Historic Royal Palaces

Trustees' Report and Financial Statements
For the year ended 31 March 2026

July 2026

HISTORIC ROYAL PALACES

Trustees' Report
and
Financial Statements

for the year ended
31 March 2026

Presented to Parliament by the Secretary of State for Culture, Media and Sport by Command of His Majesty
July 2026

This publication is available on our website at www.hrp.org.uk.

Any enquiries regarding this publication should be sent to us at
helen.baxter@hrp.org.uk
Apt 22, Hampton Court Palace, East Molesey, Surrey KT8 9AU

ISBN: 978-1-5286-6734-0

E-Number: E03644309 07/26

Printed on paper containing 40% recycled fibre content minimum

Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office

Table of Contents

Trustees' Report

Executive Team

John Barnes OBE (Chief Executive and Accounting Officer)
Nicola Andrews (Palaces Group Director)
Stephen Corri (Company Secretary)
Jane Crowther (Director of Corporate Services)
Anupam Ganguli (Finance Director)
Melissa Hamnett (Palaces and Collections Director from 5 Jan 2026)
Andrew Jackson CBE (Tower of London Director)
Antonia Newman (Director of Development)
Tom O'Leary (Public Engagement Director)
Adrian Phillips (Palaces and Collections Director until 31 August 2025)
Dan Wolfe (Commercial Director)

Registered Office

Hampton Court Palace, Surrey KT8 9AU

Auditors of the Group

The Comptroller and Auditor General, National Audit Office
157-197 Buckingham Palace Road, London SW1W 9SP

Bankers

Barclays Bank plc
1 Churchill Place, London E14 5HP

Solicitors

Farrer & Co
66 Lincoln's Inn Fields, London WC2A 3LH

Historic Royal Palaces

Charity registered with the Charity Commission for England and Wales
Registration number: 1068852

Historic Royal Palaces Enterprises Ltd

Company limited by share capital, Companies House: 03418583

Objectives and Activities

The Purpose and Activities of the Organisation

Historic Royal Palaces (HRP) was established in 1998 as a Royal Charter Body with charitable status. It is responsible for the care, conservation and presentation to the public of the unoccupied Royal Palaces: HM Tower of London (TOL), Hampton Court Palace (HCP), Kensington Palace State Apartments (KP), the Banqueting House (BH) on Whitehall and Kew Palace with the Royal Kitchens, Queen Charlotte's Cottage and the Great Pagoda. These palaces are owned by HM The King in right of Crown. HRP is contracted by the Secretary of State for Culture, Media and Sport to manage the five London palaces on his behalf. The contract is authorised until 31 March 2028.

HRP is also contracted by the Secretary of State for Northern Ireland to manage Hillsborough Castle and Gardens (HCG) in Northern Ireland. The Castle is owned by the Government and is the official residence in Northern Ireland of HM The King.

HRP is a Public Corporation but receives no public funding - all costs are met by self-generated income. HRP is governed by a Board of Trustees, all of whom are non-executive. The Chief Executive is accountable to the Board of Trustees.

Further information can be obtained from www.hrp.org.uk.

The charitable objects of HRP, as set out in its Royal Charter are, for the benefit of the nation:

- to manage, conserve, renovate, repair, maintain and improve the palaces to a high standard consistent with their status as buildings of Royal association and historic and/or architectural importance.
- to help everyone to learn about the palaces, the skills required for their conservation and the wider story of how monarchs and people together have shaped society, by providing public access, by exhibitions, by events and education programmes, by the preparation of records, by research, by publications and by such other means as are appropriate.

Historic Royal Palaces Enterprises Limited is a company wholly owned by Historic Royal Palaces. It forms the charity's general trading arm, responsible for running the commercial activities such as retail, functions, sponsorship and other events at HRP. It Gift Aids its taxable profits to the Charity.

Our enduring commitment

We will always love and look after the palaces in our care, open them to the public, generate the income which will make it all possible. We will achieve our goals through our people.

Our Royal Charter objects

Manage, look after, and improve the palaces to a high standard consistent with their

status.
Help everyone to learn about the palaces, the stories and what it takes to look after them.

Our ambition
To be a charity for everyone.

Strategy

This was the first full delivery year of our new strategy and ambition to become a *charity for everyone* by *reaching further*, *meaning more* and *acting for the future*. Our achievements and performance are described below under the new strategic aims: 'Love and look after the Palaces', 'Open the palaces to the public', 'Generate the income to make it possible', 'Achieving our goals through our people' and 'Sustainability'.

Achievements and Performance

Performance Overview

The performance targets to measure our success in achieving our objectives remain unchanged. We monitor visit numbers, visitor satisfaction and operating surplus.

Measure	Target 2025/26 (*)	Performance
Visit Numbers	Achieve at least 4.427m visits across all sites	4.286m visitors
Visitor Satisfaction	Achieve the following scores, as measured through our online ticket booker and onsite visitor profile surveys (scale: 1 to 10): Enjoyment – 8.3 Value for Money – 8.0 Staff Friendliness & Welcome – 8.8 *(An average of the scores for the 'welcome from the staff at the entrance' and 'staff helpfulness and friendliness')*	 9.0 8.7 9.3
Operating Surplus (**)	Deliver Operating Surplus of £35.1m	Operating Surplus of £39.3m

(*) The targets were set in March 2025 as part of the internal annual budgeting process.
(**) This is an internal measure aligned with HRP's management accounts. After deducting expenditure on strategic projects (£16.3m) and irrecoverable VAT (£7.5m), the net surplus per the management accounts is £15.5m. Further adjustments relating to the defined benefit pension (£651k), dilapidations provision (£1.1m) and capitalising fixed assets take the total surplus per the SOFA to £23.1m.

Trustees' Report

Performance Summary

This year we made strong progress in caring for our palaces and collections, widening public, educational and digital engagement, and advancing sustainability and accessibility, while continuing to deliver major capital, conservation and technology programmes. The year also saw solid commercial and fundraising performance, significant leadership and culture development, and high staff commitment, despite emerging challenges around visitor numbers, fluctuating international markets and the need to rephase complex capital projects due to cost and resource pressures.

1. Love and look after the Palaces

Our unwavering commitment to conserving and enhancing the palaces, outdoor spaces and collections in our care remained at the heart of our activities in 2025/26.

Major project and planned maintenance delivery across the estate

In 2025/26, we continued to deliver major projects and planned maintenance across our sites. At the Tower of London, this included planning for the major capital projects that will enable our *Tomorrow's Tower* programme, transforming our schools facilities and creating a new natural landscape in the moat. At the same time we undertook, a range of maintenance and accommodation projects (the gate barriers, moat wall stone repairs, masonry, roof repairs, access feasibility studies, lift archaeology, and Waterloo Block staff areas).

At Hampton Court Palace, work continued on the major repairs to the Great Gatehouse and Mantegna Gallery roof, alongside smaller projects including repairs to the Tudor Kitchens Chimneys, canal railings, façade, roof and garden. Façade repairs at Kensington Palace also continued. These works also presented us with an opportunity to make progress towards our decarbonisation ambitions.

In total, 69 planned maintenance, accommodation and access projects were completed, with another 61 either starting or ongoing.

Conservation 'In Action' and collections care

We cared for our collections through both hands-on conservation work and improvements to the systems that help us manage and share them. During the year, we completed major condition audits and routine care across several sites, including the King's State Bedchamber at Hampton Court Palace, and collections at Hampton Court, Kew Palace and Hillsborough Castle, most notably the Royal Ceremonial Dress Collection. We also carried out significant treatment work, including the conservation cleaning of nearly 3,000 arms and armour objects in the King's Guard Chamber at Hampton Court Palace.

This year we introduced CollectionsIndex+. The system is an important step in improving how we manage collection information and make the collections more accessible. Work on data cleaning and further system development is in progress. Our ambition is to make more of our collection available to the public online.

In addition to enabling exhibitions, displays, and loans (such as the Jewel House at the Tower of London, *The Last Princesses of Punjab* at Kensington Palace and *Benjamin Franklin and the Seeds of Independence* at Hillsborough Castle and Gardens), collections conservation activity was also used as a public-facing tool to engage audiences and partners.

Earlier this year, work on Queen Caroline's State Bed at Hampton Court Palace took place in public view. We also delivered *Conservation in Action* and *Ask the Conservator* events onsite and online, and shared films and features about collections and conservation through our social media and other digital channels.

2. **Open the Palaces to the public**

This year we welcomed over 4m visitors (5m including 3rd party event attendees) from across the UK and beyond to the palaces and engaged with many more online. We strengthened visitor experience and access, and delivered substantial education and community activity. We continued to maintain focus on widening reach and deepening engagement throughout the year.

Visitors to our palaces

In 2025/26 we welcomed 4.3m ticketed visitors, of which 233k were £1 tickets for people in receipt of means-tested benefits. These tickets enable us to provide access to our sites and stories to those who might not otherwise be able to visit us.

Visitor volumes were strong, with variation by site and period. Overall, our visitor rating was rated 9 for enjoyment, 8.7 for value for money and 9.3 for staff friendliness and welcome (based on the ALVA benchmark and using visitor survey data), with 86% of our visitors saying they felt happier as a result of their visit and 85% gaining a better understanding of the stories of the palaces.

Accessibility

Our accessibility improvements included introducing access guides and sensory maps for all palaces, piloting relaxed openings – including the first relaxed opening for neurodivergent and disabled young people and adults at Kensington Palace in November, and physical improvements such as the installation of a new lift into the Chapel of St Peter Ad Vincula at the Tower of London. We also improved access through digital tools, so that visitors with restricted mobility could scan QR codes in printed access guides to open mobile tours of spaces they could not physically reach. Virtual access tours were made available on personal devices at Hampton Court Palace and the Tower of London.

Major openings and exhibitions

2025/26 was a busy year with several exhibitions and new routes opening, alongside the reopening of Banqueting House to visitors and members, with nearly 3,000 visitors over four launch days in April, May and June. The public re-opening of this important building follows a major conservation and maintenance project, including the installation of a new lift to make Banqueting House more accessible.

On 8 May 30,000 ceramic poppies from the original *Blood Swept Lands and Seas of*

Red display from 2014 were put back on display in a new installation at the Tower of London, marking the 80th anniversary of VE Day. *The Tower Remembers* was accompanied by a specially commissioned poem by Poet Laureate Simon Armitage titled *In Retrospect*.

May was also the opening month of the newly re-presented Medieval Palace at the Tower of London — a major milestone as the first new permanent route at the Tower of London since our strategy launched. The display immerses visitors in the vibrant medieval world and shares stories not only of kings and queens, but of the lives of everyday Londoners who lived and worked at the Tower in this often-overlooked period.

In November our temporary exhibition at Kensington Palace, *Dress Codes*, closed at 101% of volume target, with over 370,000 visitors, and it was followed in March with the opening of *The Last Princesses of Punjab,* exploring the lives of Sophia Duleep Singh and her sisters. Developing the display was a huge team effort, drawing on expertise from across the organisation and beyond. The voices of contemporary South Asian women were featured throughout the exhibition, which was described by the Guardian as 'powerful.'

In February 2026, we opened a new display at Hillsborough Castle, exploring the story of a visit to the castle by US Founding Father, Benjamin Franklin. The display was installed to mark the 250th anniversary of American independence, and includes one of Franklin's chess sets, alongside an original copy of the Declaration of Independence.

Events and live programming

This year, and alongside our regular programming (the Tulip Festival, Lindt Bunny Easter trail, the Joust, summer and winter festivals, Halloween and Christmas events), we introduced several new events to attract families and keep our offer fresh and appealing to our existing audiences.

During the February half term, Beano took over the Tower of London. A bespoke comic, including a paper trail, guided visitors around the Tower to collect missing parts of Dennis and his Beanotown friends' time machine, which younger visitors were tasked with re-assembling. Peter Rabbit visited Hampton Court Palace in July and August – enjoying the kitchen garden while posing for photos with visitors, and the grounds of Hillsborough Castle and Gardens were also transformed from 28 June to 31 August into a storybook wonderland for the Disney Winnie the Pooh Hunny Hunt trail.

We re-opened Kew Palace for the Summer season in Spring 2025. Over the May Bank Holiday, the palace hosted a classical quartet in the King's Dining Room, to the delight of our visitors. Volunteers supported us with over 1,400 hours of their time, helping visitors access and enjoy the small but perfectly formed home beloved by King George III and Queen Charlotte.

The Feelgood Festival came to Hampton Court Palace 16-18 May attracting 11,540 visitors and, over the late May bank holiday, we introduced a new family festival at Hampton Court – the *Big Bahooey,* welcoming 20,933 visitors across the weekend.

We worked with a diverse range of writers, directors and actors to create and stage Unheard Voices in July and August – bringing to life the stories of lesser-known visitors and workers at Hampton Court Palace. Over weekends in November, we also staged *Indian Army at the Palace* – a dramatisation of Indian soldiers' experiences of visiting Hampton Court Palace at the beginning of the twentieth century.

Schools

In 2025/26 our schools activity was extensive across onsite, online and teacher development. We reached 205,432 school children through in-person sessions, national programmes, our teacher training academy and CPD, and online sessions.

Alongside our regular schools programming we introduced new initiatives to help accelerate our schools strategy. In June we held our first ever Tudor Festival. Over five days we welcomed 4,624 students and teaching staff, 370 home educated children and young people and their adults, and 416 community groups.

In October we launched our inaugural Inspiring History Teaching Awards – a major UK-wide initiative to recognise the teachers who make history exciting, inclusive and meaningful. The awards were championed by HRP Ambassador Lucy Worsley, and a panel of high-profile judges including Greg Jenner, Dan Jones and Sathnam Sanghera.

February saw us introduce new inclusive learning resources including Wordless Stories – a free visual digital resource supporting inclusive learning, particularly for students with additional needs. These text-free visual resources were designed to fire up young people’s interest in history, with the first focusing on the life of the young Elizabeth I.

March marked a major milestone at Kensington Palace with HRH The Princess Royal opening the Clore Learning Centre — a purpose-built facility intended to support thousands of school children, families and community groups each year.

Communities

The strong relationships we hold with our community groups enable us to deliver real impact, providing access to the palaces for a diverse range of audiences. At the Tower of London specifically, we delivered record levels of community engagement – 14,065 community participants took part during the year (highest on record), alongside 130,122 education visitors, early years programmes with Tower Hamlets Family Hubs, ‘Amazing Days Out’ partnerships, and relaxed openings.

Online

Our online reach and engagement levels remained high with discoverability (how often our content is seen across search, social and streaming) at 107m. We use long-form and short-form digital content to take the palaces to people who might not be able to reach us in person, and we have a global following across social media, YouTube and podcasts.

Alongside our regular digital programming, we began to pilot a new channel, Substack. We are now using this platform to publish blog content, giving our curators an opportunity to share their knowledge with depth and detail. Meanwhile, we are making more of our collection available online. Digitisation of the collection continued, with a further 20 3D scan models completed for the Royal Ceremonial Dress Collection in partnership with Google Arts and Culture. We also began a Bloomberg accelerator programme, which will help us build the infrastructure necessary to share this content with our audiences.

National programme

Building on our national schools and communities work, we continued to make progress towards our ambition to extend our reach with experiences beyond the palaces. Our *Life Through a Royal Len*s exhibition toured to another venue in Kent (The Amelia Scott in Tunbridge Wells) and we began setting up a dedicated function to lead our national programme, with scoping and piloting planned for 2026/27.

3. Generate the income to make it possible

HRP delivered strong trading performance in several areas and continued to build momentum in fundraising for major strategic priorities, while managing a period of financial uncertainty through careful oversight of expenditure and phasing.

Ticket sales

This year we welcomed 4.3m visitors and our full-year visitor income figure was £92.7m (made up of £86m ticket sales and £6.7m membership) against a budget of £97.0m. The shortfall was predominantly driven by lower than predicted international visitor numbers to the Tower of London.

Retail and Catering

We sustained strong commercial delivery in retail and catering across the year, with total retail sales (including ECommerce and Licensing) of £20.8m and catering sales £14.4m with £2.8m commission.

We implemented several major improvements to our retail infrastructure this year, including a refresh of our online shop, relaunched in November, and a programme of updates to our shops at the palaces.

This year also saw HRP conduct a procurement and contract process for our catering provision across our sites. In February, we awarded the catering contract to Company of Cooks (subject to contract negotiations).

Events

From private, large-scale events at Kensington Palace and Hampton Court, to hosting the Western Balkans Summit at Hillsborough Castle in October and the Sustainable Markets Initiative at Hampton Court in March, commercial events continued to be a hugely important income line for us throughout 2025/26, generating a total of £7.6m.

Membership

In 2025/26, HRP welcomed 87,230 new members and successfully renewed 82,079, closing the year with a strong base of 160,186 members and maintaining a stable year-on-year position. While recruitment levels fluctuated, a renewed focus on member engagement delivered a significant 10% increase in retention, reflecting the growing strength of member relationships. Annual membership subscriptions generated a record £7.2m in income, including c. £800k through Gift Aid, underlining the continued generosity and commitment of our supporters. Beyond subscriptions, members contributed over £900k in secondary spend across retail, catering, events and one-off donations, and made more than 350,000 visits to our sites, demonstrating the vital role membership plays in both financial sustainability and audience engagement.

Fundraising

2025/26 was a fantastic year for fundraised income. The Tomorrow's Tower campaign continued to progress, with a total of £20m raised by the end of the year since its launch in 2024/25. This was alongside other income and pledges for a range of other programming and projects such as the Wild about Wellbeing project and Benjamin Franklin display at Hillsborough Castle and Gardens, the Last Princesses of the Punjab exhibition at Kensington Palace, and other programming planned for the Tower of London in 2026/27.

4. Achieving our goals through our people

In 2025/26 we strengthened leadership capability, refreshed behaviours and ways of working, and invested in technology and data foundations that will improve how we operate. Staff commitment remained high, while we also began to shift how we accredit and measure people practice (measuring how we manage, develop, and retain our people).

Our people

This year we welcomed 244 new members of staff to HRP with 16.8% of new starters identifying themselves as Black, Asian, mixed or from other ethnic groups. Our gender pay gap report for 2024/25 showed that our mean hourly gap was 4.25% lower for women (4.03% in 2023/24) and median hourly gap was 5.66% lower for women (7.93% in 2023/24). We are developing a more tailored approach to measuring staff satisfaction and engagement levels in a way that is connected to the ambition of our strategy.

In the autumn of 2025, we expanded our apprenticeship programme significantly by appointing 18 new apprentices in roles from sustainability to corporate planning. In 2025 3,240 applications were started, 1,852 were shortlisted, 119 interviewed and 18 hired. This brings our total percentage of staff engaged in apprenticeships to 5.3% (including existing staff participating in skills development apprenticeships). The average percentage of the total workforce actively participating in an apprenticeship across all UK organisations is 1.5% (private sector) and 3.6% (public sector).

As part of our strategy, we plan to expand the range of opportunities we provide young people in terms of career and skills development. We already offer a number of career awareness events though our strategic partners and extended this in March to include a new pilot approach to a work experience programme at Hampton Court Palace. We plan to launch more opportunities throughout the year with more strategic partners across the UK.

This year 1,253 people supported our work through some sort of voluntary capacity. From providing tours or directing visitors to editing newsletters and researching the collection – our volunteers support our charitable work while sharing their expertise and experience with staff. In May 2025 volunteers played a key role in the installation of 30,000 poppies at the Tower of London as part of the Tower Remembers display.

Leadership, Culture and Engagement

This year we invested in developing our leaders and nurturing an internal culture that will drive delivery of our strategy for years to come.

Throughout 2025/26 we have worked hard to embed our strategy into our organisational culture. As a result of captivating internal communications, staff participation and engagement campaigns (such as our Staff Awards in May 2025, drop-in networking sessions in the autumn and regular marketplace events), updated ways of working, and new or refreshed training programmes, throughout the year approximately 90% of staff surveyed described themselves as being 'very committed' or 'committed' to the strategy.

In January 2026 we launched our organisation-wide Leadership Development Programme to build competencies for managers and senior leaders that will enable them to champion delivery of our strategy.

In February 2026 we began the roll out of our refreshed organisational expectations through the new behaviour framework The Way We Work. We also held additional strategy engagement workshop in January and February (rolled out to staff in 2024/25) for contractors and new starters.

Equality, Diversity and Inclusion (EDI) continued to be a key priority. This was demonstrated by the popularity of our Inclusivity Network (with over 130 members by the end of the year). We also facilitated more inclusive training, including Dementia training at Kensington Palace and Sunflower Scheme training across the sites. We are one of the first cultural organisations to receive the formal Sunflower accreditation. Towards the end of the year, we appointed an external Equity, Diversity and Inclusion (EDI) consultant to help develop a targeted action plan and policy review throughout 2026/27.

Technology, Data and organisation capability

Throughout the year we continued to invest in our technology and data capabilities to enable operations, drive efficiencies, maintain security and explore innovative ways of working.

This year we have seen incident calls to our IT Service desks decrease by about 40% since the deployment of Windows 11, and service requests remained steady at 350-550 per month. The rollout of the new ITSM (Information Technology Service Management) HALO with AI integration is expected to further improve our first-time fix rate, meaning users won't have to wait as long for IT issue resolution in the future.

Our main technology projects for the year included the development of a Dynamics365 Arts and Communities Application to support public engagement teams, the roll-out of project portfolio reporting to track updates and progress towards milestones for IT projects. We also made significant progress on many other projects including: the procurement of our telephony replacement; Microsoft 365 Copilot readiness project; improved ways of working for the contact centre using AI agents; the continued embedding of core systems and ways of working (such as CollectionsIndex+ and e-expenses through our i-Trent system); the replacement of our finance system; expansion of our WiFi network; further development of Dynamics 365 applications; and exploratory work to fix or replace diary systems and count visitors.

Security remained at the centre of our thinking in all technology development projects as well as the rollout of cyber improvements and upgrades – enabling our Cyber Essentials+ recertification. We undertook several incident management exercises this year including Exercise Fenrir (a tabletop disaster simulation with our senior leadership teams) to strengthen our cyber resilience and operational efficiency.

In 2025/26 our Data and Insight transformation programme really gained momentum with the appointment of a dedicated data team, the establishment of a 'hub and spoke' support and expertise network of data professionals across the charity, the launch of our organisation-wide Datacamp training, and the first phase of development of our new data platform.

5. Sustainability

2025/26 marked the second year of our three-year Sustainability Action Plan, during which we made substantial progress across all three delivery pillars: **People, Data** and **Actions**.

People

We continued to advance our efforts to engage colleagues and visitors, increase awareness of our sustainability ambitions and support individuals to take meaningful action.

The recruitment of a dedicated Sustainability Officer in July 2025 significantly accelerated progress in this area. Among other duties, the role now provides direct leadership for the Sustainability Champions network, resulting in increased activity and participation across the group.

One notable achievement through the Champions Network was the launch of a partnership with Good Journey, an organisation promoting low carbon travel to visitor attractions. Through this platform, visitors to Hampton Court Palace and Hillsborough Castle and Gardens can now better plan journeys using public transport or active travel, reducing dependency on private vehicles and consequently lowering Scope 3 emissions. The platform also highlights initiatives such as the Transport for London 2for1 offer and a new 20% discount for visitors to Hillsborough using the Translink bus network.

We also advanced our sustainability training programme, completing the design of both a new e-learning module and a more in-depth workshop, scheduled for launch to all staff in 2026. Through collaboration with South Ken ZEN+, we delivered Carbon Literacy Training and trained additional inhouse facilitators.

Data

Our data capability continued to strengthen, improving the accuracy and consistency of our Scope 1 and 2 emissions reporting and providing deeper insights to inform energy reduction planning.

In 2025 we completed our first full Scope 3 emissions baseline in partnership with 3Adapt, including previously uncaptured categories such as investments, retail and catering. This highlighted significant opportunities to improve data quality and collection processes, which will be developed further in 2026. We continue to report emissions relating to water, waste, business travel and energy, with the ambition to expand public reporting to additional Scope 3 categories in future.

In parallel, the Ecology Coop completed comprehensive biodiversity baseline surveys across Hampton Court Palace, the Tower of London, Kensington Palace and Hillsborough Castle and Gardens. Using the UKHab methodology, the surveys covered habitat mapping, condition assessments, soil and water analysis, a river condition assessment of the Thames at Hampton Court Palace and analysis of historic species records.

Across the four sites, the surveys identified forty distinct habitat types, including eight UK Priority Habitats. Notably, Home Park contains 127 hectares of priority lowland dry acid grassland. The surveys confirmed that the estates support a diverse range of priority species, including up to nine bat species. We also gained detailed insights into soil and water nutrient status and began the systematic collection of soil carbon stock data.

This baseline now underpins our biodiversity programme for 2026, which will include more detailed species level surveys, the development of long-term monitoring indicators and exploratory work to assess biodiversity value in historic garden settings. Pilot work is underway in the Great Fountain Garden at Hampton Court Palace, following the completion of two trial beds from the Ann Marie Powell design scheme in March 2026. Throughout the year, we will monitor these beds to evaluate their performance against the brief, including improvements in climate resilience, biodiversity and soil health.

Beyond our own gardens, we are collaborating with partners including the Royal Horticultural Society and Royal Botanic Gardens, Kew, to develop improved methods for measuring the contribution of cultivated gardens to biodiversity and climate resilience. This work will enable us to more accurately assess the impact of our interventions, including management practices and plant selection.

Actions

We continued to deliver targeted actions aimed at achieving nature positive outcomes and reaching carbon net zero across our estates and value chain by 2050.

Energy reduction and building efficiency

We made progress towards our organisational target of reducing energy consumption by 40%, against the 2019 baseline, achieving an overall reduction of 28%, with notable decreases at Hampton Court Palace and the Tower of London. These gains were largely enabled by joint working between the Sustainability and Maintenance teams, particularly through improved management of boiler controls.

We also advanced our secondary glazing programme, including trials of a new solution compatible with complex heritage windows and existing shutters. At Hampton Court Palace, electricity consumption in one apartment reduced by 17% following installation.

Decarbonisation planning for several major energy consuming buildings progressed well, supported by the appointment of a Senior Project Manager to lead this programme.

The Banqueting House reservicing project was completed. In addition to improving accessibility and securing a stable environment for the Rubens ceiling paintings, the installation of air source heat pumps, an upgraded district heat network and enhancements to the Building Management System will deliver long term sustainability benefits.

Climate adaptation and resilience

Climate resilience activity increased significantly during the year. The prototype wetland trial in the Tower of London moat successfully met the design objectives of reintroducing water and vegetation in a historically sensitive and ecologically beneficial way. Monitoring recorded early colonisation by aquatic insects and sightings of nationally scarce species such as Chrysolina marginata. Lessons learned have informed the design for the full scheme, which anticipates delivering more than 20% Biodiversity Net Gain, subject to ongoing approvals and planned to commence on site in autumn 2026.

At Kensington Palace, following the 2024 overheating study, we progressed the development of passive mitigation measures, including historically evidenced solar shading on the south façade, scheduled for installation in 2026.

We also undertook detailed analysis of the surface water drainage and flood risk at Kensington Palace following flooding in 2021. Options under consideration include reducing water flow from adjoining land and implementing SuDS to enhance infiltration. Work on these measures will continue into 2026/27.

Carbon emissions

Total carbon emissions for 2025/26 were 3,298 tCO_2e, representing a 28% reduction against the 2019 baseline and a 10% reduction year on year.

Scope 1 and 2 emissions decreased by 39% against the 2019 baseline, supporting progress towards the 46% reduction target by 2027. Detailed annual emissions data can be found in our Streamlined Energy and Carbon Report (SECR).

Table 1: Location-based emissions

Greenhouse Gas Emissions (tCO_2e)	2025/26	2024/25 *	2023/24	2022/23	2021/22	2020/21	2019
Scope 1	1,443	1,658	1,549	1640	1,519	1,075	2,367
Scope 2	1,002	1,140	1,151	1,064	1,010	839	1,631
Subtotal	**2,445**	**2,798**	**2,700**	**2,704**	**2,529**	**1,914**	**3,998**
Scope 3	853	869	129	80	36	79	608
Total	**3,298**	**3,667**	**2,829**	**2,784**	**2,565**	**1,993**	**4,606**

*Values for 2024/25 have been restated to account for billing invoices that were received after the reporting deadline.

In 2025/26, we transitioned all London sites to a 100% renewable electricity tariff backed by renewable energy certificates (REGOs). Using the market-based approach, which reflects the electricity we choose to purchase, rather than the UK Grid average, total emissions for the year reduce to 2,171 tCO_2e, as shown in Table 2.

Table 2: Market-based emissions

Greenhouse Gas Emissions (tCO_2e)	2025/26	2024/25
Scope 1	1,443	1,658
Scope 2	123	132
Scope 3	605	626
Total	**2,171**	**2,416**

SECR intensity metric

Our SECR intensity metric is based on emissions per visitor. With 4.3m physical visitors in 2025/26, emissions equate to 0.77 $kgCO_2e$ per visitor vs. 0.87 $kgCO_2e$ in 2024/25.

Financial Review

Funds and reserves

The trustees recognise the need to establish a level of free reserves that enables financial stability, is adequate to meet the requirements of working capital, and acts as a cushion against fluctuations in income levels. Reserves enable HRP to make long-term commitments to projects. In determining a realistic level of reserves, several key factors are considered, including the level of risk associated with the main income and expenditure streams, the adequacy of the controls in place to mitigate those risks and other contingencies available to call on in emergencies. This is balanced by the general legal duty that trustees are under to apply income funds on the objects of the charity within a reasonable period of receiving them. In the past, designated funds were created to protect long-term commitments to major projects.

The free reserves target in 2025/26 was £20m, which we achieved.

	Funds as at 31 March 2026 £000	**Funds as at 31 March 2025** £000 Restated*	**Funds as at 31 March 2024** £000
General (Free) reserves	20,000	20,000	14,000
Designated funds	80,415	68,348	45,081
Fixed assets	37,663	34,167	31,699
Pension plan	8,127	7,204	6,558
Unrestricted funds	**146,205**	**129,719**	**97,338**
Restricted funds	**14,231**	**7,662**	**7,101**
Total funds	**160,436**	**137,381**	**104,439**

*2025 has been restated due to a prior period adjustment to capitalise project expenditure. See Note 27 – Prior year adjustments.

Restricted funds (£14.2m)
These are funds subject to specific restrictions imposed by donors that are still within the wider objects of the charity.

Unrestricted funds (£146.2m)
These are funds that are expendable at the discretion of the trustees in furtherance of the charity's objects. They are made up of:

- **Free reserves** (£20.0m)
  Part of the unrestricted funds that are not held as fixed assets or designated for other purposes.

- **Designated funds** (£80.4m)
  We have designated funds from our general funds towards our 'big moments',

major projects and strategic programmes. This consists of the following:

- A Carry-Forward Fund of £7.5m to complete projects and programmes from 2025/26 in 2026/27.
- The Redevelopments Designated Fund of £34.4m is in respect of large-scale capital projects such as: Tomorrow's Tower (expenditure until 2029/30); Banqueting House (Rubens ceiling work over the next 10 years); and Hillsborough City Deal associated projects (beginning in 2025/26, due to complete in 2028/29).
- The Infrastructure Fund of £22.4m, primarily covering our ambition to continue to increase levels of planned maintenance expenditure, with budgets currently set at c£10m per annum for the next three years, and increasing thereafter.
- The "Other" Designated Fund of £16.1m includes our plans to increase expenditure on digital and technology and significant increases in spend on sustainability projects over the next 10 years, including decarbonization of the palaces.

- **Fixed asset fund** (£37.7m)
  A permanent designated fund which is matched to fixed assets, this cannot be quickly utilised to realise cash in the event this is required. The part of the general fund represented by fixed assets is therefore excluded from free reserves, as generally a charity could not dispose of all or the majority of these assets and continue its operations as a going concern.

- **Pension plan** (£8.1m)
  The pension surplus or liability recorded in the Consolidated and Charity Balance Sheet is calculated annually for accounting purposes under FRS102. As at 31 March 2026, the pension surplus has been calculated as £8.1m (2025: £7.2m) and shown in the accounts in accordance with accounting standards. Details of the retirement benefit scheme are disclosed in Note 11.

  The defined benefit pension scheme is also valued for funding purposes by an actuary in a more detailed assessment, every three years. The last triennial valuation was at 31 March 2024 and showed a surplus of £3.8m. This valuation was performed during 2024/25.

  HRP, as employer, agreed with the trustees of the scheme that no deficit contributions are currently required. See Note 11 for further information on the different valuations of the scheme. The scheme was closed to future accrual on 31 March 2019. HRP will continue to meet the expenses of the scheme and levies to the Pension Protection Fund.

The Statement of Financial Activities

Total visits of 4.3m in 2025/26 (4.2m visits in 2024/25) were close to the budget of 4.4m. The shortfall was predominantly driven by lower than predicted international visitors to the Tower of London, particularly in the second half of the year. Visitor performance remained strong at Hampton Court Palace and Kensington Palace outperformed budget.

Total income was £146.1m (£138.6m in 2024/25), with admissions and membership generating £92.7m (£91.1m in 2024/25). This was supported by strong results for both Functions and Events: £7.6m (£7.8m in 2024/25) and Development Income: total grants of £8.4m (£3.0m in 2024/25). Retail income of £20.8m (£19.7m in 2024/25) was on target with strong performances across all sites and off-site too. This is a record year, as is the catering concession income of £2.8m (£2.5m in 2024/25).

This has resulted in HRP achieving an operating surplus of £39.3m (£45.3m in 2024/25).

The Balance Sheet

Overall total funds increased during the year by £23.1m. Tangible fixed assets increased to £32.2m (£28.8m in 2024/25) due to the ramping up of the Tomorrow's Tower project. The increase in Debtors by £3.9m and Creditors falling due within one year by £2.9m, reflects increased activity during what was a very busy year for the charity. Overall, net current assets increased by £35.3m year on year.

There has been no change to the provision for an onerous lease. We have recognised a provision for dilapidations in relation to the lease. Long-term creditors decreased as repayments on the £40m CRF loan were made in September 2025 and March 2026.

Cash Flow

The net cash inflow from operating activities for the 12-month period was £17.9m (£30.3m in 2024/25). The cash and short-term deposits balances increased to £156.0m (£122.0m in 2024/25).

Investment policy

HRP's investment policy has been as follows:

Investment objectives

- Capital preservation is the priority.
- In order to balance immediate cash requirements, medium-term future capital and commercial investment plans (3-year operating plans), HRP investments aim to achieve regular annual income returns and long-term income growth.

Risk mitigation

- Achieve flexibility through the broad categories of asset types, maturity dates and institutions.
- Except for deposits with the Bank of England, no more than 33% of total cash

and investments balance to be with a single counterparty.
- Cash balances to be deposited with institutions with a credit rating of at least equal to the upper tier of the lower medium grade.

Amount invested and time horizon
- Up to £10m may be invested in a fixed income portfolio with an average maturity date of no more than 4 years.
- Investment in global multi asset portfolios is no more than 5% of the total projected cash & investments balance.
- Funds are primarily invested on the money market in the UK on 3-to-24-month fixed term deposits (with the majority in 12 months or less maturity). This allows a balanced spread of maturity over a 2-year horizon to ensure maximum return while retaining instant access.

Ethical Investment
- HRP's assets should be invested with regard to its charitable aims and reviewed on a regular basis. The trustees have not elected to adopt an exclusionary policy but will exclude and reject individual investments if they are perceived to conflict with the charity's purpose and values.

HRP'S total value of investments as at 31 March 2026 is £1.9m.

The bond portfolio investment returned 4.29% against 4.40% in 2024/25.

The smaller multi-asset portfolios performed in line with the market and their respective benchmarks, with a combined annualised return of -2.83% interest/dividend income return (-0.38% 2024/25).

During the year Finance and Investment Committee commissioned a review to assess whether HRP could achieve higher returns than its current cash holdings (term deposits across various counterparties), while maintaining appropriate security and liquidity and within its risk appetite. The review, which was led by external consultants, resulted in the appointment of Legal and General Investment Management (LGIM) for the following reasons:
- Their solution most closely matches HRP's brief, offering robust liability matching and credible ESG (Environmental, Social, Governance) credentials.
- The proposed structure improves returns and diversification, while remaining within HRP's governance and complexity tolerance.
- Competitive fee structure

Funds are expected to be transferred to LGIM in the coming months once the onboarding process and the "know your customer" checks are complete.

During the selection process Committee members recommended that HRP reviews its current investment policy, particularly with regard to ESG to ensure it is relevant and complies with best practice.

An updated investment policy was agreed by the Finance & Investment Committee in December 2025 and is included below:

Investment objectives

HRP holds investments for the following purposes:

- Meeting short-term working capital requirement.
- Funding strategic projects (including capital works) over the short, medium and long terms,
- Ensuring there are adequate funds available to repay the instalments of the balance of £40m Cultural Recovery Fund (CRF) loan when they fall due.
- Building a Permanent Endowment Fund with a target of CPI + 4%, with 80% in growth assets.

The overall investment objective will be to achieve sustainable, long-term returns to preserve or grow the real value of capital, net of investment management fees.

Investment approach

HRP holds two mandates:

- a "Buy and Maintain" Bond portfolio that will be managed in such a way as to meet the first three objectives noted above. The portfolio (and subsequent income) is intended to provide cashflows to meet drawdown liabilities as projected in the long-term cash flow model.
- A long-term endowment fund (representing the remaining assets)

The Finance and Investment Committee will agree the asset allocation between these two mandates and will delegate to the Investment Manager the implementation of them. The allocation will be kept under at least annual review by the Finance and Investment Committee.

Attitude to Risk

In considering risk requirements for its portfolio, Trustees consider the following factors:

- **Capital risk** - HRP will seek to mitigate the risk of permanent capital loss:
    - in the Buy and Maintain portfolio by matching the duration of the assets to the forecast cashflows, and only to use Investment Grade assets.
    - in the endowment mandate by investing assets in a diversified manner, in line with the asset allocation recommended by the fund managers.

  In making decisions on asset allocation, HRP expects its asset manager to invest the mandates within the expected volatility for their purpose and goals.
- **Liquidity risk** - A significant proportion of the assets will be invested in Bonds which offer a high degree of liquidity. In addition, HRP will manage liquidity risk by maintaining an allocation in cash. All funds should be realisable with no more than two weeks' notice.
- **Currency risk** - To manage currency risk, all assets (including fixed income and cash) should be either Sterling denominated or hedged back to Sterling. This eliminates any fluctuations in value for these assets associated with large currency moves. No other derivatives are permitted without prior permission of the Finance and Investment Committee.
- **Counterparty risk** – the investment manager shall report at least annually on the range of counterparties holding HRP assets in the Buy and

Maintain portfolio.

Ethical Investment

- HRP is committed to sustainable and responsible investing.
- We seek to invest with underlying managers with a clearly outlined commitment to ESG principles. We aim not to invest in companies or sectors whose activities do not align with our values or standards, including our sustainability commitments. We aim to ensure that ESG issues are actively integrated into our investment mangers' due diligence and analysis.
- Through careful selection and ongoing monitoring of fund managers with strong ESG credentials, we seek opportunities where possible to reduce our levels of indirect exposure to these sectors. Carbon emissions and fossil fuel exposure for the portfolio should be below the levels of broad equity markets.
- We will continue to improve the ESG quality of our investments.

The Investment Managers

Investments are managed in HRP's best interests based on advice provided by an external Investment Manager.

The Investment Manager reports performance at each meeting of the Finance and Investment Committee and attends meetings at least once a year.

The Finance and Investment Committee will undertake a formal review of investment advisory services and consider a re-tender process within five years of appointment or re-appointment.

Going Concern and Future Plans

The 2026/27 operating budget has been set to reflect the current economic climate and the impact of lower international travel. Income targets have been set to reflect our latest visitor number target of 3.6m. Expenditure budgets have also taken into consideration the strategic aims, while noting the ever-increasing cost of capital works and the decreasing pool of specialist contractors able to deliver our works.

Whilst the future is always uncertain and we have seen a slowdown across the sector, forecasts are made on best estimates. We will be reviewing these assumptions in the second half of 2026/27 in the light of global uncertainties and their impact on inbound tourism.

Performance will continue to be scrutinised closely throughout the year and significant deviation from our current income assumptions may be mitigated by imposing stricter controls on expenditure rather than drawdown on reserves, if deemed appropriate. We are well placed to hold back expenditure to create further financial headroom should circumstances require.

The Board of Trustees is content to adopt the going concern basis for preparing these financial statements. Further details are provided in Note 1 (r).

Report of the People Committee

Membership

During the year, the following trustees served on the People Committee: Sarah Jenkins (Chair until 1 September 2025), General Sir Gordon Messenger KCB DSO OBE DL (Chair from 1 September 2025), Sir Nicholas Coleridge CBE DL, Tim Knox CVO FSA and Caroline Michel (from January 2026).

Policy statement

The remit of the People Committee is governed by the legal framework of HRP as set out in the Royal Charter. In establishing the level of remuneration for each Director, the People Committee considers the guidelines laid down by the Combined Code and HM Treasury and has a remuneration policy similar to comparable and competing organisations. This policy aims to ensure that remuneration packages are in line with the general market practice and consistent with recruiting and retaining Directors of the highest calibre.

Members of the Board of Trustees receive no remuneration. However, they are entitled to claim reasonable expenses and to make charges if instructed by the Charity to apply their specialist skills and knowledge. Details are set out in Note 9 to the accounts.

Review of activity during the year

The Committee reviewed and approved a number of changes to HRP's approach to pay, reward and recognition of its people. The Committee also discussed the range of approaches through which staff were engaging with development and delivery of the new organisational strategy, and the programme of leadership development now in place across the Charity.

Details of the emoluments of the Chief Executive are set out in Note 10 to the accounts, together with information on the number of employees whose remuneration (excluding pension contributions) exceeds £60,000.

Trade Union relationships

We continue to work in partnership with the Trade Unions and their local representatives. To facilitate information flows and discussion between the organisation and Trade Union representatives, partnership meetings are regularly held.

Sir Nicholas Coleridge CBE DL
Chair of the Board of Trustees

13 July 2026

Governance Statement

Structure and Governance Framework

HRP's governance reflects its constitution and contractual responsibilities. We are directly accountable to the Charity Commission through the Chair and Trustees but also accountable to Government through the Chief Executive (as Accounting Officer). The contract with Government includes a management statement and a financial memorandum with which we comply.

Memoranda of Understanding governing operations in areas of common interest are in place with key partner bodies, such as the Royal Household and the Royal Armouries.

The Charity's governance is aligned with the Charity Governance Code endorsed by the Charity Commission. HRP is also subject to the Freedom of Information Act and Environmental Information Regulations.

Details of the trustees are given in the Administrative Details section on page 6. The Board consists of a Chair and up to eleven trustees, chosen for their skills and experience. All are non- executive and unpaid.

The Chair is appointed by the Sovereign on the advice of the Secretary of State. Four trustees are appointed by the Sovereign, of whom three are ex-officio appointments: the Director of the Royal Collection; the Keeper of the Privy Purse and the Lord Chamberlain (unless they choose not to take up the appointment, in which case the Sovereign may appoint someone to take their place, as currently). The remaining trustees are appointed by the Secretary of State, two of whom are ex-officio; the Constable of the Tower of London and the Chair of the Campaign Board.

The appointments are initially for three years. Except for ex-officio appointments, trustees may be appointed for a further two periods of up to three years, subject to review at the end of each period.

Trustees are recruited through open advertisement and appointed following an interview process. New trustees are supported through an induction process tailored to their needs and experience. This includes meetings with HRP staff and colleagues on the Board, visits to HRP sites and a substantial amount of information and guidance on their responsibilities as charity trustees, and about the organisation.

The Chief Executive is granted a general delegation to act on behalf of the trustees, except for matters reserved for decision by the trustees. Such matters include approval of strategic plans, annual budgets and major projects, remuneration of the Directors, acceptance of donations over a set amount and variations to governing documents.

The Trustees and Chief Executive (as Accounting Officer) are jointly responsible for maintaining a sound system of internal control that:

- supports the achievement of HRP's charitable and strategic objectives, while

safeguarding the public funds and assets for which the Accounting Officer is personally responsible, in accordance with the responsibilities assigned in
- *Managing Public Money*; and
- ensuring compliance with the Management Statement and Financial Memorandum.

There are four sub-committees of the Board:

The Audit & Risk Assurance Committee formally reports annually to the Board on the adequacy of HRP's arrangements for governance, risk management and internal control. During the year the following trustees served on the Committee: Tom Harris (Chair), Nicholas Coleridge, and James Chalmers. Ian Starkey was a co-opted member.

Oversight of financial and investment activities is provided by the Finance & Investment Committee, whose remit includes reviewing and approving annual budgets and mid and long terms plans, and quarterly forecasts, with reference to the balance of risk/return in them, and the impact of external factors. They also review HRP's financial and investment policies and controls. During the year, the Committee comprised the following trustees: Jonathan Bewes (Chair), Nicholas Coleridge, Lisa Burger, and James Chalmers.

Remuneration policy for the Chief Executive and Directors of HRP is agreed by the People Committee which also oversees the performance of the Executive Team and advises on issues concerning HRP's human resources. The Committee works with the Executive to ensure HRP is a great place to work and all HRP staff feel included, valued and respected. During the year the following trustees served on the Committee: Gordon Messenger (Chair), Tim Knox, Nicholas Coleridge and Caroline Michel.

The Nominations & Governance Committee reviews and advises on Board performance, trustee appointments and succession planning, and makes recommendations to the Board to ensure the appropriate balance of competencies, skills, experience and diversity on the Board of Trustees. During the year the following trustees served on the committee: Nicholas Coleridge (Chair), James Chalmers, Caroline Michel, and Gordon Messenger.

The Board agrees the terms of reference for each committee and reviews them regularly to ensure they remain fit for purpose.

The work of the Board is further supported by the Campaign Board, which brings specialist expertise on fundraising to HRP. Jonathan Bewes chairs this Board.

Further trustee input to HRP's work comes through informal advisory/working groups, set up as and when required, where trustees work with members of the Executive Team to advise on particular areas such as major projects. The Company Secretary provides counsel and administrative support to the Board.

The trustees' and directors' register of interests and their biographical details are available for inspection on application to the Company Secretary. Day to day management of HRP is carried out by an Executive Team. The Executive Team is chaired by the Chief Executive and comprises Directors of Palaces & Collections, Finance, Palaces Group, Tower, Commercial, Public Engagement and Corporate Services and is supported by the Company Secretary.

Governance Effectiveness

The performance and effectiveness of the Board, its committees and of individual trustees is reviewed by the Chair in consultation with trustees each year, with periodic external reviews undertaken in line with the best practice recommended in the Charity Governance Code.

Every year, the Board undertakes a formal evaluation of its own performance, including a review of the Chair. These reviews are coordinated by the Company Secretary, and any actions identified are routinely monitored by the Committee. The outcomes of these reviews are also shared with DCMS on an annual basis. The Board considers that its governance is effective.

Trustee attendance at Board and Committee meetings is monitored and discussed with each trustee as part of each Board Effectiveness Review. The attendance record of individual trustees is summarised in the table below:

Trustee	Board	Audit & Risk Assurance Committee	Finance & Investment Committee	People Committee	Nominations & Governance Committee
Nicholas Coleridge	4/4	3/3	3/3	2/2	2/2
Lisa Burger	4/4		3/3		
Camilla Finlay	4/4				
Tom Harris	4/4	3/3			
Caroline Hope	1/1				
James Chalmers	3/4	3/3	2/3		2/2
Sarah Jenkins (until 1 Sep 25)	2/2			1/1	0/1
Dan Jones	4/4				
Tim Knox	3/4			2/2	
Gordon Messenger	4/4			2/2	2/2
Caroline Michel	3/4			1/1	1/1
John Mothersole	2/2				
Jo Twist (until 30 Sep 25)	2/2				1/1
Jonathan Bewes	3/4		3/3		
Ian Starkey (Note 1)		3/3			

Note 1: Ian Starkey is a co-opted member of the Audit & Risk Assurance Committee.

Highlights of Board Committee Reports

The Board of Trustees meets regularly throughout the year. Minutes of trustee meetings are produced by the Company Secretary and published on HRP's website once approved by the Board.

The Chief Executive provides an update on charitable activity and impact at each trustee board meeting and financial performance of the organisation is also reviewed at each meeting through summary management information that reports key aspects of financial performance and key non-financial organisational performance indicators. Updates on major projects are also provided at each meeting.

The work of committees of the Board is reviewed by trustees through circulation of the minutes and verbal reports from the Chair of each committee.

The scheme for delegating authority reserves a number of matters for decision by trustees. These matters are considered at Board meetings and include approval of expenditure above a certain limit. The threshold for approval of projects and contracts at the Board is £750,000 excluding VAT. Variations to budgeted approved expenditure of more than the lower of 10% or £750,000 on any project are also referred to the Board for further approval. Projects not agreed in budgets are also brought to trustees' attention.

During the year, the Board monitored and considered the progress of the organisation through strategic updates on the palaces, experiences, culture and money and continued supporting the Executive in the delivery of the new strategy for HRP.

Audit & Risk Assurance Committee agendas were similarly structured, considering matters of risk management, the external audit and internal audit plans and progress against recommended actions. HRP's internal audit provision is outsourced to RSM. RSM provide assurance to the Audit & Risk Assurance Committee at each meeting and annually through a programme of audit work agreed in advance with trustees.

The Finance and Investment Committee reviewed HRP's financial performance, current and projected cash balances, the allocation between investment asset types and term deposits, the spread of counterparties, the rates of return and the retention levels for instant access. In addition, Finance and Investment Committee members were involved in the selection of HRP's new fund managers, Legal and General Investment Management, and approved a new Investment Policy as noted above.

The Nominations and Governance Committee provided guidance on trustee appointment requirements, and other governance arrangements, including the Board's performance review process. This year the Committee met to consider trustee vacancies, outcomes of the Board's performance evaluation process, and ongoing refinements to organisational governance to reflect and best support delivery of HRP's new strategy.

Risk Management Statement

The trustees of HRP have considered the major risks to which HRP is exposed and satisfied themselves that systems or procedures are established to manage those risks.

The responsibility for the management and control of HRP rests with the Board of Trustees and therefore they are involved in the key aspects of risk management, particularly in setting the parameters of the process and reviewing and considering the results. The trustees do not undertake each aspect of the process themselves; they delegate elements of the risk management process to HRP staff and professional advisers. The trustees review and consider the key aspects of the process and results. The level of involvement is such that the trustees can make this risk management statement with reasonable confidence.

The Audit & Risk Assurance Committee is a sub-committee of the Board. The purpose of the Committee is to support the Board and the Chief Executive / Accounting Officer by reviewing the comprehensiveness and reliability of assurances on governance, risk management, control, and the integrity of the financial statements and annual report.

The Audit & Risk Assurance Committee is responsible for reviewing management's mechanisms for the assessment and management of risk, the planned activity of external and internal audit and the results of their work, the adequacy of management's responses to issues identified by audit activity and the adequacy of assurances relating to corporate governance. In line with best practice, the Committee publishes an annual report on its work for the Board.

Strategic leadership of the risk management process comes from the Executive Team, and the trustees and Chief Executive/Accounting Officer oversee the process. The Audit & Risk Assurance Committee reports annually to the Board on the effectiveness of the internal control system established to ensure that the aims, objectives and key performance targets of HRP are achieved in the most economic and effective manner. Directors, managers and staff are responsible for identifying, assessing and managing the corporate and operational risks in their areas.

HRP's system of governance, risk and control is based on the three lines of defence model as per HM Treasury and Institute of Internal Auditor's guidance. There is an escalation process to ensure key and emerging risks are reviewed at the correct level as they arise.

- Risk and control monitoring at the first line of defence (front line operations) occurs throughout HRP and is recorded via operational risk registers and detailed management information. The project management framework and project governance structure include detailed guidance to ensure that risk assessment and modelling is a fundamental part of each project from start to finish.
- The second line of defence is formed of a strategic risk register which is reviewed at least quarterly by the Executive Team and the Audit & Risk Assurance Committee, and annually by the Board of Trustees. The Executive Team approves HRP's risk management policy.

- The Executive Team is responsible for communicating HRP's risk management policy to staff, maintaining the operational risk registers, monitoring changes in the strategic risk profile and reporting significant changes to the trustees. The Executive Team also assesses future risks and opportunities annually as part of the Operating Plan process.
- Internal Audit is outsourced to RSM to ensure it continues to provide robust independent assurance to the Executive Team and the Board of Trustees. The internal auditors take a risk-based approach to audits and operate in compliance with Public Sector Internal Audit Standards. RSM provide an annual report to the Chief Executive, the Audit & Risk Assurance Committee and the Board.

HRP's risk appetite is a balance between managing risk, enhancing innovation and creativity, whilst carefully weighing up risks with all rewards and our charitable and strategic objectives. HRP considers risk and its management in a structured way to ensure that the identification, assessment and management of risk is linked to the achievement of HRP's objectives and that all areas of risk are covered - for example, financial, governance, operational and reputational. The corporate ("Strategic") risk register at HRP focuses on high impact and/ or likelihood risks aligned with our strategy. Major risks are those risks that have a major impact and a probable or highly probable likelihood of occurring and would have a major impact across any area of HRP.

The Board has gained assurance that the data quality of the information it receives is sound through a mix of audit work on data held and challenges of the data presented. A summary of the most significant risks are:

Risk	Controls in place
The impact of the continuing war in the Middle East and Ukraine on visitor numbers, income, costs, our staff, and the security of our palaces	Boosting domestic/peak demand for tickets; Improving pricing/booking flexibility; Increasing secondary/non-visit income; Controlling operating expenditure Delaying / pausing projects and programmes Major Incident Plan in place and regularly tested
Sustained or protracted loss of income which has an impact on the current level of reserves	Annual Operating Plan prepared and reviewed by trustees. Tight control over expenditure and further work being undertaken to improve accuracy of expenditure forecasts. Major Incident Plan in place and is regularly tested.
Inability to effectively respond operationally to an incident or disruption	Detection controls in place. Detailed corporate Major Incident Plan in place including site specific security plans and emergency procedures and scenario testing. One-on-one incident management training for Duty Management. Mandatory training for all staff on security and incidents in place.
Cyber attack	Policies and Procedures, anti-phishing and anti-virus / malware controls, cyber E-learning and regular external audits in place.

Risk	Controls in place
	Sophisticated and comprehensive, testing, monitoring and alerting systems in place. Decommissioning legacy infrastructure. Increased team capacity in this area. Suppliers complete Cyber Questionnaire. Cyber Essentials Plus accreditation achieved. Regular simulated phishing tests and cyber awareness posts on Intranet. Security Operations Centre (SOC) in place to assist with out of hours monitoring and alerting if/when critical incidents are detected.
Failure to recruit, manage and retain the right quality and staff mix	New strategy shared with all staff through active engagement sessions to obtain buy-in. Annual pay increases benchmarked against sector. Succession plans for senior team developed. Performance conversation tools and guidance for managers developed. Relevant policies (including Mental Health, Wellbeing, Menopause, Informal resolution) and training and support in place. Succession plans in place for senior staff. Performance conversation tools and guidance for managers developed and launched. Leadership development programme launched. Inclusivity Network in place.
Significant fire, health, safety and environment or safeguarding incident	Fire, HSE, accident/incident policies, processes and training in place. Internal inspections, assessment and audit programmes in place and outcomes overseen by internal committees. Annual review of fire, HSE effectiveness undertaken. Safeguarding policy and training in place, leads appointed. Dealing with Protests guidance issued to Heads of Palaces.
Failure to execute the organisational change required to successfully deliver a strategy that aligns to stakeholders	A three-year Operating Plan in place with objectives clearly aligned to the new strategy; measures and metrics in place to track progress. Strategy implementation progressed during the year, supported by external change management experts. Supporting strategies and programmes in place or in development (e.g., Audience Development Plans, new Digital & Technology and Schools and Communities' strategies.) A number of organisational change projects identified and launched including in the areas of organisational design, internal governance, process efficiencies, and performance management. Close monitoring of progress by the Executive and senior leadership team. New leadership development programme launched.
HRP's digital provision doesn't meet the future needs of the organisation or its visitors	New Digital Strategy agreed and being implemented. This aligns with wider HRP strategy to focus on visitors' and stakeholders' needs. Trustee working group established to provide oversight. Significant investment in new technology, infrastructure, headcount and training to improve visitor experience and to support staff.

Risk	Controls in place
Climate change adversely affects our estate and our ability to operate as a visitor attraction	Overarching sustainability programme prioritised as part of our corporate strategy, which will oversee HRP's work to respond to the impact of climate change and to reduce its own environmental footprint. Sustainability action plan for next 3 years approved and communicated. Sustainability champions established across the organisation. Strong partnership network established across the heritage sector. All ongoing and new projects reviewed for opportunities to improve sustainability performance/decarbonise. Climate change risk assessment methodology devised. Decarbonisation reports completed for HCP and TOL. Procurement processes amended to include sustainability requirements as standard.
Inclusive Histories: Poor reception of new content	Content based on careful and authentic research overseen by the Curator of Inclusive History. Governance role of the Editorial Programming Group and subgroup on Inclusive Histories. Focussed involvement of Community Partners and the HRP Inclusivity Network as appropriate. Ethical Frameworks developed. Communication strategies for key inclusive history initiatives. Resilience training for staff key staff working on inclusive histories.
Collections Security: Loss or damage to collections and late awareness of that loss or damage	Comprehensive Collections Management, Heritage Asset Incident, and Security policies and procedures in place. Spot checks and audits carried out by partner organisation(s) and external and internal auditors. Periodic security inspections on behalf of Government Indemnity Insurance (GIS) and Fine Art Insurance.

General Data Protection Regulations (GDPR) effective since May 2018 set out clear requirements for management and control of personal data. Over the last financial year, HRP has taken effective measures to demonstrate our ongoing compliance with data protection legislation. In 2025/2026 we had cause to notify the Information Commissioner's Office of one minor data protection incident.

Sir Nicholas Coleridge CBE DL
Chair of the Board of Trustees

John Barnes OBE
Chief Executive and Accounting Officer

13 July 2026

Whistleblowing Disclosure

Whistleblowing policy

HRP is committed to maintaining high ethical standards and takes all concerns seriously. We have a policy in place to support HRP's values/ethics and ensure compliance with the Public Interest Disclosure Act 1998 (PIDA) and subsequent amendments under the Enterprise and Regulatory Reform Bill 2013 and the Bribery Act 2010.

There are several different routes suggested for reporting concerns in addition to the direct management and HR routes:

- Internally, individuals can disclose their concerns to appropriate internal specialists, a specific email address managed by the Whistleblowing Officer and the Company Secretary or directly to the Corporate Services Director (The Whistleblowing Officer) and The Chief Executive, Chair of the Audit and Risk Assurance Committee or the Chair of Trustees, or via HRP's employee assistance providers CIC.
- Externally, people can report issues to external bodies such as legal advisers, Minister of the Crown or statutory regulators.
- There were no whistleblowing incidents reported during 2025/26.

Suppliers' payment policy

HRP observes the principles of the CBI Prompt Payment code. The code requires bills to be paid in accordance with contractual obligations, or where no such conditions exist, within 30 days of the receipt of the goods or services, or the presentation of a valid invoice, whichever is the latter. It is the policy of HRP to pay all invoices not in dispute in accordance with contractual terms. Payments are made fortnightly and include all invoices received in Finance and due for payment by the time of the next payment run.

During 2025/26, 81% of supplier invoices were paid within 30 days of date of invoice (74% in 2024/25). The improvement is due to a new Purchase Invoice Manager system. This payment performance is not adjusted for invoices delayed for payment due to a query with the supplier.

Related parties

Details of material dealings with any related parties are set out in Note 24.

Other Reports and Disclosures

Fundraising Regulator

- We are registered with the Fundraising Regulator and abide by the Code of Fundraising Practice and the Fundraising Promise. We are not aware of any failure to comply with the scheme. We received no complaints about our fundraising practices during the year.

- We did not engage any professional fundraisers to fundraise from individuals during the year. Our Campaign Board, a group of volunteers, solicited personal donations on behalf of HRP.

- The activities of the Campaign Board were monitored through three board meetings during the year and sub-group meetings focused on specific fundraising streams. Two trustees are members of the Campaign Board, which ensures the trustees have a high degree of awareness of what the Board does and the activities of its individual members.

- Tailored approaches for high value grants were made throughout the year to companies, charitable trusts and philanthropists. In each case new approaches, and reports on existing funding, were shared in compliance with relevant data privacy regulations. Individuals solicited for gifts were either introduced to the charity by existing supporters or contacted us in the first instance. We avoided practices that risk being unreasonably intrusive or persistent.

- Direct marketing in a fundraising context was limited to advertising in our Members' magazine, HRP e-newsletters and more tailored updates to existing supporters and contacts who have either opted-in or not opted-out, as appropriate.

- In-person donations are solicited and taken only by staff and volunteers within HRP's sites. These are taken onsite via contactless and cash donation boxes, or via signposting to our website and text-to-donate.

Statement of Trustees' and Accounting Officer's responsibilities

Law applicable to incorporated charities in England and Wales requires the Trustees of Historic Royal Palaces to prepare financial statements for each financial year. The Secretary of State (with the consent of HM Treasury) has also directed the Trustees to prepare a statement of accounts in the form, and on the basis, set out in the Accounts Direction. The Secretary of State also requires the Accounting Officer to prepare for each financial year a statement of accounts.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs, the net income and cash flows of the Historic Royal Palaces and its group during the year. In preparing those financial statements, the Trustees and Accounting Officer are required to comply with the requirements of FRS 102: UK GAAP and the Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102). In addition, they shall also have regard to the Government Financial Reporting Manual. In particular to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures being disclosed and explained in the financial statements;
- ensure that the financial statements are prepared on the going concern basis unless it is inappropriate to assume that the Charity and the Group will continue in operation;
- confirm that the Trustees' Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Trustees' Report and Accounts and the judgements required for determining that it is fair, balanced and understandable; and
- observe the Accounts Direction issued by The Secretary of State (with the consent of HM Treasury), including the relevant accounting and disclosure requirements.

The Trustees and Accounting Officer have taken all the steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that Historic Royal Palaces' auditors are aware of that information. As far as we are aware there is no relevant audit information of which the auditors are unaware.

The Trustees are responsible for ensuring that proper accounting records are maintained which disclose with reasonable accuracy at any time the financial position of Historic Royal Palaces and its group and which enable them to ensure that the financial statements comply with the applicable law. They also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of Historic Royal Palaces and its group and to prevent and detect fraud and other non-compliance with laws and regulations.

Statement of Responsibilities

The Principal Accounting Officer for the DCMS has designated the Chief Executive as the Accounting Officer for Historic Royal Palaces and its group. His responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances for which he is answerable and for the keeping of proper records and for the safeguarding of the Historic Royal Palaces' and its group's assets, are set out in Managing Public Money published by HM Treasury.

Sir Nicholas Coleridge CBE DL	John Barnes OBE
Chair of the Board of Trustees	Chief Executive and Accounting Officer

13 July 2026

The Audit Report of the Comptroller and Auditor General to the Board of Trustees and the Houses of Parliament

Opinion on financial statements

I have audited the financial statements of Historic Royal Palaces and its Group for the year ended 31 March 2026.

The financial statements comprise Historic Royal Palaces and its Group's:

- Consolidated and Charity Balance Sheets as at 31 March 2026;
- Consolidated Statement of Financial Activities and Consolidated Statement of Cash Flows for the year then ended; and
- the related notes including the significant accounting policies.

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

In my opinion, the financial statements:

- give a true and fair view of the state of the Historic Royal Palaces and its Group's affairs as at 31 March 2026 and its net income for the year then ended; and
- have been properly prepared in accordance with the Charities Act 2011 and the Secretary of State directions issued, with the consent of HM Treasury, under the Royal Charter.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2024. I am independent of the Historic Royal Palaces and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that Historic Royal Palaces and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Historic Royal Palaces and its Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Trustees and Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises information included in the Trustees' Report but does not include the financial statements and my auditor's report thereafter. The Trustees and Accounting Officer are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

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

- the parts of the Trustees' Report subject to audit have been properly prepared in accordance with Secretary of State directions issued, with the consent of HM Treasury, under the Royal Charter; and
- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of Historic Royal Palaces and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Trustees' Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by Historic Royal Palaces and its Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Trustees' Report, subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by the Charities Act 2011 have not been made; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Trustees and Accounting Officer for the financial statements

As explained more fully in the Statement of Trustees' and Accounting Officer's Responsibilities, the Trustees and the Accounting Officer are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within Historic Royal Palaces and its Group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements, which give a true and fair view, in accordance with the applicable financial reporting framework; and

- assessing Historic Royal Palaces and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees and the Accounting Officer either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

My responsibility is to audit and express an opinion on the financial statements in accordance with section 151 of the Charities Act 2011.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

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

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of Historic Royal Palaces and its Group's accounting policies and its key performance indicators.
- inquired of management, Historic Royal Palaces' head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Historic Royal Palaces and its Group's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including Historic Royal Palaces and its Group's controls relating to Historic Royal Palaces' compliance with the Charities Act 2011 and Managing Public Money;

- inquired of management, Historic Royal Palaces' head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team including significant component audit teams and the relevant internal and external specialists, including IT and pensions experts, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within Historic Royal Palaces and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I obtained an understanding of Historic Royal Palaces and its Group's framework of authority and other legal and regulatory frameworks in which Historic Royal Palaces and its Group operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of Historic Royal Palaces and its Group. The key laws and regulations I considered in this context included the Charities Act 2011, Managing Public Money, employment law, pensions legislation and tax legislation.

<u>Audit response to identified risk</u>

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board of Trustees and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I addressed the risk of fraud in revenue recognition, assessing the recognition of income in line with the accounting framework and undertaking procedures to test the significant income streams subject to the risk of fraud.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members, including internal specialists and significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
14 July 2026

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road Victoria, London, SW1W 9SP

Consolidated Statement of Financial Activities
for the year ended 31 March 2026

	Note	Unrestricted funds £000	Restricted funds £000	Total 2026 £000	Total 2025 £000 Restated*
INCOME					
Donations and legacies:					
Grants	3	77	8,309	8,386	3,045
Donations		553	166	719	680
Gifts in Kind		-	30	30	121
		630	**8,505**	**9,135**	**3,846**
Income from other trading activities:					
Retail income		20,792	-	20,792	19,691
Functions and events		7,606	-	7,606	7,796
Licenses, rent & recharges	4	5,346	-	5,346	5,702
Sponsorship		565	-	565	890
Catering		2,834	-	2,834	-
		37,143	**-**	**37,143**	**34,079**
Income from investments:					
		6,504	**-**	**6,504**	**6,268**
Income from charitable activities:					
Admissions	5	86,094	-	86,094	84,734
Membership		6,570	-	6,570	6,385
Concessions		624	-	624	3,284
		93,288	**-**	**93,288**	**94,403**
Total Income	6	**137,565**	**8,505**	**146,070**	**138,596**
EXPENDITURE					
Costs of raising funds:					
Fundraising		1,405	-	1,405	1,234
Retail activities		13,018	-	13,018	12,446
Investment management costs		2	-	2	2
Other commercial activities		4,772	-	4,772	4,520

Consolidated Statement of Financial Activities
for the year ended 31 March 2026

	7	**19,197**	**-**	**19,197**	**18,202**
Expenditure on charitable activities:**					
Love and look after the Palaces		40,669	664	41,333	34,216
Open the Palaces to the Public:					
- Visitor Access		30,901	208	31,109	27,555
- Learning & Engagement		18,921	1,019	19,940	16,560
Generate the income to make it possible		7,616	5	7,621	6,318
Achieving our goals through our People		3,435	40	3,475	2,814
Sustainability		1,267	-	1,267	628
	7	**102,809**	**1,936**	**104,745**	**88,091**
Defined Pension scheme net interest cost/(income)	*11*	(272)	-	(272)	(322)
Total Expenditure	*7*	**121,734**	**1,936**	**123,670**	**105,971**
Net (losses)/gains on investments	*14*	4	-	4	(7)
Net Income / (Expenditure)		**15,835**	**6,569**	**22,404**	**32,618**
Actuarial (loss)/gain on pension plan	*11*	651	-	651	324
Net movement in funds		**16,486**	**6,569**	**23,055**	**32,942**
Fund balances brought forward at 1 April	*6*	**129,719**	**7,662**	**137,381**	**104,439**
Fund balances carried forward at 31 March	*6*	**146,205**	**14,231**	**160,436**	**137,381**

*Expenditure in 2025 has been restated due to a prior period adjustment to capitalise project expenditure. See Note 27 – Prior year adjustments.
**Total expenditure on charitable activities has been represented and allocated to new categories in line with the new strategic aims per the 'Performance Summary' on pages 9-19.

The amounts shown above derive from continuing activities. There were no recognised gains or losses other than those disclosed above.
The notes on pages 50 to 90 form an integral part of these accounts.

Consolidated and Charity Balance Sheet

as at 31 March 2026

	Note	Group 2026 £000	Charity 2026 £000	Group 2025 £000 Restated*	Charity 2025 £000 Restated*
Fixed assets:					
Intangible assets		-	-	-	-
Tangible assets	*12*	32,238	32,238	28,789	28,789
Heritage assets	*13*	10,379	10,379	10,302	10,302
Investments	*14*	1,943	1,943	2,266	2,266
Long-term cash deposits		-	-	19,000	19,000
		44,560	**44,560**	**60,357**	**60,357**
Current assets:					
Stocks - goods for resale		2,614	-	2,203	-
Debtors	*15*	15,752	23,541	11,870	17,762
Short-term cash deposits		77,000	77,000	105,000	105,000
Cash at bank and in-hand		78,991	69,841	17,033	10,032
		174,357	**170,382**	**136,106**	**132,794**
Creditors:					
Amounts falling due within one year	*16*	29,260	25,354	26,354	23,097
Net current assets		**145,097**	**145,028**	**109,752**	**109,697**
Total assets less current Liabilities excl Pension Plan asset/liability		**189,657**	**189,588**	**170,109**	**170,054**
Creditors: Amounts falling due after more than one year	*17*	32,933	32,919	36,588	36,588
Provision for liabilities and charges	*18*	4,415	4,415	3,344	3,344
Net assets excl Pension Plan asset/liability		**152,309**	**152,254**	**130,177**	**130,122**
Pension Plan asset/(liability)	*11*	8,127	8,127	7,204	7,204
Net assets including Pension Plan liability		**160,436**	**160,381**	**137,381**	**137,326**
Funds:					
Unrestricted funds		146,205	146,150	129,719	129,664
Restricted funds		14,231	14,231	7,662	7,662
Total funds	*6*	**160,436**	**160,381**	**137,381**	**137,326**

*2025 tangible fixed assets have been restated due to a prior period adjustment to capitalise project expenditure. See Note 27 – Prior year adjustments. The notes on pages 50 to 90 form an integral part of these accounts. These financial statements were approved by the Trustees and the Accounting Officer on 13 July 2026 and were signed on their behalf by

Nicholas Coleridge

Sir Nicholas Coleridge CBE DL
Chair of the Board of Trustees

J M Barnes

John Barnes OBE
Chief Executive and Accounting Officer

Consolidated Cash Flow Statement
for the year ended 31 March 2026

	Note	2026 £000	2025 £000 Restated*
Cash flows from operating activities			
Net cash inflow/(outflow) from operating activities *(Note A below)*		17,962	30,263
Cash flows from investing activities:			
Purchase of tangible assets	12	(5,966)	(5,203)*
Purchase of heritage assets	13	-	(119)
Redemption of investments	14	300	-
Interest received		7,198	6,107
Net (purchase)/sale of short-term deposits		47,000	(28,000)
Net cash used in investing activities		**48,532**	**(27,215)**
Cash flows from financing activities:			
Interest paid on Culture Recovery Loan		(4,536)	(2,268)
Net cash used in financing activities		**(4,536)**	**(2,268)**
Cash and cash equivalents at the beginning of the year		**17,033**	**16,253**
Change in cash and cash equivalents		**61,958**	**780**
Cash and cash equivalents at the end of the year		**78,991**	**17,033**
Analysis of cash and cash equivalents			
Cash at bank and in hand		78,991	17,033
Total cash and cash equivalents		**78,991**	**17,033**

Note A: Reconciliation of net income/expenditure to net cash inflow from operating activities:

Net Income/(Expenditure) from charitable and trading activities		22,404	32,619*
Net (Gains)/Losses on Investments	14	(4)	7
Intangible amortisation		-	2
Interest income*		(6,504)	(6,268)
Interest expense on Culture Recovery Loan*		873	858
Pension scheme: non-cash movements	11	(272)	(322)
Gifts in kind	13	0	0
Depreciation & amortisation	12	2,927	2,827
(Profit)/Loss on disposal of fixed assets	12	0	0
(Increase)/Decrease in stocks	2	(411)	44

Consolidated Cash Flow Statement

for the year ended 31 March 2026

Continued from previous page

(Increase)/Decrease in debtors	15	(4,603)	(3,020)
Increase/(Decrease) in creditors: current liabilities	16	2,479	4,645
Increase/(Decrease) in long term creditors	17	8	(14)
Increase/(Decrease) in provisions for liabilities & charges	18	1,071	(1,125)
Other non-cash movements		(6)	10
Net cash inflow/(outflow) from operating activities		**17,962**	**30,263**

Analysis of changes in net debt:

	As at 1 Apr-25 £000	Cash flows **£000**	Other non-cash changes **£000**	**As at 31 Mar-26 £000**
Cash and cash equivalents				
Cash	**17,033**	61,958	-	**78,991**
Borrowing				
Debt due within one year	**(4,536)**	4,536	(4,536)	**(4,536)**
Debt due after one year	**(36,582)**	-	3,663	**(32,919)**
	(41,118)	4,536	(873)	**(37,455)**

	As at 1 Apr-24 £0	Cash flows **£000**	Other non-cash changes **£000**	**As at 31 Mar-25 £0**
Cash and cash equivalents				
Cash	**16,253**	780	-	**17,033**
Borrowing				
Debt due within one year	**(2,268)**	2,268	(4,536)	**(4,536)**
Debt due after one year	**(40,259)**	-	3,677	**(36,582)**
	(42,527)	2,268	(859)	**(41,118)**

*2025 has been restated due to a prior year adjustment to capitalise project expenditure. See Note 27 – Prior year adjustments.

The notes on pages 50 to 90 form an integral part of these accounts.

1 Accounting Policies

The following accounting policies are applied consistently in dealing with items which are considered material in relation to the financial statements of the Charity, Historic Royal Palaces (HRP), and its trading subsidiary, Historic Royal Palaces Enterprises Ltd (HRPE), together 'the Group'.

a) Status of charity

HRP is a registered charity (No: 1068852) established by Royal Charter.

b) Basis of preparation

The financial statements are prepared in accordance with the Statement of Recommended Practice (SORP): Accounting and Reporting by Charities (effective 1 January 2019), applicable United Kingdom accounting standards (FRS 102) and the Charities Act 2011. The financial statements are prepared on a going concern basis under the historical cost convention (see also Note 1 q). They are prepared in accordance with the Accounts Direction a copy of which can be obtained from the Finance Director or Head of Financial Accounting issued by the Secretary of State in accordance with HRP's Royal Charter.

HRP meets the definition of a public benefit entity under FRS 102.

Accounting standards issued but not yet effective
The revised FRS 102 and Charities SORP will both be effective for accounting periods beginning on, or after, 1 January 2026, and will therefore be applied to these accounts in 2026-27. The most significant changes to the accounting standards are to income and leases, with other less significant changes impacting fair value measurement.

Management's assessment of the new accounting standards is ongoing, but to date has identified that:

Income: Overall, this is not expected to materially impact the Charity. There are two income streams which will be kept under review as follows:
- Membership income (2025/26: £6.6m). Per the change in standard, this is expected to move from recognition at the point of payment to recognition over the life of the associated membership. As we already recognise it over the life of the membership, no change is expected.
- Sponsorship income (2025/26: £0.6m). The nature and profile of the Charity existing sponsorship arrangements mean that the impact of the change in the standard is likely to be immaterial, however management will remain vigilant in circumstances where sponsorship arrangements and/or associated events span more than one financial year.

Recognition of non-exchange income is not expected to change materially, although some individual grants and donations may now become recognisable at an earlier point when grant or donation is initially agreed, rather than when the cash is later received.

Leases: the new requirements are expected to result in the recognition of on-balance sheet 'right of use' assets (based on the discounted future payments plus prepayments and lease incentives) and associated lease liabilities (based on discounted future lease payments). The Charity has one "in-scope" lease. The lease payments and commitments for these facilities are set out in Note 19. Management anticipate that the impact of the change in standard, in this instance, will be below the Charity materiality threshold.

Other changes to the standards are not expected to have a material impact upon these accounts.

c) Basis of consolidation
The Group accounts consolidate HRP and its subsidiary, HRPE Ltd, which has a co-terminus year-end. Consolidation is carried out on a line-by-line basis.

d) Funds
Incoming resources and resources expended are allocated to particular funds according to their purpose.

Unrestricted funds – the unrestricted funds include income from admissions, donations and other income received without restriction including retained profits of HRPE Ltd. Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Trustees may earmark unrestricted funds for a particular project or use, without restricting or committing the funds legally. Such amounts are known as designated funds.

Restricted funds - restricted funds include those receipts, which are subject to specific restrictions imposed by donors, including grants towards specific conservation and improvement projects undertaken at the palaces.

e) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Group is entitled to the income, receipt is probable, and the amount can be quantified with reliable accuracy. The following specific policies apply to categories of income:

- **Grants** – include operating and project grants and contributions. Grants related to performance and specific deliverables, are accounted for as the Group earns the right to consideration by its performance. Where income is received in advance of performance, its recognition is deferred and included in creditors. Where entitlement occurs before receipt, the income is accrued.
- **Donations** - include major gifts and appeals. Donations are recognised when received or on a receivable basis where receipt is probable and there is entitlement to the income.
- **Gifts in Kind** – where donated to the Group, are included at market value at the time of receipt.
- **Retail income** – relates to sales of goods, souvenirs and guidebooks. Income

is recognised upon sale of the goods.

- **Functions and Events** – includes income from corporate and private events and weddings. It is accounted for in the month that the event is due to take place.
- **Licences, Rents & Recharges**– income is accounted for on a pro-rata basis over the period to which the income relates.
- **Sponsorship** – relates primarily to corporate sponsorship of exhibitions and education programmes. Income is accounted for evenly over the period of sponsorship.
- **Investments** - investment income is recorded in the period it is earned.
- **Admissions** – income is recognised upon visitor entry. Any donations on admissions (and related gift aid) are recognised at the point of sale.
- **Membership** - income that is attributable to visits that members make to HRP sites is deferred and released to the SOFA equally over the period to which the membership relates. The portion of life membership subscriptions deemed to be of the nature of a gift is recognised in full in the year in which it is received, with the remainder deferred and released to income in equal instalments over the average period over which the life membership is expected to be used. Gift Aid income resulting from membership is recognised at the point when the membership is sold.
- **Concessions** – Commission from our cafés and restaurants is accounted for in the period to which it relates. From 2025/26 this is accounted for under Other Trading Activities.

f) Resources expended

All expenditure is accounted for on an accruals basis and is classified under the principal categories of 'Costs of raising funds' and 'Charitable activities'. The expenditure classifications comprise direct expenditure, including staff costs, attributable to the activity. Support costs, which include functions such as Accounting, Payroll, Procurement, Information Systems and Governance Costs are allocated across the categories of costs of raising funds and expenditure on charitable activities. The basis of the cost allocation is explained in the Notes to the accounts.

g) Tangible fixed assets

Tangible fixed assets costing more than £5,000 are capitalised at a value net of VAT, included at cost and are not revalued. All expenditure on repairing and maintaining the original fabric of the buildings and on non-revenue generating improvements is written off in the year incurred. All improvements to the fabric of the buildings, with the aim of raising or increasing revenue, are capitalised. Assets purchased by or gifted to the Charity's predecessors prior to September 1989 have not been capitalised.

Depreciation is provided to write off the cost of tangible fixed assets by equal instalments over their useful economic lives. The guidance on useful economic lives is as follows:

New buildings	20 - 50 years
Building refurbishments	10 - 20 years
Fixtures and fittings	3 - 10 years
Plant and machinery	5 - 20 years
Furniture and equipment	3 - 10 years
Exhibitions	3 - 10 years
Vehicles	3 - 5 years
Computer hardware	3 - 5 years

h) Heritage Assets

SORP 2019 defines heritage assets as assets of historical and artistic importance that are held to advance preservation, conservation and the educational objectives of the Charity. Those heritage assets acquired since September 1989 are reported in the balance sheet at cost or, in the case of donated assets, at an approximate valuation estimated by HRP's curators to be an appropriate market value at the time of acquisition. Such assets are not depreciated as they are deemed to have indeterminate lives and a high residual value. Regular impairment reviews of heritage assets are undertaken.

Those items that were purchased by or gifted to the Charity's predecessors prior to September 1989 have not been capitalised. These comprise the majority of the collection but trustees do not consider that relevant cost or valuation information can be obtained at a cost commensurate with the benefit to readers of the financial statements. This is because of the diverse nature of the assets held, the volume, and the lack of comparable market values.

Further information about HRP's collection of heritage assets is set out in the Notes to the Accounts.

i) Investments, Short-term cash deposits and cash at hand & in bank

Investment income comprises interest receivable from cash at bank and liquid resources as well as income from investments held in a fixed income bond portfolio and multi-assets funds. All investments are held to provide investment returns. Dividend income is recognised on a receivable basis.

Fixed income investments are short-dated high credit rated bonds with fixed and determinable coupons. The bonds are retained with the intention and ability to be held to maturity. The bond portfolio is measured at fair value.

The investments in multi-asset funds are measured at market value each year.

Funds placed on money market deposits are short-term cash deposits of up to 18 months and are defined as liquid resources. All liquid resources are held in commercial banks with appropriate credit ratings, in line with HRP's investment policy at the time of contracting.

Funds held in cash or in current/premium accounts are defined as cash at bank and in hand. They represent the deposits and cash used to finance HRP on a day-to-day basis.

j) Investment in subsidiary

In the Charity's accounts, the investment in its subsidiary undertaking, HRPE Ltd, is stated at cost.

Historic Royal Palaces Inc. is a US-based private non-operating foundation. This is not consolidated into the Group accounts, as it is not controlled by the Charity.

k) Current assets & liabilities

Stock consists of purchased goods for resale. Stock is stated at the lower of cost and net realisable value. Cost of sales is determined on a weighted average cost basis and includes all costs of purchase such as associated transportation charges. Debtors are measured at their recoverable amounts and creditors at their settlement amounts when these can be measured or estimated reliably.

l) Financial instruments

HRP primarily carries financial instruments in the form of a concessionary loan from the Culture Recovery Fund initially recognised at the amount received, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment.

HRP also has basic financial instruments in the form of cash, debtors and creditors at fair value, other than where a provision for specific doubtful debts has been made. Since almost all of these are expected to be realised within one year, there is no material difference between fair value and historical cost. Fixed income investments are measured at fair value.

m) Leases

The Group has no finance leases. Costs relating to operating leases are charged in the Statement of Financial Activities over the life of the lease. Income from operating leases is recognised over the life of the lease.

n) Pensions

The Charity operates a funded pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of HRP. From October 2002, the scheme was closed to new members and from April 2019, the scheme was closed to future accruals. The Charity has implemented the full reporting requirements of FRS 102: Employee Benefits in relation to the defined benefit scheme.

The present value of HRP's liability for its obligations and the fair value of the scheme assets are calculated by an independent actuary. The net asset or liability is recognised in the Balance Sheet and is treated as an unrestricted fund.

Changes in the net asset or liability during the period that result from employee service or interest on the net liability are recognised in the appropriate heading in the Consolidated Statement of Financial Activities in that period. Changes as a result of actuarial gains or losses are recognised in 'Other recognised gains or losses'.

A group personal pension scheme based on defined contributions was established for new members of established staff and staff on contracts exceeding 1 year with effect from October 2002. An additional group personal pension scheme based on defined contributions was set up for casual staff and staff on contracts of less than 1 year with effect from October 2013. The cost to HRP of both defined contribution schemes is the contributions due during the year, recognised on an accruals basis.

o) Taxation

As a charity, HRP is exempt from corporation tax under the Corporation Tax Act 2010. HRPE normally distributes its profits before tax by Gift Aid to the Charity to leave reserves at or close to nil. The amount gift aided in 2025/26 was £10,893,664 (£8,443,280 in 2024/25).

Admissions to the palaces administered by HRP are exempt from VAT under Schedule 9 of the VAT Act 1994. Due to this exemption, approximately 70.5% of VAT incurred by HRP is irrecoverable in 2025/26 (70.8% in 2024/25).

p) Provisions

Provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

q) Key judgements and estimates

The Group makes estimates and assumptions concerning the future which will impact the accounting estimates. The significant judgements and estimates made in preparing these accounts are disclosed throughout the document, and briefly outlined below:

- the useful economic lives of tangible and intangible assets are assessed regularly and amended when necessary, impacting the annual depreciation and amortisation charge for assets; the heritage assets valuation is reviewed annually for indicators of impairment.

- the retail stock valuation and associated provisioning is assessed throughout the year with consideration for condition and saleability.

- valuations for the bond and multi-asset portfolios rely on the estimates provided by the relevant investment managers.

- HRP has an obligation to pay pension benefits to the members of its defined benefit pension scheme. The cost of these benefits and the present value of the obligation depend on factors including the discount rate on corporate bonds, salary increases, life expectancy, inflation and asset valuations. Management estimates these factors in determining the net pension obligation in the balance sheet with the support from independent external actuaries. The recognition of any pension surplus or deficit in the accounts is a key judgement.

- Provisions include amounts for an onerous lease provision. The onerous lease provision is in relation to sub-let premises where the unavoidable costs of meeting obligations under the contract exceed the expected economic benefits. Key assumptions relate to usable space, and the opportunity cost of alternative storage space. It is assumed that 15,109 sq. ft of the space is usable for storage at a rate of £20.00 per sq. ft. An RPI value of 3.6% has been used in the provision calculation, which is the compound annual growth rate of RPI since 1987. The discount rate used is 5.54%, which is the rate for 30-year government bonds as at 31st March 2026.

- When assessing the going concern, several visitor forecast scenarios were used to inform projections for income, expenditure and cash-flows. Other key considerations included the liquidity of unrestricted funds and reserves, overdraft and borrowing facilities and all other forms of financial assistance available to the organisation.

r) Going Concern

The trustees have considered all factors and risks that may influence the company within the next 12 months. These include continuing global conflicts and the international and domestic economic outlook. They have reviewed the organisation's resilience in the light of these in terms of income projects, measures to improve liquidity and risk mitigation actions.

<u>Global outlook</u>
According to the OECD June 2026 report, global GDP growth is projected to slow from 3.4% in 2025 to 2.8% this year before recovering to 3.1% in 2027.

Annual consumer price inflation in the G20 countries is expected to rise to 4.0% in 2026 from 3.4% in 2025, before easing to 3.1% in 2027. However, the geopolitical environment and its impact remain uncertain.

<u>Domestic & Sector Outlook</u>
Per the Office for Budget Responsibility's March 2026 economic & fiscal outlook, real GDP growth is expected to slow from 1.4 per cent in 2025 to 1.1 per cent in 2026, before averaging 1.6 per cent a year over the rest of the decade.

Significant risks and uncertainties remain, due to conflict in the Middle East and trade policy developments. Domestically there are pressures on spending in defence, welfare, from an ageing population and high government borrowing.

CPI inflation is projected to fall from 3.4 per cent in 2025 to 2.3 per cent in 2026. Bank Rate is expected to fall from its current level of 3.75 per cent to 3.3 per cent by late 2026.

Per the UNWTO (World Tourism Organization), international tourism increased by 2.5% in January-February 2026, dropping to an increase of 0.4% in March, due to the impact of the Middle East conflict.

While Europe as a whole saw a 4% increase in Q1, this included some redirection of tourism flows from the Middle East, where arrivals dropped 14%.

The conflict is expected to reduce overall growth by up to 2% below the initial forecast of 3-4% for 2026. In addition to disruption to travel to and from the Middle East itself, this is due to the spike in oil prices, jet fuel shortage and resulting increased fares and reduced flight capacity overall.

The March 2026 statement from the Association of Leading Visitor Attractions (ALVA) reported that the total number of visits to ALVA sites in 2025 was 165 million, which was a 2% increase on the previous year. However, the growth was concentrated on visitor attractions without an entrance fee.

Organisation context
The 2026/27 operating budget has been set to reflect the current economic climate and the impact of lower international travel. Income targets have been set to reflect our latest visitor number target of 3.6m. Expenditure budgets have also taken into consideration the strategic aims, while noting the ever-increasing cost of capital works and the decreasing pool of specialist contractors able to deliver our works.

Whilst the future is always uncertain and we have seen a slowdown in the sector, forecasts are made on best estimates. Overall assumptions have been reviewed by the Executive and approved by trustees.

Performance will continue to be scrutinised closely throughout the year and significant deviation from our current income assumptions will be mitigated by imposing stricter controls on expenditure rather than drawdown on reserves, if deemed appropriate. We are well placed to hold back expenditure to create further financial headroom should circumstances require.

Visitor assumptions

Visitor assumptions drive visit income and HRPE Ltd’s retail income projections. The visit number target for 2026/27 is 3.6m, which has been revised down due to the drop in international visitors seen in early 2026/27.

We will be reviewing these assumptions in the second half of 2026/27 in the light of global uncertainties and their impact on travel.

Liquidity, Borrowing

HRP is forecast to remain cash positive throughout 2026/27. This includes repayments for the Culture Recovery Loan, which started in 2025.

Risks and further actions

The Directors have identified the following mitigations against continuing and emerging risks and have further levers to call upon if needed:

Additional cost savings include: continuing to hold headcount vacancies; re-introducing payroll saving initiatives; removing discretionary operating expenditure currently phased in the latter part of the year; using periods of closure or working from home to rein in site costs including cleaning, heating, power etc.; deferring project expenditure; and, generally, reviewing and restricting operating expenditure by monitoring committed versus non-committed expenditure throughout the year.

Summary

The Board of Trustees is content to adopt the going concern basis for preparing these financial statements. The trustees take comfort from the financial performance in 2025/26, the cash and reserves position and the ongoing adaptations in response to global events. They will continue to closely review the impact of global events on our visitor numbers and income. The fact that HRP's model has adapted to previous shocks and returned to generating a surplus also supports the opinion that the organisation will continue as a going concern.

2. Historic Royal Palaces Enterprises Ltd

The Charity has one wholly owned trading subsidiary, Historic Royal Palaces Enterprises Limited (HRPE Ltd), with a paid-up share capital of £2. HRPE Ltd is incorporated in the UK (registration number 03418583). The principal activities of the company are retail, functions, and other events held at the palaces managed by the Charity. A summary of its trading results and its net assets is shown below. Audited accounts are filed with the Registrar of Companies.

Profit and loss account

	2026 £000	**2025** £000
Turnover (other trading activities)	34,243	29,603
Cost of sales (costs of raising funds)	(6,143)	(6,139)
Gross profit	**28,100**	**23,464**
Administrative expenses	(17,369)	(15,147)
Interest receivable	163	127
Profit on ordinary activities before taxation	**10,894**	**8,444**
Taxation	(-)	(1)
Total profit for the financial year	**10,894**	**8,443**
Amount distributable under Gift Aid to HRP	(10,894)	(8,443)
Retained in subsidiary	-	-

Balance Sheet as at 31 March 2026

	2026 £000	**2025** £000
Stocks - goods for resale	2,614	2,203
Debtors	2,423	2,095
Cash	9,150	7,001
Current liabilities	(14,132)	(11,244)
Creditors due after more than one year	-	-
Net assets	**55**	**55**
Share capital and reserves	**55**	**55**

3. Grant Income

Total grant income of £8,386k (2024/25: £3,045k) includes funding of £991k from government bodies as follows (2024/25: £461k):

Grantor	Amount	Purpose
Arts & Humanities Research Council Fund	£382k	Henry VIII on Tour project, Riches Programme
Local Councils	£213k	Projects at Hillsborough
National Heritage Lottery Fund	£396k	Tomorrow's Tower

4. Licence, rent & recharges income

Licence & rent income includes a range of activities which can be summarised as follows:

	2026 £000	**2025** £000
Licences	2,553	2,379
Recovery of Costs	1,755	1,813
Rents	844	1,335
Other Income	194	175
Total licence & rent income	**5,346**	**5,702**

5. Admissions income

Admissions income includes visitor admissions, gift aid on admissions, car park, digital visitor guides and can be broken down as follows:

	2026 £000	**2025** £000
Tower of London	68,076	68,321
Hampton Court Palace	8,249	7,611
Kensington Palace	6,789	6,150
Hillsborough Castle	903	718
Other palaces	117	118
Education	1,066	1,113
Other admissions income	894	703
Total admissions income	**86,094**	**84,734**

6. Total funds (Group basis)

£15.6m has been transferred from free reserves to designated funds (£12.1m) and fixed assets (£3.5m).

Current Year Total Funds:	Funds as at 1 April 2025 £000 Restated*	Incoming resources 2025/26 £000	Resources expended 2025/26 £000	Reval'n 2025/26 £000	Transfers between funds 2025/26 £000	**Funds as at 31 March 2026 £000**
Unrestricted funds						
General (Free)reserves	20,000	137,293	(121,734)	4	(15,563)	**20,000**
Designated funds	68,348	-	-	-	12,067	**80,415**
Fixed assets	34,167	-	-	-	3,496	**37,663**
Pension plan	7,204	272	-	651	-	**8,127**
Total	**129,719**	**137,565**	**(121,734)**	**655**	**-**	**146,205**
Restricted funds						
Donated assets	4,924	30	-	-	-	**4,954**
Hillsborough Castle & Gardens	185	339	(346)	-	-	**178**
Hampton Court Palace projects	577	408	(36)	-	-	**949**
Tower of London projects	1,240	6,644	(528)	-	-	**7,356**
Kensington Palace projects	147	162	(197)	-	-	**112**
Banqueting House project	(0)	-	-	-	-	**-**
AHRC-funded Research projects	187	382	(404)	-	-	**165**
Support for Heritage & re-opening	(1)	-	-	-	-	**(1)**
Other projects	403	540	(425)	-	-	**518**
Total	**7,662**	**8,505**	**(1,936)**	**-**	**-**	**14,231**
Total funds	**137,381**	**146,070**	**(123,670)**	**655**	**-**	**160,436**

*2025 has been restated due to a prior year adjustment to capitalise project expenditure. See Note 27 – Prior year adjustments.

Prior Year Total Funds:	Funds as a at 1 April 2024 £000	Incoming resources 2024/25 £000	Resources expended 2024/25 £000 Restated*	Reval'n 2024/25 £000	Transfers between funds 2023/24 £000 Restated*	**Funds as at 31 March 2025 £000 Restated ***
Unrestricted funds						
General (Free)reserves	14,000	135,166	(103,424)	(7)	(25,735)	20,000
Designated funds	45,081	-	-	-	23,267	68,348
Fixed assets	31,699	-	-	-	2,468	34,167
Pension plan	6,558	322	-	324	-	7,204
Total	**97,338**	**135,488**	**(103,424)**	**317**	**-**	**129,719**
Restricted funds						
Donated assets	4,924	0	0	-	-	4,924
Hillsborough Castle & Gardens	298	80	(193)	-	-	185
Hampton Court Palace projects *incl. Field of the Cloth of Gold*	779	39	(241)	-	-	577
Tower of London projects incl. Tower Entry	330	1,310	(400)	-	-	1,240
Kensington Palace projects incl. Orangery Learning Centre and the Sunken Garden statue	30	150	(33)	-	-	147
Banqueting House project	439	275	(714)	-	-	(0)
AHRC-funded Research projects	34	651	(498)	-	-	187
Support for Heritage & re-opening	(1)	0	0	-	-	(1)
Other projects	268	603	(468)	-	-	403
Total	**7,101**	**3,108**	**(2,547)**	**-**	**-**	**7,662**
Total funds	**104,439**	**138,596**	**(105,971)**	**317**	**-**	**137,381**

*2025 has been restated. See Note 27 – Prior year adjustments.

- **Free reserves**

Part of the unrestricted funds that are not held as fixed assets or designated for other purposes. This is now higher than the pre-pandemic levels of free reserves, in order to ensure a greater level of resilience.

- **Designated funds**

We designate funds from our general funds towards our ‘big moments’, major projects and strategic programmes. This consists of £35.5m for Redevelopments and Conservation projects, £22.5m for Infrastructure projects and £16.0m on other programmes including Digital and Sustainability, in addition to £7.4m to complete projects in 2026/27 that were underway in 2025/26.Further details about the Designated funds are included on page 20 of the Finance Review.

- **Transfers between funds**

As set out in our Reserves policy in the Funds and Reserves section, a permanent designated fund is matched to fixed assets, as this cannot be quickly utilised to realise cash in the event of a cash requirement. Any excess above this is designated at trustees’ discretion.

- **Donated assets funds**

These refer to restricted heritage assets and donated items including work of art and artefacts (see Note 13 for more details).

Analysis of net assets between funds

Fund balances of the Group at 31 March 2026 are represented by:

	Unrestricted funds £000	**Restricted funds £000**	**2026 £000**	Unrestricted funds £000 Restated*	Restricted funds £000	2025 £000 Restated*
Tangible assets	32,238	-	32,238	28,789	-	28,789
Heritage assets	5,425	4,954	10,379	5,378	4,924	10,302
Investments	1,943	-	1,943	2,266	-	2,266
Net current assets	-	-	-	19,000	-	19,000
Net current assets	135,820	9,277	145,097	107,014	2,738	109,752
Assets > 1 year				19,000	-	19,000
Creditors > one year	(32,933)	-	(32,933)	(36,588)	-	(36,588)
Provisions	(4,415)	-	(4,415)	(3,344)	-	(3,344)
Pension Asset	8,127	-	8,127	7,204	-	7,204
Total net assets	**146,205**	**14,231**	**160,436**	**129,719**	**7,662**	**137,381**

*2025 has been restated due to a prior year adjustment to capitalise project expenditure. See Note 27 – Prior year adjustments.

7. Total expenditure (Group basis)

	Total direct costs £000	Allocation of support costs £000	Total 2026 £000	Total 2025 £000 Restated*
Costs of raising funds:				
Fundraising	1,270	136	**1,406**	**1,234**
Retail activities	11,581	1,437	**13,018**	**12,446**
Investment management costs	2	-	**2**	**2**
Other commercial activities	4,277	494	**4,771**	**4,512**
Total	**17,130**	**2,067**	**19,197**	**18,202**
Expenditure on charitable objectives:**				
Love and look after the Palaces	38,133	3,202	**41,335**	**34,216**
Open the Palaces to the Public:				
- Visitor Access	27,380	3,728	**31,108**	**27,555**
- Learning & Engagement	17,943	1,995	**19,938**	**16,560**
Generate the Money	7,023	597	**7,620**	**6,318**
Achieve goals through our people	3,024	452	**3,476**	**2,814**
Sustainability	1,168	100	**1,268**	**628**
Total	**94,671**	**10,074**	**104,745**	**88,091**
Other:				
Pension Finance/(Income) Costs	(272)	-	**(272)**	**(322)**
Total	**111,529**	**12,141**	**123,670**	**105,971**

*2025 has been restated due to a prior year adjustment to capitalise project expenditure. See Note 27 – Prior year adjustments.

**Total expenditure on charitable activities has been re-presented and allocated to new categories in line with the new strategic aims per the 'Performance Summary' on pages 9-19.

Resources expended include charges for:	**Total 2026** £000	**Total 2025** £000
Auditors' remuneration (*The auditors did not provide any non-audit services)*:		
Audit - HRP	91	89
- HRPE	40	38
Operating lease charges	1,536	1,124
Stock recognised as an expense	6,286	6,022
Impairment of stock (included in cost of sales)	(55)	116
Depreciation charged on fixed assets:		
Tangible	2,927	2,825
Corporation tax	-	1

8. Support costs (Group basis)

	Information Systems £000	Finance Department £000	Employee Services £000	Management Costs £000	Governance Costs £000	**Total 2026 £000**	**Total 2025 £000**
Costs of raising funds:							
Fundraising	75	25	2	24	10	**136**	**123**
Retail activities	581	580	13	182	81	**1,437**	**1,494**
Other commercial activities	229	156	5	72	32	**494**	**368**
Charitable expenditure:							
Love and look after the Palaces	1,045	1,663	23	327	145	**3,202**	**3,151**
Open the Palaces to the Public:							
- Visitor Access	1,950	851	44	611	271	**3,727**	**3,334**
- Learning & Engagement	985	543	22	308	137	**1,995**	**1,793**
Generate the income to make it possible	179	333	4	56	25	**597**	**518**
Achieve goals through our people	238	101	5	75	33	**452**	**291**
Sustainability	25	63	1	8	3	**100**	**-**
Total	**5,307**	**4,315**	**119**	**1,663**	**737**	**12,141**	**11,072**

The basis of apportionment is staff headcount (Note 10), except for the Finance Department which is based upon expenditure excluding payroll.

Governance Costs (included in Support costs) *(*)*	**2026 £000**	**2025 £000**
Internal and external audit	304	205
Trustee expenses and costs	36	20
Production of Annual Report	6	-
Management costs	391	350
Total	**737**	**575**

(*) Trustees and the Chairman also attend sub- committees alongside staff of HRP. The costs associated with those meetings are included in the support costs.

9. Remuneration of trustees

None of the trustees received any remuneration during the year in connection with services to the Charity or its subsidiary. Reimbursement of travel and subsistence expenses incurred by 4 trustees (2025/26: 8) whilst carrying out their responsibilities for the Charity totalled £7,192 (2025/26: £11,497) for the year ended 31 March 2026. Liability insurance for trustees is included as part of HRP's total insurance cost.

10. Staff numbers and costs (Charity only. HRPE Ltd has no employees)

None of the Trustees received any remuneration during the year in connection with services to the Charity or its subsidiary.

a) Average staff numbers

	2026 FTE	**2025 FTE**
Fundraising	13.3	13.1
Retail activities	102.6	108.0
Other Commercial Activities	40.4	32.0
Love and look after the Palaces	184.4	177.5
Open the Palaces to the Public:		
- Visitor Access	344.2	306.7
- Learning & Engagement	173.9	154.1
Generate the income to make it possible	31.6	28.0
Achieve goals through our people	42.0	26.1
Sustainability	4.4	-
Support functions	74.1	64.6
Total	**1,010.9**	**910.1**

b) Staff costs

	2026 £000	**2025 £000**
Wages and salaries	42,370	37,259
Loss of office	24	21
Severance & ex gratia payments*	51	26
Social security costs	5,430	3,861
Pension costs	6,165	5,170
Total	**54,040**	**46,338**
Agency staff	376	878
Total	**54,416**	**47,216**

Ex Gratia payments of £31,428 were made where we have no legal obligation, but we believe we can save charitable funds by avoiding costly legal fees.

FTE increased by 11.1% year on year.

c) Pay bands

Excluding the Chief Executive, there were 125 staff during the year earning more than £60,000 (2024/25: 91). None were in the defined benefit scheme closed to accruals since 1 April 2019 (2024/25: -). All 125 were in the defined contribution scheme (2023/24: 62) where the employer contributions were £ 1,990,475 (2024/25: £1,669,204).

The number of employees, excluding the Chief Executive, whose total remuneration, including bonuses and staff benefits, but excluding employer's pension contributions, was over £60k was as follows:

	2026 No. of Staff	**2025 No. of Staff**
£60,001 to £70,000	66	44
£70,001 to £80,000	21	14
£80,001 to £90,000	24	22
£90,001 to £100,000	6	3
£100,001 to £110,000	1	0
£110,001 to £120,000	0	0
£120,001 to £130,000	0	1
£130,001 to £140,000	1	3
£140,001 to £150,000	0	3
£150,001 to £160,000	5	0
£160,001 to £170,000	0	1
£170,001 to £180,000	1	0
Total	**125**	**91**

The remuneration of the Chief Executive in 2025/26 was £225,540 (2024/25: £196,136) with employer pension contributions of £17,439 (2024/25: £59,718) and staff benefits of £1,243 (2024/25: £1,115).

Excluding the Chief Executive, the total remuneration to the Executive Board was £1,195,311.19 (2024/25: £1,121,788) with employer pension contributions of £402,601.65 (2024/25: £369,500) and staff benefits of £7,586 (2024/25: £7,135).

11. Retirement benefits (Group & Charity)

a) Historic Royal Palaces Pension Scheme

HRP operates a defined benefit scheme in the UK. The scheme is closed to new entrants and was closed to future accrual from 31 March 2019. This is a separate trustee administered fund holding the pension scheme assets to meet long-term pension liabilities.

The most recent full triennial actuarial valuation was carried out at 31 March 2024 and showed a surplus of £3.8m, which includes an allowance for the scheme assets to meet the expenses of running the scheme. Therefore, no contributions are currently required from the Charity and scheme expenses will be paid from the scheme assets. A new schedule of contributions came into force on 26 March 2025 which confirms that, excepting PPF levies and insurance premia, future expenses will be paid by the Scheme. The funding position will be revisited at the next triennial valuation as at 31 March 2027.

A qualified actuary, independent of the scheme's sponsoring employer, updated to 31 March 2026 the annual accounting valuation required under Section 28 of FRS 102. The major assumptions used by the actuary are shown below. The basis of apportionment for pension expense costs is payroll costs.

Present values of defined benefit obligation, fair value of assets and defined benefit asset/ (liability):

	31/03/2026 £000	**31/03/2025 £000**	**31/03/2024 £000**	**31/03/2023 £000**
Fair value of plan assets	66,119	66,019	72,955	74,869
Present value of defined benefit obligation	57,992	58,815	66,397	67,593
Surplus / (Deficit) in plan	8,127	7,204	6,558	7,276
Defined benefit asset/(liability) to be recognised	**8,127**	**7,204**	**6,558**	**7,276**

A note on pension valuations

Two valuations are included in the notes to the accounts. They use different assumptions and are at different points in time.

Actuaries employed by HRP undertake a triennial valuation based on a set of prudent assumptions determining how much future funding the scheme may require. The last valuation was at 31 March 2024 and showed a surplus of £3.8m.

Each year, the scheme is valued at fair value under accounting standard FRS102 using 'best estimate' assumptions. As at 31 March 2026, this year's valuation produced a surplus of £8.1m (2024/25: £7.2m). The charity has recognised, in accordance with paragraph 28.22 of FRS 102, an asset for the amount of the surplus that it is entitled to receive by way of refund of contributions under certain circumstances as set out in the Scheme rules.

Given the significant increase in gilt market-implied RPI price inflation in 2021/22 year and evidence from the Government Actuary's Department (September 2021) and the Bank of England (November 2021), the scheme actuary recommended introducing an inflation risk premium adjustment 0.2% p.a. in 2021/22 to reduce any potential market distortion. This remained in place for 2025/26.

Reconciliation of opening and closing balances of the defined benefit obligation:

	Period Ending 31/03/2026 £000	**Period Ending 31/03/2025 £000**
Defined benefit obligation at start of period	58,815	66,397
Interest expense	3,319	3,176
Benefit payments from plan assets	(3,156)	(3,154)
Actuarial losses / (gains):		
- Changes in assumptions	(1,136)	(8,354)
- Changes in experience	150	750
Defined benefit obligation at end of period	**57,992**	**58,815**

Reconciliation of opening and closing balances of the fair value of plan assets:

	Period Ending 31/03/2026 £000	**Period Ending 31/03/2025 £000**
Fair value of scheme assets at start of period	66,019	72,955
Interest income	3,733	3,498
Actuarial (losses)/ gains	(335)	(7,280)
Contributions by the employer	-	-
Benefits paid	(3,156)	(3,154)
Expenses	(142)	-
Fair value of plan assets at end of period	**66,119**	**66,019**

The actual return on the plan assets over the period ended 31 March 2026 was a loss of £335k (£7,280k loss in 2024/25). Given the closed position of the Scheme, a high proportion of the assets have been chosen to be invested in bonds with the expectation that their characteristics will match, and to that extent provide a hedge against, the liabilities.

Defined benefit cost recognised in Statement of Financial Activities (SOFA):

	Period Ending 31/03/2026 £000	Period Ending 31/03/2025 £000
Expenses	142	-
Net Interest cost/(income)	(414)	(322)
Total expense recognised in SOFA	**(272)**	**(322)**

Defined benefit costs recognised in other comprehensive income:

	Period Ending 31/03/2026 £000	Period Ending 31/03/2025 £000
Return on plan assets (excluding amounts included in net interest cost) – gain/(loss)	(335)	(7,280)
Experience gains and losses arising on the plan liabilities – gain / (loss)	(150)	(750)
Net effects of changes in the demographic and financial assumptions	1,136	8,354
Total amount recognised in other comprehensive income – gain/(loss)	**651**	**324**

Assets	31/03/2026 £000	31/03/2025 £000	31/03/2024 £000	31/03/2023 £000
Equities	14,647	8,216	15,194	27,843
Debt instruments	50,494	55,465	44,909	34,684
Property	-	-	-	10,846
Cash	1,015	2,056	11,903	1,496
Other	(37)	282	949	-
Total assets	**66,119**	**66,019**	**72,955**	**74,869**

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Assumptions	31/03/2026 % per annum	31/03/2025 % per annum	31/03/2024 % per annum	31/03/2023 % per annum
Discount Rate	6.10%	5.80%	4.90%	4.85%
Inflation (RPI)	3.35%	3.15%	3.20%	3.25%
Inflation (CPI)	2.95%	2.75%	2.70%	2.65%
Salary growth	2.95%	2.75%	2.70%	2.65%
Allowance for:				
Revaluation of deferred pensions of CPI or 5% p.a. if less	2.95%	2.75%	2.70%	2.65%

Revaluation of deferred pensions of CPI or 2.5% p.a. if less	2.50%	2.50%	2.50%	2.50%
Pension in payment increases of RPI or 5% p.a. if less	3.10%	3.00%	3.00%	3.00%
Pension in payment increases of RPI or 3% p.a. if less	2.35%	2.30%	2.30%	2.30%
Pension in payment increases of RPI	3.40%	3.25%	3.30%	3.35%
Commutation of pension for cash at retirement	70% of Post A Day	70% of Post A Day	70% of Post A Day	70% of Post A Day

The mortality assumptions adopted at 31 March 2026 imply the following life expectancies at age 60 years:

	31/03/2026	31/03/2025	31/03/2024	31/03/2023
Male currently aged 60	25.5	25.2	26.0	26.5
Male currently aged 40	27.1	26.8	27.6	28
Female currently aged 60	28.3	28.1	28.2	28.5
Female currently aged 40	29.8	29.7	29.8	30

The Virgin Media Ltd verses NTL Pension Trustees II decision, handed down by the High Court in June 2023, considered the implications of section 37 of the Pension Schemes Act 1993, which required that the rules of a salary-related contracted-out scheme cannot be altered unless the actuary confirmed that the scheme would continue to satisfy the statutory standards.

The Scheme was contracted out and the trustees, based on the current facts and circumstances around this case, do not believe there is a material risk of an impact on the scheme funding and will continue to work with their advisers as case law evolves.

b) Defined Contribution Schemes

A group personal pension scheme based on defined contributions was set up for new members of established staff and staff on contracts exceeding one year with effect from October 2002. The cost for the year was £ 5,671,127 (2024/25: £5,325,414), with no outstanding contributions at the balance sheet date. The cost forms part of staff costs that as stated in note 1(f) are classed as direct expenditure attributable to the activity and are all from unrestricted funds.

An additional group personal pension scheme based on defined contributions was set up for casual staff and staff on contracts of less than 1 year with effect from October 2013, to meet pension auto-enrolment requirements. The cost for the year was £72,005 (2024/25: £57,992), with no outstanding contributions at the balance sheet date.

Notes to the Consolidated Accounts

for the year ended 31 March 2026

12. Tangible fixed assets (Group & Charity)

	Buildings & refurbishments £000	Fixtures & fittings £000	Furniture, equipment & exhibitions £000	Computers £000	Plant, machinery & vehicles £000	Assets in course of construction £000 Restated*	Total £000 Restated*
Cost							
At 1 April 2025*	33,211	13,357	4,365	778	6,291	2,534	**60,536**
Additions	155	372	422	-	1,830	3,614	**6,393**
Disposals	-	(181)	(433)	(77)	(679)	-	**(1,370)**
Transfers to Heritage assets	-	-	-	-	-	(25)	**(25)**
Transfers within Tangible fixed assets	343	517	26	-	618	(1,478)	**26**
At 31 March 2026	**33,709**	**14,065**	**4,380**	**701**	**8,059**	**4,645**	**65,560**
Accumulated depreciation							
At 1 April 2025	16,489	6,235	2,963	694	5,366	-	**31,747**
Charge for the year	1,317	1,000	283	40	286	-	**2.926**
Disposals	-	(181)	(421)	(77)	(673)	-	**(1,352)**
At 31 March 2026	**17,806**	**7,054**	**2,825**	**657**	**4,979**	**-**	**33,321**
Net book value							
At 31 March 2026	**15,903**	**7,011**	**1,555**	**44**	**3,080**	**4,645**	**32,238**
At 31 March 2025*	**16,722**	**7,122**	**1,402**	**84**	**925**	**2,534**	**28,789**

*The 2025 balances brought forward have been restated due to the impact of a prior year adjustment to capitalise project expenditure. See Note 27 – Prior year adjustments.

Use of Fixed Assets

The net book value as at 31 March 2026 represents fixed assets used for:

Fundraising	-	-	-	-	-	-	**-**
Retail activities	293	144	-	1	32	96	**566**
Other commercial activities	783	1	72	1	-	-	**857**
Charitable expenditure:							
Love and look after the Palaces	2,591	2,310	1,266	9	2,616	4,501	**13,293**
Open the Palaces to the Public:							
Visitor Access	7,035	153	54	30	386	-	**7,658**
Learning & Engagement	5,201	4,403	163	2	10	48	**9,827**
Generate the income to make it possible	-	-	-	-	-	-	**-**
Achieve goals through our people	-	-	-	1	-	-	**1**
Sustainability	-	-	-	-	36	-	**36**
At 31 March 2026	**15,903**	**7,011**	**1,555**	**44**	**3,080**	**4,645**	**32,238**

13. Heritage assets (Group & Charity)

Cost and net book value	**Artefacts 2026** £000	*No.*	**Artefacts 2025** £000	*No.*	**Artefacts 2024** £000	*No.*	**Artefacts 2023** £000
Balance as at 1 April	**10,302**	**476**	**10,183**	**469**	**9,806**	**463**	**9,601**
Additions, at cost	-	-	119	8	1	1	159
Transfers from assets in the course of construction	77	8	-	-	18	3	-
Disposals	-	-	-	-	-	-	-
Donated works, at deemed value	-	-			358	2	46
Balance as at 31 March	**10,379**	**484**	**10,302**	**477**	**10,183**	**469**	**9,806**
Made up of: Interpretation and learning	10,379	484	10,302	477	10,183	469	9,806

There were four particularly significant additions to Heritage Assets in the year, valued at £54,569.13.

A large portrait of Colonel Thomas Cheke, Lieutenant of the Tower of London, by John Riley and John Closterman, c 1680, which was acquired by gift from the Sandys Trust (Registered Charity Number 1168357) valued at £25,000, with a further generous gift of funding towards the conservation of the painting and its frame.

A 'Chalmers of Oban' Balmoral tartan kilt ensemble of Argyle, Scotland, from the wardrobe of the Duke of Windsor dating from the 1930s, which was acquired via auction purchase at £10,641.58.

Panels of embroidered silk from an unpicked English court mantua gown, dating from 1725-1740 and made from ivory silk satin densely embroidered with flowers, which was acquired via purchase at £9,743.55.

A 'Windsor Uniform' dating from the late 18th century, comprising a blue wool dress coat with red facings, gilt lacing and gilt buttons, worn at Windsor Castle, which was acquired via auction purchase at£9,184.00.

a) Further information on HRP's collections of heritage assets

The palaces are not owned by HRP, but by HM The King on behalf of the nation. Expenditure on their conservation is recognised in the Statement of Financial Activities when it is incurred.

The main categories of accessioned heritage assets, including those shown on the balance sheet, are:

- The Royal Ceremonial Dress Collection (c10,000 accessioned items), an important Designated collection of largely British royal and court ceremonial dress, established at Kensington Palace in 1984;
- The general collection (c9,000 accessioned items), consisting of paintings, drawings, prints, furniture, sculpture, furnishing textiles, decorative arts and social history objects, chiefly displayed as part of the historic furnished interiors at the palaces;
- Architectural drawings archive (c22,000 accessioned items), containing both modern and historic drawings and copies.
- Architectural and archaeological materials salvaged or excavated from the palaces. These are primarily used as a research archive. (c10,000 accessioned items).

HRP also displays items on short and long-term loan. In particular:

- Most of the important works of art displayed "at home" at our palaces and stored form part of the Royal Collection, owned by HM The King on behalf of the nation and administered by the Royal Collection Trust (c8,000 items);
- The displays of arms, armour and related material at the Tower of London belong to the Royal Armouries (c 900 items).
- The artwork collection and other items on display at Hillsborough Castle (c1,500 items).
- Collection of jewellery associated with Queen Victoria from a private owner on display at Kensington Palace

Our collections remain on public display whenever possible. Storage is normally limited to items providing a research resource, unsuitable for display for conservation reasons or archaeological finds. We loan historic objects from our collections to public exhibitions and museum/ gallery displays.

The priority for acquisition or long-term loan of heritage assets is to enhance and explain the palaces and the people who populated them with relevant objects. Acquisitions are made by purchase or donation, taking into account our Collections Development Policy. Significant acquisitions require trustee approval and activity is driven by our Acquisition Strategy with priority given to items that meet multiple criteria as detailed in our Collections Development Policy.

Exceptionally, the trustees will approve the disposal of objects for curatorial reasons but not disposal motivated by financial reasons. The principle of retaining disposed items in public ownership is preferred. Any proceeds of sale are applied for the benefit of the collections. Any disposals are processed in accordance with our Collections Development Policy.

b) Heritage assets of particular importance

The most significant heritage asset shown on the balance sheet is the van Dyck portrait of Princess Mary, received as a donation from the Museums Libraries and Archives

Council in 2008/09 and valued at acquisition at £1.5m.

Of particular significance and not shown on the balance sheet is the only surviving in-situ ceiling painting by Peter Paul Rubens, at the Banqueting House, installed in 1636.

We display and provide day-to-day care for the Crown Jewels in the Tower of London. Like the palaces themselves, the Crown Jewels are owned by HM The King in right of Crown.

c) Management and Conservation

HRP maintains a register of heritage assets, which includes records of ownership, conservation status and location. The conservation and curatorial teams manage the collections, including loan items, in accordance with the policies approved by trustees. These teams report to the Palaces & Collections Director.

The long-term conservation requirements of the collections are identified and prioritised by HRP's conservators through a programme of condition audits and detailed in our Conservation and Collections Care Policy and State of the Interior Estate programme.

14. Investments

HRP held £1.9m (2024/25: £2.3m) in Fixed Asset Investments as at 31st March 2026. These investments fall into three main vehicles, the movement on each is shown in the tables below:

Bond Portfolio	**Group 2026 £000**	**Charity 2026 £000**	**Group 2025 £000**	**Charity 2025 £000**
Balance as at 1 April	**1,152**	**1,152**	**1,141**	**1,141**
Effective interest earned	15	15	15	15
Interest coupons received	(42)	(42)	(42)	(42)
Bonds purchased	-	-	-	-
Bonds redeemed	(300)	(300)		0
Gain / (Loss) on valuation	38	38	38	38
Balance as at 31 March	**863**	**863**	**1,152**	**1,152**

These consist of short dated, investment grade, sterling, fixed income securities. The bond portfolio is intended to be held to maturity.

Ethical Investment Fund	**Group 2026 £000**	**Charity 2026 £000**	Group 2025 £000	Charity 2025 £000
Balance as at 1 April	**423**	**423**	**442**	**442**

Units disposed of	-	-	-	-
Gain / (Loss) on revaluation	(38)	(38)	(19)	(19)
Balance as at 31 March	**385**	**385**	**423**	**423**

This is a diversified multi-asset fund with ethical and responsible investment standards. It consists of global and UK equities, with a proportion allocated to infrastructure & operating assets, property and cash.

Multi-Asset Investment Fund	**Group 2026 £000**	**Charity 2026 £000**	Group 2025 £000	Charity 2025 £000
Balance as at 1 April	**689**	**689**	**715**	**715**
Units disposed of	-	-	-	-
Gain / (Loss) on revaluation	5	5	(26)	(26)
Balance as at 31 March	**694**	**694**	**689**	**689**

This is a balanced mixed asset fund with a focus on funds that contribute to society or the environment. It includes global and UK growth equity funds, with a proportion allocated to corporate bonds, gilts, and cash.

15. Debtors

	Group 2026 £000	Charity 2026 £000	Group 2025 £000	Charity 2025 £000
Trade debtors	2,942	2,274	2,657	1,945
Amounts due from subsidiary	-	10,153	0	7,985
Other debtors	151	151	236	236
Prepayments and accrued income	12,659	10,963	8,977	7,596
Total	**15,752**	**23,541**	**11,870**	**17,762**

All of the above debtors are due within one year.

In 2021/22, HRP Audit & Risk Assurance Committee Trustees approved a long-term update in the service charge calculation to better reflect changes in the structure of the organisation.

The changes implemented from 2021/22 are as follows:

- The payroll recharge is now broken into two parts: a direct re-charge for dedicated trading. An apportioned charge for the pool of ‘mixed’ trading/ charity staff, where roles cover both retail and admissions in Palaces Group. The apportionment is based on the respective income generated by Admissions and Retail activity.
- The facility recharge now reflects a simple new mechanism to allocate a ‘fair’ portion of shared accommodation and support costs to HRPE. It is based on a percentage of turnover scale.

Turnover	Facility charge %
Less than £5m	10%
£5m to £10m	15%
£10m - £20m	18%
£20m +	21%

16. Creditors: amounts falling due within one year

	Group 2026 £000	Charity 2026 £000	Group 2025 £000	Charity 2025 £000
Trade creditors	2,420	2,201	2,879	2,622
Amounts drawn down on the Culture Recovery Fund Loan Facility	4,536	4,536	4,536	4,536
Taxation and social security	1,169	1,244	1,174	1,024
Other creditors	1,054	1,057	1,009	1,010
Accruals	10,142	9,526	7,897	7,303
Deferred income	9,939	6,790	8,859	6,602
Total	**29,260**	**25,354**	**26,354**	**23,097**

Accruals include accrued annual leave of £1.6m (2024/25: £1.5m).

Deferred Income

	Group 2026 £000	Charity 2026 £000	Group 2025 £000	Charity 2025 £000
Balance at the beginning of the year	8,859	6,602	7,670	6,036
Amount released to income in year	(8,749)	(6,502)	(7,450)	(5,858)
Amount deferred in year	9,829	6,690	8,639	6,424
Balance at the end of the year	**9,939**	**6,790**	**8,859**	**6,602**

Deferred Income comprises advance visitor bookings, rent, membership income and function and event deposits.

17. Creditors: amounts falling due after more than one year

	Group 2026 £000	Charity 2026 £000	Group 2025 £000	Charity 2025 £000
Trade creditors	14	0	6	6
Amounts drawn down on the Culture Recovery Fund Loan Facility	32,919	32,919	36,582	36,582
Total	**32,933**	**32,919**	**36,588**	**36,588**

In 2020/21, HRP was awarded a £40m repayable loan from the Culture Recovery Fund for Heritage jointly managed by the Arts Council England (ACE) and the National Lottery Heritage Fund (NLHF). This was part of the £1.57 billion rescue package announced by the DCMS to safeguard cultural and heritage organisations across the UK from the economic impact of COVID-19. The loan attracts a 2% interest rate which accrues from its March 2021 receipt. After a four-year repayment holiday, the loan must be repaid in 21 equal repayment instalments (from March 2025) over a ten- year period and by March 2035. HRP had made three repayments totalling £6.8m as at 31 March 2026.

18.Provisions for liabilities and charges

	Group 2026 £000	Charity 2026 £000	Group 2025 £000	Charity 2025 £000
Balance as at 1 April	3,344	3,344	4,469	4,469
Amounts used in year (HRPPS pension)	-	-	(420)	(420)
Amounts reversed in year (Onerous Lease)	-	-	(705)	(705)
New provisions in year due within 1 year	-	-	-	-
New provisions in year due after 1 year	1,071	1,071	-	-
Balance as at 31 March	**4,415**	**4,415**	**3,344**	**3,344**

The provision includes £3.34m for an onerous lease provision (2024/25: £3.34m), £1.07m for a dilapidations provision (2024/25 £nil) and £nil for pension scheme closure compensation payments (2024/25: £nil).

The calculation of the onerous lease provision takes into account the unavoidable costs of meeting the obligations under the contract of £14.9m (2024/25: £17.4m), and the expected economic benefits of £11.6m (2024/25: £14.0m), discounted to present value.

A number of key assumptions included in the calculation have been based on information available from external surveyors, historical trends, and projections available at this present time.

The key assumptions included in the calculation of the expected economic benefit relate to usable space, and the “opportunity cost” of alternative storage space. It is assumed that 15,109 sq. ft of the space is usable for storage. A 5% variance in the assumption has an impact on the provision of £576k.

The rents for alternative local storage spaces vary between £17.50 - £31.10 per sq. ft. An opportunity cost of £20.00 per sq. ft. has been assumed in the calculation. If the low end of this range is used, the provision increases by £1.4m.

Per the lease, rent increases in line with RPI. Service charge and insurance are assumed to do the same. An RPI value of 3.6% has been used in the provision calculation, which is the compound annual growth rate of RPI since 1987 (2024/25: 3.6%). An increase in RPI of 0.5% would increase the provision by £401k. A decrease of 0.5% would decrease the provision by £329k.

The discount rate used is 5.54%, the rate for 30-year government bonds as at 31st March 2026 (2023/24: 5.33%). This is deemed the most appropriate rate as it is the opportunity cost of investment income foregone. An increase of 0.5% would decrease the provision by £325k. A decrease of 0.5% would increase the provision by £400k.

19. Financial commitments under operating leases

The Group and Charity had the following future minimum lease payments under non-cancellable operating leases (with landlord-only break clause) for each of the following periods:

	Group 2026 £000	Charity 2026 £000	Group 2025 £000 restated*	Charity 2025 £000 restated*
< 1 year	1,201	913	1,124	912
Between 2 -5 years	3,782	2,916	4,061	3,213
> 5 years	40,433	40,433	40,201	40,201
Total payable	**45,416**	**44,262**	**45,386**	**44,326**

*2025 has been restated to correct an error in relation to the length of a lease term. See Note 27 – Prior year adjustments.

An onerous lease provision has been made in respect of a lease for the period to 2028 (refer to Note 18).

20. Operating lease receipts

The Group and Charity had the following future minimum rental income under non-cancellable operating leases for each of the following periods:

	Group 2026 £000	Charity 2026 £000	Group 2025 £000	Charity 2025 £000
< 1 year	394	277	353	273
Between 2 -5 years	596	303	755	563
> 5 years	-	-	-	-
Total receivable	**990**	**580**	**1,108**	**836**

21. Capital commitments

	Group 2026 £000	Charity 2026 £000	Group 2025 £000	Charity 2025 £000
Contracted capital commitments as at 31 March 2026, for which no provision has been made in the accounts:	2,033	2,033	886	886

22. Contingent liabilities

Either HRP or the Secretary of State may give one year's notice of termination of the contract to manage the palaces. Upon termination, a calculated net asset value would revert to the Secretary of State, being the lower of the value of the net assets transfer of £7.795m on 1 April 1998 (indexed for inflation and as revised for material changes in accounting policy) or the value of the equivalent assets held at the date of termination of the contract.

23. The summary financial performance of the charity alone

	Unrestricted funds £000	**Restricted funds £000**	**Total 2026 £000**	**Total 2025 £000** Restated*
INCOME				
Donations and legacies:				
Grants	77	8,309	8,386	3,045
Donations	553	166	719	680
Gifts in Kind	-	30	30	121
	630	**8,505**	**9,135**	**3,846**
Income from other trading activities:				
Functions and events	45	-	45	647
Licences, rent & recharges	2,724	-	2,724	3,683
Catering	3	-	3	2,513
	2,772	**-**	**2,772**	**6,843**
Income from investments:	**6,341**	**-**	**6,341**	**6,142**
Income from charitable activities:				
Admissions	86,094	-	86,094	84,734
Memberships	6,570	-	6,570	6,385
Concessions	624	-	624	771

	93,288	**-**	**93,288**	**91,890**
Other Income:				
Gift aid distributed from HRPE	10,894	-	10,894	8,443
Service charge from HRPE	14,267	-	14,267	12,624
Total Income	**128,192**	**8,505**	**136,697**	**129,788**
EXPENDITURE				
Costs of raising funds:				
Fundraising	1,412	-	1,412	1,240
Retail activities	4,543	-	4,543	4,003
Investment management costs	2	-	2	2
Other commercial activities	2,786	-	2,786	2,960
	8,743	**-**	**8,743**	**8,205**
Expenditure on charitable activities:				
Palaces	41,196	664	41,860	34,812
Experiences:				
Public access	31,141	208	31,349	27,823
Interpretation and learning	19,080	1,019	20,099	16,746
Money – Organisational Growth	7,722	5	7,727	6,420
Culture	3,464	40	3,504	2,841
Sustainability	1,287	-	1,287	638
	103,890	**1,936**	**105,826**	**89,280**
Defined Pension scheme net interest cost	(272)	-	(272)	(322)
Total Expenditure	**112,361**	**1,936**	**114,297**	**97,163**
Net (losses)/gains on investments	4	-	4	(7)
Net Income / (Expenditure)	**15,835**	**6,569**	**22,404**	**32,618**
Actuarial (loss)/gain on pension plan	651	-	651	324
Net movement in funds	**16,486**	**6,569**	**23,055**	**32,942**
Fund balances brought forward at 1 April	129,664	7,662	137,326	104,384
Fund balances carried forward at 31 March	**146,150**	**14,231**	**160,381**	**137,326**

*The 2025 balances brought forward have been restated due to the impact of a prior year adjustment to capitalise project expenditure. See Note 27 – Prior year adjustments.

24. Related party transactions

This note lists material transactions with other entities in which either trustees or senior employees of HRP or their close family members hold positions of authority. It also details all transactions with trustees, except remuneration of trustees covered in Note 9 and donations made by them, £1k in 2025/26, (2024/25: nil).

Total donations received from trustees or related parties without conditions was £928k (2024/25: £130k), including £820k (2024/25: £122k) from HRP Inc (detailed in the table below).

The Palaces and much of their contents are held by HM The King in right of Crown. These contents are the responsibility of The Royal Collection Trust.

HRP is contracted by the Secretary of State to manage the five London palaces on her behalf. This contract has been re-authorised until 31 March 2028.

The contribution to the Charity's funds by its wholly owned subsidiary, Historic Royal Palaces Enterprises Limited is disclosed in Note 2.

The figures in brackets represent the amounts due at the balance sheet date.

Related party	Connected party (a)	2026 £000	2025 £000	Detail of transaction
Association des Residences Royales Europeennes (ARRE)	John Barnes (Chief Executive of HRP) is a member of ARRE on behalf of HRP	- *(nil)*	- *(nil)*	Charges made to HRP by the Association for HRP's annual membership
The Attingham Trust	Tim Knox (trustee of HRP) is a Member of Council at The Attingham Trust	5 *(nil)*	- *(nil)*	Charges made to HRP for services in relation to a summer school
The Choral Foundation, Chapel Royal, Hampton Court Palace	Jane Crowther (Director of HRP) is a trustee of The Choral Foundation	- *(nil)*	7 *(nil)*	Charges for choral services and recitals made by the Choral Foundation to HRP

DAC Beachcroft LLP (DB)	Ian Starkey (co-opted member of the Audit & Risk Committee) is a Non-Executive Board Member of Dac Beachcroft	6 *(nil)*	- *(nil)*	Charges made by HRP to DB for event costs
The Foundation of the Chapels Royal of HM Tower of London	General Sir Gordon Messenger (trustee of HRP) is Chair & Andrew Jackson (Director of HRP) is a trustee of the Foundation	- *(nil)*	13 *(nil)*	Charges made by the Foundation to HRP for choral services at HM Tower of London
Historic Royal Palaces Inc. (HRP Inc.) (b)	John Barnes (Chief Executive of HRP) is President of HRP Inc., Antonia Newman (Director of HRP) and Anupam Ganguli (Finance Director of HRP) are respectively director and treasurer of HRP Inc.	48 *(nil)*	25 *(nil)*	Grants received by HRP from HRP Inc. for Kensington Palace Dress Codes exhibition
		296 *(nil)*	63 *(nil)*	Grants received by HRP from HRP Inc. for Tower of London projects
		22 *(nil)*	*8* *(nil)*	Grants received to support Hillsborough Castle Schools and Communities, Wild about Wellbeing and Franklin Dining Room projects
		398 *(nil)*	- *(nil)*	Grants received by HRP from HRP Inc. for Mantegna Roof at Hampton Court
		55 *(nil)*	*25* *(nil)*	Grants received by HRP from HRP Inc. for general purposes
The Privy Purse Charitable Trust	James Chalmers (trustee of HRP) is a trustee of the Trust	- *(nil)*	67 (27)	Charges made by HRP to PPCT for share of staff costs

Royal Armouries (RA)	Lord Houghton (was a trustee of HRP from August 2016 until July 2022) is a trustee of RA	449 *(393)*	425 *(449)*	Charges made by RA to HRP & HRPE for goods and services provided at HM Tower of London
	General Sir Gordon Messenger (trustee of HRP from Aug 2022) is a trustee of RA	*2* *(nil)*	6 *(nil)*	Recovery of costs from RA for goods, services and maintenance provided by HRP at HM Tower of London
Royal Household (RH)	James Chalmers (trustee of HRP) is Keeper of the Privy Purse and Receiver General of the Duchy of Lancaster	*51* *(8)*	49 *(14)*	Charges made by RH to HRP for rent and services provided at Kensington Palace & vetting clearance costs
		3 *(nil)*	3 *(nil)*	Charges made by HRP and HRPE to RH for share of staff costs and grazing licence
Royal Collection Trust (RCT), and Royal Collection Enterprises Limited (RCEL), which is a wholly owned subsidiary of RCT	James Chalmers (trustee of HRP) is Keeper of the Privy Purse	1 *(nil)*	- *(nil)*	Charges made by RCEL to HRP and HRPE for the right to produce images of Royal Collection items and for the purchase of goods for resale.
	Tim Knox (trustee of HRP) is a Director of RCEL and Director of the Royal Collection at RCT	- *(nil)*	57 *(nil)*	Recovery by RCT from HRP of a proportion of the costs of maintaining and recording Royal Collection and other items displayed in the palaces, and from HRPE for the purchase of goods for resale
Clews Architects (CA)	Camilla Finlay (trustee of HRP) is a Director of Clews Architects	2 *(nil)*	- *(nil)*	Charges made by HRP to CA for event costs
Todd Longstaffe-Gowan Ltd	Tim Knox (trustee of HRP) is a director at Todd Longstaffe-Gowan Ltd	5 *(nil)*	21 *(nil)*	Charges made by Todd Longstaffe-Gowan Ltd to HRP for garden design

(a) Copies of the trustees' register of interests and their biographical details are available from the Head of Governance, Apartment 39, Hampton Court Palace, Surrey KT8 9AU.

(b) Historic Royal Palaces, Inc. is an entity independent of Historic Royal Palaces. Whilst its object is to support the work of Historic Royal Palaces, how this is expressed is the responsibility of the Board alone. This independence is required to maintain US charity status. Current arrangements, in which Historic Royal Palaces' staff have a seat ex-officio on the Board (Antonia Newman) and fill the officer posts of the US charity (John Barnes as President, Anupam Ganguli, Finance Director as Treasurer, Lydia Lawrence, Patrons and Philanthropy Officer as Secretary), provide sufficient communication and co-operation with the Board whilst retaining the US charity's independence.

25. Financial instruments

Disclosure is required of the role financial instruments have played during the year in creating or changing the risks HRP faces in undertaking its activities.

Liquidity and Credit Risk
Long-term liquidity was secured by the receipt of a £40m long-term repayable finance loan from the CRF fund in March 2021. Surplus funds are held on short-term fixed interest rate deposits with institutions with low credit risk ratings. Risks relating to interest rates are managed by budgeting conservatively for investment income. HRP has no finance leases.

Since most income was generated from donations, grants, and visitors to the Palaces, most of HRP's income was received as cash.

HRP is exposed to a credit risk of £2.9m trade debtors (2024/25: £2.7m). The risk is not considered significant since major customers are known to HRP or are required to pay for services in advance. We have made provisions against bad debts where applicable.

HRP has no overdraft facility.

Market risk
HRP is subject to market risk in that the defined benefit pension fund holds investments.

HRP is subject to credit and market risk in its investment portfolio (Note 14). These risks are mitigated by investing only in investment grade bonds and by using a professional investment manager.

HRP is not subject to any significant foreign currency risk.

26. Post balance sheet events

There have been no significant events after 31 March 2026 that require adjustment to, or disclosure in the financial statements.

The financial statements were approved by the Accounting Officer and Trustees and authorised for issue on the date the Comptroller and Auditor General signed the independent auditor's report.

27. Prior year adjustments

The 2024/25 financial statements have been restated due to the impact of two prior year adjustments: one to capitalise project expenditure and one to correct an error in relation to the length of a lease term.

Adjustment to capitalise project expenditure

Balance Sheet

	Group 2025 £000	**Charity 2025** £000
Tangible assets as previously reported	26,408	26,408
Adjustment relating to prior year:		
Capitalised project expenditure	2,381	2,381
Tangible assets as adjusted	28,789	28,789

Within Tangible fixed assets (Note 12):

	Group 2025 £000	**Charity 2025** £000
Assets under the course of construction as previously reported	153	153
Adjustment relating to prior year		
Capitalised project expenditure	2,381	2,381
Assets under the course of construction as adjusted	2,534	2,534

SOFA

	Group 2025 £000	**Charity 2025** £000
Total Expenditure as previously reported	108,351	108,351
Adjustment relating to prior year:		
Capitalised project expenditure	(2,381)	(2,381)
Total Expenditure as adjusted	105,970	105,970

	Group 2025 £000	Charity 2025 £000
Net movement in funds as previously reported	30,562	30,562
Adjustment relating to prior year:		
Capitalised project expenditure	2,381	2,381
Net movement in funds as adjusted	32,943	32,943

Total Funds (Note 6):

	Group 2025 £000	Charity 2025 £000
Total Funds as previously reported	135,001	135,001
Adjustment relating to prior year:		
Capitalised project expenditure	2,381	2,381
Total Funds as adjusted	137,382	137,382

The full impact of this restatement was to unrestricted reserves

Cashflow

	Group 2025 £000	Charity 2025 £000
Purchase of tangible assets as previously reported	2,822	2,822
Adjustment relating to prior year:		
Capitalised project expenditure	2,381	2,381
Purchase of tangible assets as adjusted	5,203	5,203

	Group 2025 £000	Charity 2025 £000
Net income from charitable and trading activities as previously reported	30,238	30,238
Adjustment relating to prior year:		
Capitalised project expenditure	2,381	2,381
Net income from charitable and trading activities as adjusted	32,619	32,619

Adjustment to correct lease term

Note 19 Financial commitments under operating leases

	Group 2025 £000	**Charity 2025** £000
Operating lease commitment between 2 -5 years as previously reported	4,070	3,222
Adjustment relating to prior year:		
Correct minor error	(9)	(9)
Operating lease commitment between 2 -5 years as adjusted	4,061	3,213

	Group 2025 £000	**Charity 2025** £000
Operating lease > 5 years as previously reported	33,760	33,760
Adjustment relating to prior year:		
Correct lease term	6,441	6,441
Operating lease > 5 years as adjusted	40,201	40,201

E03644309
978-1-5286-6734-0