is notified of its entitlement to the income and the amount can be assessed with reasonable certainty.

### *Fixed Assets*

The Company operates a policy of only capitalising assets with a cost greater than £1,000. All other assets are written off to the Statement of Financial Activities.

### *Depreciation*

Depreciation is provided on tangible fixed assets at rates calculated to write off the costs less residual value, on each asset over its expected useful life.



### *Stocks*

Stocks are stated at the lower of cost and net realisable value. 'Net realisable value' is the amount or value expected to be received from the sale or use of stock in the normal course of business after deducting any additional cost incurred in the process of realisation.

### *Leased Assets*

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis.

### *Pension Costs*

The charity operates a defined contribution pension scheme for staff who have joined the Trust since April 2011. Five staff members who transferred from LBHF are members of the Local Government Pension scheme. Contributions from both schemes are recognised as an expense when they fall due.

### *Fund Accounting*

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

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

### *Expenses*

Costs are included in the appropriate category. Support costs are allocated across the two activities based on the direct costs of that activity as a proportion of the total direct cost of the two activities. Irrecoverable VAT is included within support costs.

### *Transfer of Assets*

On the 1 April 2011 all the assets and liabilities of Fulham Palace Trust (an unincorporated charity) were transferred to Fulham Palace Trust (an incorporated charity).

## 2. VOLUNTARY INCOME

	Restricted Funds	Unrestricted Funds	Total 2013	Total 2012
	£	£	£	£
Grants				
LBHF grant	-	50,000	50,000	-
LBHF input VAT grant	-	(885)	(885)	34,357
LBHF / HLF core funding grant	-	131,062	131,062	101,000
HLF Archaeology grant	63,090	-	63,090	-
Other project grants	<u>-</u>	<u>12,760</u>	<u>12,760</u>	<u>682</u>
	63,090	192,937	256,027	136,039
Donations	<u>70,875</u>	<u>2,605</u>	<u>73,480</u>	<u>2,779</u>
	<u>133,965</u>	<u>195,542</u>	<u>329,507</u>	<u>138,818</u>

“LBHF” refers to the London Borough of Hammersmith and Fulham.

“HLF” refers to the Heritage Lottery Fund.

## 3. FULHAM PALACE ENTERPRISES COMMUNITY INTEREST COMPANY

Fulham Palace Enterprises Community Interest Company is a wholly-owned subsidiary incorporated in England and Wales whose principal activity is to support the charity. The subsidiary is limited by guarantee and therefore there is no investment to disclose. The guarantee is limited to £100.

The income and expenditure of the CIC as shown in the published accounts is as follows:

	2013	2012
	£	£
Turnover	185,907	105,403
Cost of sales	-	(3,265)
Administrative expenses	(185,998)	(102,240)
Interest receivable and similar income	<u>91</u>	<u>102</u>
Retained (loss) / profit for the year	<u>-</u>	<u>-</u>
<b>Balance sheet</b>		
Current assets	69,329	290,513
Current liabilities	<u>(69,329)</u>	<u>(290,513)</u>
Net assets	<u>-</u>	<u>-</u>
Income and expenditure account	<u>-</u>	<u>-</u>

Administrative expenses include management charges and gift-aid payments of £171,936 (2012: £8,104) to the parent company, Fulham Palace Trust.

Current liabilities include an amount due to the parent company, Fulham Palace Trust, of £51,776 (2012: £52,690).

#### 4. PALACE INCOME AND EXPENSES

##### *Income*

	<b>2013</b>	<b>2012</b>
	£	£
Functions, catering, events and café income	279,650	375,378
General rents, service charges and utilities reimbursements	344,599	286,311
Education	16,029	12,737
Other income	<u>11,605</u>	<u>4,176</u>
	<b><u>651,883</u></b>	<b><u>678,602</u></b>

##### *Expenditure*

Function supervisor	-	24,250
Other salaries	59,448	60,562
Catering charges	3,696	1,049
Legal costs	<u>1,855</u>	<u>6,372</u>
	<b><u>64,999</u></b>	<b><u>92,233</u></b>

#### 5. INVESTMENT INCOME

Investment income consists solely of interest receivable.

#### 6. COSTS OF GENERATING INCOME

	<b>2013</b>	<b>2012</b>
	£	£
Entertaining	911	786
Activities and events	1,624	431
Marketing, PR and website costs	59,505	14,746
Fundraising staff	11,484	-
Gallery hire	<u>1,287</u>	<u>1,241</u>
	<b><u>74,811</u></b>	<b><u>17,204</u></b>

## 7. CHARITABLE ACTIVITIES

	Activities Undertaken Directly	Support Costs (note 8)	Total 2013	Total 2012
	£	£	£	£
<b>Activity</b>				
Maintenance of historic buildings	62,122	399,564	461,686	386,819
Community & education	<u>69,441</u>	<u>399,564</u>	<u>469,005</u>	<u>330,511</u>
	<u>131,563</u>	<u>799,128</u>	<u>930,691</u>	<u>717,330</u>

## 8. ALLOCATION OF SUPPORT COSTS

	Maintenance of historic buildings	Community & Education	Total 2013	Total 2012
	£	£	£	£
<b>Support cost</b>				
Premises	106,666	106,666	213,332	223,962
Administration staff costs	210,653	210,653	421,306	361,522
Other overheads	<u>82,245</u>	<u>82,245</u>	<u>164,490</u>	<u>43,201</u>
	<u>399,564</u>	<u>399,564</u>	<u>799,128</u>	<u>628,685</u>

Allocation of support costs was based on the level of costs in Activities undertaken directly.

## 9. GOVERNANCE COSTS

	2013	2012
	£	£
Preparation of annual accounts and audit fees	7,000	5,000
Trustee meetings (minute taking)	<u>465</u>	<u>300</u>
	<u>7,465</u>	<u>5,300</u>

## 10. EMPLOYEE COSTS

	2013	2012
	£	£
Wages and salaries	393,678	283,701
Temporary and agency staff	10,900	49,119
Social security	34,959	21,682
Pension contributions	<u>40,902</u>	<u>53,664</u>
	<u>480,439</u>	<u>408,166</u>

The number of employees whose annual emoluments exceeded £60,000 in the period were as follows:

	2013 No.	2012 No.
£60,000 - £70,000	<u>1</u>	<u>-</u>

The average monthly number of employees in the group during the year was made up as follows:

	2013 No.	2012 No.
CEO	1	1
General Manager	1	1
Book-keeper	1	1
Head Gardener	1	1
Gardeners	1	2
Chargehand Gardener	1	1
Project Manager	1	1
Curator	1	1
Steward	1	1
Apprentice/trainee gardeners	1	-
Learning Officer	1	-
Administration / fund raising	1	-
Handyman/caretaker	<u>1</u>	<u>-</u>
	<u>13</u>	<u>10</u>

No Trustee received any remuneration or reimbursement of expense during the year.

#### 11. NET INCOMING RESOURCES

	2013 £	2012 £
is stated after charging:		
Auditors' remuneration – audit	7,000	5,000
Auditors' remuneration – other financial services	12,371	14,450
Rent	62,500	62,500
Depreciation	<u>14,846</u>	<u>14,109</u>

## 12. FIXED ASSETS

### Tangible assets for the Group and Company

	Plant & machinery	Office equipment	Fixtures & fittings	Leasehold improvements	Group Total
	£	£	£	£	£
Cost or valuation:					
At 1 April 2012	-	21,766	29,105	3,653	54,524
Additions	<u>798</u>	<u>11,687</u>	<u>270</u>	<u>289,586</u>	<u>302,341</u>
At 31 March 2013	<u>798</u>	<u>33,453</u>	<u>29,375</u>	<u>293,239</u>	<u>356,865</u>
Depreciation:					
At 1 April 2012	-	8,954	24,699	731	34,384
Charge for year	<u>75</u>	<u>9,579</u>	<u>1,497</u>	<u>3,695</u>	<u>14,846</u>
At 31 March 2013	<u>75</u>	<u>18,533</u>	<u>26,196</u>	<u>4,426</u>	<u>49,230</u>
Net book value:					
At 31 March 2013	<u>723</u>	<u>14,920</u>	<u>3,179</u>	<u>288,813</u>	<u>307,635</u>
At 31 March 2012	<u>-</u>	<u>12,812</u>	<u>4,406</u>	<u>2,922</u>	<u>20,140</u>
Depreciation provided:	33% SL	33% SL	25% SL	20% SL / Duration of lease	

## 13. STOCKS

	Group 2013	Company 2013	Group 2012	Company 2012
	£	£	£	£
Goods for resale	<u>8,600</u>	<u>8,600</u>	<u>8,600</u>	<u>8,600</u>

## 14. DEBTORS

	Group 2013	Company 2013	Group 2012	Company 2012
	£	£	£	£
Trade debtors	93,035	42,091	109,731	1,767
Prepayments and accrued income	28,466	28,466	39,873	39,873
Other debtors	-	-	23,245	12,618
Due from subsidiary	<u>-</u>	<u>51,776</u>	<u>-</u>	<u>52,690</u>
	<u>121,501</u>	<u>122,333</u>	<u>172,849</u>	<u>106,948</u>

## 15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2013	Company 2013	Group 2012	Company 2012
	£	£	£	£
Trade creditors	52,817	51,663	78,232	58,652
Other taxes and social security	33,515	17,116	6,579	5,149
Loan from Architectural Heritage Fund	51,337	51,337	-	-
Loan from LBHF (see note 16)	25,000	25,000	-	-
Other creditors	4,800	4,800	-	-
Accruals and deferred income	<u>57,345</u>	<u>57,345</u>	<u>236,406</u>	<u>19,593</u>
	<u>224,814</u>	<u>207,261</u>	<u>321,217</u>	<u>83,394</u>
<b>Income in advance</b>				
Brought forward	212,844	-	-	-
Utilised in year	(212,844)	-	-	-
Arising in year	<u>14,670</u>	<u>14,670</u>	<u>212,844</u>	<u>-</u>
	<u>14,670</u>	<u>14,670</u>	<u>212,844</u>	<u>-</u>

Income in advance relates to money received for functions due to take place after the year end.

## 16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2013	Company 2013	Group 2012	Company 2012
	£	£	£	£
Loan from London Borough of Hammersmith and Fulham	25,000	25,000	50,000	50,000
Loan from Architectural Heritage Fund	<u>303,329</u>	<u>303,329</u>	<u>350,000</u>	<u>350,000</u>
	<u>328,329</u>	<u>328,329</u>	<u>400,000</u>	<u>400,000</u>

*The terms of the AHF loan were renegotiated during the year such that the loan would be repayable in equal instalments over 12 years, with the balance to be repaid in full in March 2021. The loan was guaranteed by the London Borough of Hammersmith and Fulham (LBHF). Interest on the loan was at 5% simple pa. A post balance sheet event (note 23) states that this loan has now been re-paid in full.*

*The loan of £50,000 is a revolving credit facility available for the duration of the grant funding agreement which ends on 31 March 2016. It is repayable from net unrestricted fund income and half is expected to be repaid in the year to 31 March 2014.*

## 17. UNRESTRICTED FUNDS

	Company Total £	Non-charitable Trading Funds £	Group Total £
Opening funds	10,416	-	10,416
Net incoming resources before transfers	40,120	-	40,120
Transfers	<u>-</u>	<u>-</u>	<u>-</u>
Closing funds	<u>50,536</u>	<u>-</u>	<u>50,536</u>

## 18. RESTRICTED FUNDS

	Fundraising £	Archaeology £	Education £	Group Group Total £
Opening funds	-	-	17,943	17,943
Incoming resources	64,625	69,340	-	133,965
Resources expended	(46,795)	(48,855)	(2,592)	(98,242)
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Closing funds	<u>17,830</u>	<u>20,485</u>	<u>15,351</u>	<u>53,666</u>

*Restricted funds relate to restricted grant income from: Aurelius Trust; Gardeners Guild; Leathersellers Guild; Stanley Smith Trust; Grocers Trust; Sloane Robinson Trust; Clothworkers Guild; Yvonne Wells Legacy; and the old Trust's 'Restoration Fund'.*

## 19. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Restricted Funds £	Unrestricted Funds £	Total £
Tangible fixed assets	-	307,635	307,635
Net current assets	53,666	96,230	149,896
Long term liabilities	<u>-</u>	<u>(353,329)</u>	<u>(353,329)</u>
	<u>53,666</u>	<u>50,536</u>	<u>104,202</u>

## 20. MEMBERS' LIABILITY

The liability of the members is limited by guarantee.

In the event of the company being wound up every member undertakes to contribute to the assets for payment of the debts and liabilities an amount not exceeding £1.



## **21. COMMITMENTS UNDER OPERATING LEASES**

Fulham Palace Trust holds the site on a long lease with LBHF, running to 17 May 2075. The annual amount payable under the lease is £62,500.

## **22. RELATED PARTY TRANSACTIONS**

Fulham Palace Enterprises Community Interest Company is a wholly-owned subsidiary of Fulham Palace Trust (see note 3 for further details).

## **23. POST BALANCE SHEET EVENTS**

After 31 March 2013 Fulham Palace Trust received a grant of £367,000 from the London Borough of Hammersmith and Fulham which has been utilised to repay in full the Architectural Heritage Fund loan referred to in notes 15 and 16.

The London Borough of Hammersmith and Fulham has in addition lent Fulham Palace Trust £250,000 to provide a cash reserve in the event of the trust having a shortfall in income over expenditure. This loan is interest free and repayable in March 2019 or earlier if the trust's unrestricted reserves (including for this purpose the loan) exceed £500,000.



heritage  
lottery fund



LOTTERY FUNDED

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