

The South West Heritage Trust
(A Charitable Company Limited by Guarantee)

Annual Report and Financial Statements

For the Year Ended 31 October 2019

Company Number: 09053532
Charity Registered in England and Wales Number: 1158791

The South West Heritage Trust
Contents
For the Year Ended 31 October 2019

	<u>Page</u>
Reference and Administrative Details	1
Trustee Directors' Report	2 – 22
Independent Auditors' Report	23 – 25
Consolidated Statement of Financial Activities	26
Balance Sheet and Consolidated Balance Sheet	27 – 28
Statement of Cash Flows and Consolidated Statement of Cash Flows	29
Notes to Financial Statements	30 – 58

Trustee Directors	Rev. P M Beacham G L Craig Cllr R F Croad Prof. H R French P J Gunner D H Gwyther (Chair) Cllr. D Hall S H D'A Hunt S V Maberley T Makewell Lt Col. M J R Motum A M D Smallwood
Chief Executive Officer	T W Mayberry
Charity Number	1158791
Company Number	09053532
Principal Address and Registered Office	Somerset Heritage Centre Brunel Way Taunton Somerset TA2 6SF
Auditors	Albert Goodman LLP Goodwood House Blackbrook Park Avenue Taunton Somerset TA1 2PX
Bankers	NatWest 26-27 Fore Street Taunton Somerset TA1 1JQ
Solicitors	Bates Wells Braithwaite 10 Queen Street Place London EC4R 1BE

The Trustees, who are also directors for the purposes of the Companies Act, present their report and the financial statements of the charity for the year ended 31 October 2019, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

The full name of the Charity is The South West Heritage Trust. It was incorporated on 22 May 2014 as a company limited by guarantee. Its company registration number is 09053532. Its charity registration number is 1158791. The Charity is variously referred to throughout this report as either "the Charity", "the Company" or "the Trust".

References and Administrative Details

Administrative information is given in a separate section at the front of these accounts.

Directors and Trustees

The directors of the Company are the Charity's Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year and since the year-end are as follows:

- Rev. P M Beacham
- G L Craig (appointed 9 August 2019)
- Cllr R F Croad
- Prof H R French
- P J Gunner
- D H Gwyther (Chair)
- Cllr. D Hall
- S H D'A Hunt
- S V Maberley
- T Makewell
- Lt Col. M J R Motum
- N Nuttall (resigned 4 April 2019)
- A M D Smallwood

None of the Trustees have any beneficial interest in the Company. All of the Trustees are members of the Company and guarantee to contribute £1 in the event of a winding up.

Patrons

The Trust is fortunate to have the patronage of three people who are prominent in the communities of Somerset and Devon:

- Lady Elizabeth Gass, DCVO
- Mr David Fursdon, Her Majesty's Lord-Lieutenant of Devon
- Mrs Annie Maw, Her Majesty's Lord-Lieutenant of Somerset

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and Formation of the South West Heritage Trust

The South West Heritage Trust (the Trust) vested on 1 November 2014 as an independent company limited by guarantee with charitable status. The company is governed by its memorandum and articles of association. Its charitable objects are set out in the articles of association as follows:

- the advancement of education;
- the promotion of arts, heritage, culture and science including by the preservation and safeguarding of such land, buildings, structures, archaeology, objects, records or books as may be of historic or educational interest or significance; and
- to provide or assist in the provision of facilities in the interests of social welfare for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disability, financial hardship or social circumstances with the object of improving their conditions of life.

The Trust has the heritage service responsibilities previously carried out by Somerset County Council (comprising the Archives and Local Studies, Museums and Historic Environment Services) and Devon County Council (comprising the Archives and Local Studies Services).

A subsidiary trading company, South West Heritage Trust Trading Company Ltd (registered company number 09222720), was also formed on 1 November 2014.

In its early years the Trust has sought to establish itself as an innovative and sustainable independent organisation with greater entrepreneurial and commercial freedom to develop services and partnerships.

The legal agreements which underpin the operation of the Trust are the Transfer Agreements, Grant Agreements and Collections Management Agreements between Somerset County Council (SCC) and the Trust and Devon County Council (DCC) and the Trust. The Trust demonstrates its independence in line with Charity Commission guidance as set out in RR7.

During the year ending 31 October 2019, officers of the Trust were involved with the renegotiation of terms of a new five-year funding agreement with Somerset County Council and Devon County Council. The process was positive and successful and new grant terms were agreed to secure funding for activities for a further five-year period to 31 October 2024. The new five-year funding agreement between Somerset County Council and the Trust was signed on 23 October. It provides the strong basis for the future provision of heritage services in the county. A variation agreement with Devon County Council, signed on 15 November, sets out Devon funding for the next five years.

The outcome of the successful renegotiation is a major milestone for the Trust and paves the way for medium and long-term planning for the delivery and development of services.

Organisational Management

The Board of Trustees meets on a quarterly basis to discuss the progress of the organisation and to agree strategic direction. A Chief Executive Officer is appointed by the Trustees to manage the day-to-day operation of the Trust and to provide leadership and direction for the implementation of the Business Plan. In 2018 a Trust-wide salary comparability study was initiated to benchmark pay points, including those of the leadership team and Chief Executive Officer. The findings of the study were reported to the Personnel Committee in September 2019. The findings demonstrated that the salaries offered by the Trust are in line with equivalent salaries in the heritage sector and those recommended by sectoral representative bodies.

Three Trustee committees meet quarterly to examine and deal with complex issues of the Charity, with powers to exercise authority where delegated by the Board:

- The Personnel Committee deals with all issues relating to human resources, terms and conditions and remuneration for all staff employed by the Trust (except the leadership team).
- The Marketing and Communications Committee deals with the strategic direction of marketing, PR and communications as appropriate.
- The Finance Committee receives reports on income and expenditure and related activities to monitor financial stability and progress against the business plan.

The leadership team meets formally not less than 10 times a year to ensure consistent and collaborative management of services across the Trust and to progress the delivery of the business plan.

Selection and Training of Trustees

The Trust operates with a Board of Trustees which has been selected using an open recruitment process. The experience and knowledge present within the Board of Trustees is considered from time to time to ensure that the correct mixture of skills is represented. Training is provided, as required, to develop knowledge and skills. A three-year term applies to all Trustees and may be extended by one term.

The annual retirement meeting for Trustees of the Trust took place on 4 April 2019 at which David Gwyther and Mike Motum retired from the Board. Both trustees were re-appointed by agreement of the remaining trustees. Nicola Nuttall retired from the Board in advance without seeking re-election.

Gloria Craig was appointed as a trustee on 9 August 2019 with unanimous approval.

The next annual retirement meeting for Trustees of the Trust took place on 23 April 2020, at which Peter Beacham, Henry French, Sam Hunt and Anthony Smallwood retired from the Board. All four trustees were re-appointed to commence a second term by agreement of the remaining trustees.

The induction process for all new Trustees includes:

- Sharing key documents about the Charity, governance arrangements and expectation and responsibilities of a Trustee
- Site visits to meet staff and volunteers and to view operations
- Meetings with the Chair and Chief Executive Officer to share understanding and the strategic direction.

Risk and Risk Management

A risk register is maintained and reviewed by the Board of Trustees on a regular basis. The register assesses risk based on likelihood and impact, providing information about actions and controls in place to manage risk.

Risks include those which are financial, operational or reputational or that would otherwise be of concern for the future of the charity. The Trustees are satisfied that the charity is a going concern and that all risks are being actively and appropriately managed.

Potential risks relating to Brexit are subject to active monitoring and mitigation where possible. Indirect risks relating to the finances, supply chains and workforce of the Trust are being dealt with through the usual risk management processes.

In March 2020, all sites managed by the Trust were closed in response to major risks to health arising from Covid-19. The trustees, Leadership Team and other key officers have identified financial and operational risks which need to be managed. Short, medium and long-term actions have been identified to mitigate these risks, to make sure the Trust may respond rapidly and positively to ensure business continuity.

OBJECTIVES AND ACTIVITIES

Objectives

Our Vision

We will celebrate and protect our rich heritage, helping everyone to enjoy it now and in the future.

Our Mission

Access, Learning and Enjoyment

- We will help people from all backgrounds to learn from our heritage and be inspired by it.
- We will encourage individuals and communities to get involved in our heritage.
- We will make our heritage as accessible as we can and will promote research and understanding.
- We will provide rich heritage experiences for everyone.

Care, Conservation and Protection

- We will make sure our heritage is excellently cared for.

Resilience

- We will build partnerships with funders and stakeholders to increase sustainability.
- We will strive for excellent, ambitious and entrepreneurial services.
- We will foster links between heritage, the arts, tourism and economic prosperity for the benefit of all.

Staff and Volunteers

- We will ensure that our workforce is skilled, motivated and diverse.

Equality and Diversity

The South West Heritage Trust is committed to providing a working environment where all staff and volunteers are treated, and treat others, with dignity, fairness and respect and which is free from harassment and bullying.

All those who work for or volunteer with the Trust are of equal importance and should be respected and valued for their contribution and commitment and for the role they fulfil. More widely, the Trust is committed to the principles set out in Arts Council England's Creative Case for Diversity and began work during the year to create an Equalities Action Plan.

Activities

Museums

The Trust manages the following museums and cares for their collections:

- The Museum of Somerset (including Somerset Military Museum) at Taunton Castle. The museum reopened in 2011 following a major redevelopment and has welcomed over 510,000 visitors since that time.
- Somerset Rural Life Museum in Glastonbury. The museum re-opened on 3 June 2017 following a £2.4 m redevelopment funded by Somerset County Council and a range of grant-giving bodies including the Heritage Lottery Fund (HLF) and Viridor Credits Environmental Company. The newly-refurbished museum tells the story of Somerset's rich rural and social history and provides a family-friendly destination which has learning, access and discovery at its heart.
- The Brick and Tile Museum is the smallest of our museums in Somerset and awaits renewal and investment to reach its full potential. A partnership project is in the early stages of development to increase recognition and understanding of Bridgwater's industrial heritage. The Brick and Tile Museum will be a central part of the wider project.

The Trust has curatorial care of more than 3 million museum objects for Somerset, ranging from Bronze Age gold to modern art, and including major collections owned by Somerset Archaeological and Natural History Society, North Somerset Council, Somerset Military Museum Trust and Glastonbury Antiquarian Society. It has additional curatorial responsibilities under agreements with North Somerset Council and Weston-super-Mare Town Council.

The Trust discharges Somerset County Council's responsibilities under the Treasure Act 1996 and manages the associated Portable Antiquities Scheme in three counties, in partnership with the British Museum, Dorset County Council, Devon County Council and the Royal Albert Memorial Museum in Exeter.

A learning, events and exhibitions programme is fundamental to the purpose, reach and impact of the Trust. Heritage learning activity for Somerset is partly traded through a subscription service.

Archives and Local Studies

The Trust cares for the written evidence of the history of Somerset and Devon and holds millions of documents dating from the 8th century to the present day. These are made available to the public including through:

- The Somerset Heritage Centre, Taunton. The centre opened in 2010 and provides high-quality modern storage and access to the county's historic records.
- The Devon Heritage Centre, Exeter. The centre was opened in 2004 following significant investment by the Heritage Lottery Fund. It forms part of the Great Moor House site.
- The North Devon Record Office, Barnstaple. The Record Office is located within Barnstaple Library.
- A range of fee-based outreach, advice and professional services.
- A growing range of digital resources.

It manages the Somerset Studies Library and the West Country Studies Library and provides archive services to North Somerset Council and Torbay Council.

The Trust delivers the statutory archive responsibilities of Somerset County Council and Devon County Council chiefly under the Local Government Act 1972, s. 224. The Act states that principal authorities must make 'proper arrangements' for records in their ownership or custody. The local studies libraries form part of the statutory provision of the county councils under the Public Libraries and Museums Act 1964. The Trust also hosts the work of the Victoria County History of Somerset, which operates through a small independent charity.

Historic Environment and Estates Service

The Trust delivers this service in Somerset by:

- Providing conservation, planning and archaeological advice to local authorities and others.
- Maintaining the online Historic Environment Record.
- Managing a range of historic land assets including Cothelstone Hill and the Blackmoor Reserve at Charterhouse-on-Mendip.
- Working with statutory partners and others to protect and enhance the historic environment.

The Trust helps Somerset County Council to discharge its obligations under the National Planning Policy Framework (NPPF) (2012, revised 2018). A wide range of community archaeology programmes are also delivered with partners such as the Heritage Lottery Fund (now the National Lottery Heritage Fund), English Heritage and Leader Plus, supported by DEFRA, the RDA and other funders.

PUBLIC BENEFIT

Economic Benefits

The Trust generates both direct and indirect economic benefits. A report published in August 2017 provides evidence that "the number of businesses per capita was 'strongly and positively' associated with the density of heritage assets". In other words, the presence of heritage destinations attracts businesses to towns and cities.

Based on its estimated Gross Economic Impact the Museum of Somerset alone provides £2.3 million of economic benefit to Somerset from 72,000 visits. By growing the average annual number of visits to the Museum of Somerset to 100,000, the economic benefit provided by the site would increase to well over £3 million per year. It is already a visitor attraction which one local developer has called 'the museum which put Taunton on the map'.

Our services are delivered by a dedicated community of staff and volunteers. Employing 97 people across Somerset and Devon, the Trust is a significant contributor to the local economy, fostering tourism, research, and the cultural and creative industries. Staff are skilled and are also supported through appropriate training as well as the Trust's commitment to continuing professional development. Some key considerations in relation to the economic contribution of the Trust to the prosperity of Somerset and Devon include the following:

- The Museum of Somerset is the number one tourist destination in Taunton, and a major attractor that draws visitors into the town.
- Somerset Rural Life Museum fits within a hierarchy of tourism destinations within the mid-Somerset area and is a primary driver for visits.
- The heritage centres in Exeter, Taunton and Barnstaple attract researchers from around the world.
- The heritage landscape sites attract tens of thousands of visits each year, actively contributing to individual wellbeing and the local economy.

As a leading heritage organisation in the South West of England, the Trust enables wider economic benefits through its partnership activities with a broad range of organisations.

Health and Wellbeing and Social Benefits

Experiencing heritage promotes health and wellbeing and binds people together, whether through informal learning activities for children, access to inspirational art and exhibitions, the discovery of family or community history, life-long learning, or visiting a landscape site.

Some of our services are intended to deliver direct social benefits and include reminiscence sessions for people suffering with dementia and curriculum-based learning for children. We are excellently placed to provide inspirational experiences which enrich people's lives irrespective of their age, knowledge or ability.

We have a large community of volunteers who enhance the services we provide through their knowledge, commitment and specific skills. Volunteering contributes directly to the physical, emotional and mental wellbeing of volunteers in an environment which is inclusive and supports and respects the needs of individuals.

Our contingent of younger volunteers consists mainly of those seeking work experience. Many go on to enter heritage employment. By encouraging young volunteers, the Trust is a supporter of, and active contributor to, the development of the next generation of heritage professionals.

We continue to develop new localised exhibitions, activities and projects which enable people to engage with and understand their own heritage. Recent examples include the project to conserve the political correspondence of Henry Addington, First Viscount Sidmouth, the Avalon Marshes Landscape Partnership Project and the Castle Gardens Project. Our services actively address issues of diversity, including those which are easily recognised and those which are less readily understood:

- All our buildings are fully accessible and we welcome many people with a range of physical and learning disabilities to our sites. Many of our staff have specialist training to ensure they can support a broad range of visitors.
- At the Brick and Tile Museum we have an innovative partnership where visitor services are provided by people with learning disabilities, thus supporting practical life skills.
- We address issues of rural isolation through outreach projects and a touring programme of exhibitions to communities.

Our services are for everybody. We will continue to engage with broad and diverse audiences, seeking new ways to extend our reach and to enhance people's lives.

In the year ending 31 October 2019, the following was achieved:

Visitors to our sites	108,320
School children attending learning sessions	13,398
Number of learning sessions for schools	420
People at informal learning sessions	8,355
Number of informal learning sessions	121
Visitors to our websites	569,255
Days of volunteer time	4,173
Volunteer hours	30,884
Heritage events held	532
People attending our heritage events	17,457
Cubic metres of archives accessioned	16
Archive documents repaired	2,417
Formal written external requests for information	9,402
Service complaints received	6
Combined social media review (out of 5)	4.6

ACHIEVEMENTS AND PERFORMANCE

Somerset Museums Service

The Trust participated in the British Museum's positive-action traineeship programme, '**Museum Futures**', hosting a trainee throughout the year. The trainee supported all areas of the Trust, gaining skills and experience in the heritage sector.

The Museums Service initiated a new approach to the **collection, evaluation and use of visitor data**. Working with the South West Museums Development Programme, visitor insight surveys were conducted at the Museum of Somerset and the Rural Life Museum to inform future strategy and programming. A successful funding bid also supported the installation of new technology to measure footfall and dwell times.

Two students from the University of Cardiff took part in a **summer work placement** in the museum curatorial team. They worked to improve the management of human remains stored at the Somerset Heritage Centre.

In partnership with the British Museum, the South West Heritage Trust hosts the **Portable Antiquities Scheme** for Devon, Dorset and Somerset. In the year, the three officers hosted a total of 106 events, attracting over 3,600 people.

Working in partnership with the South West Museum Development Programme, the Trust hosts and employs the **Museum Development Officer (MDO)** for Somerset. In the year, the Somerset MDO enabled grants and training opportunities to build volunteer capacity, improve insights into visitor profiles and support good practice in governance, fundraising and business development.

The Museum of Somerset and Castle House

The Museum of Somerset is the flag-ship site operated by the Trust. It has maintained its position as one of the most popular museums in the south west region and a cultural highlight of Somerset.

The Museum of Somerset has continued to develop its profile as a site which provides strong and unique exhibitions, showcasing Somerset's contributions to 20th century art alongside other engaging museum exhibitions. Visitor numbers have remained strong and consistent with previous years.

Visitor **reviews** are consistently in the highest range, showing a marginal increase on previous years:

- Trip Advisor – average of 4.5 out of 5
- Facebook – average of 4.7 out of 5
- Google – average of 4.6 out of 5

We were very pleased that a bid to the National Lottery Heritage Fund to restore and interpret the **Keep Gardens at Taunton Castle** was approved. The restoration project, which was developed by Somerset Archaeological and Natural History Society in association with the Trust, will greatly enhance the visitor experience and learning opportunities at the museum.

The museum hosted three high-profile **temporary exhibitions** during the period:

- **Faces of Conflict: Somerset and the First World War** featured the Museum Service's portrait of Harry Patch, 'the last fighting Tommy', in an exhibition whose centrepiece was an immersive audio-visual installation created in partnership with West Somerset College.
- **A Life in Colour: The Art of Doris Hatt**, was a very popular and well received loan exhibition featuring work by the English Modernist artist Doris Hatt (1890–1969). The exhibition attracted widespread national coverage and was one of the most popular and successful ever held at the Museum of Somerset.
https://www.youtube.com/watch?v=8r6FvqXu-0c&list=PLJGgq9_om1eIGRx9LO9m9DfUrupHJRpk_&index=7
- **Wild Hares and Hummingbirds** was based on the nature writing of the Somerset author Stephen Moss and illustrations commissioned from the graphic artist Stephanie Cole. The exhibition included a public engagement project and a related partnership exhibition called '**Does Happiness Grow on Trees**'.

Somerset Rural Life Museum

The year saw a 29% increase in visitor numbers compared with the previous year. The increases can be attributed to a concerted approach to increase engagement with local audiences, while continuing to promote the attraction to tourists.

A **new admission fee structure** was introduced on 26 March 2019, providing a simpler tariff and with a single ticket purchase enabling free repeat entry for 12 months. The outcomes have been an increase in footfall at the site and the approach has been well received locally.

Visitor **reviews** reflect how the museum is received.

- Trip Advisor – average of 4.5 out of 5
- Facebook – average of 4.8 out of 5
- Google – average of 4.5 out of 5

The programme of temporary exhibitions reflected the rural themes of the museum and celebrated local artists and craftspeople.

- *A View from the Hill* was a widely-praised exhibition featuring new work from the award-winning photographer **Matilda Temperley**. <https://www.bbc.co.uk/news/in-pictures-47629391>
- **Somerset Slipware: The Art of the Potter** highlighted the fine collection of slipware ceramics cared for by the Trust, examining how these highly decorative ceramics developed in Somerset from the late 1600s onward. The exhibition was created in association with Somerset Art Works and with the participation of leading contemporary potters, including artist-in-residence Emilie Taylor.

A varied programme of events and activities took place throughout the year including heavy horses, birds of prey and craft activities for young people and families. In-depth and more specialist courses in arts, crafts and photography emerged as very popular locally.

The unveiling of a new **weathervane** in memory of Ann Heeley took place on 20 April. It was funded by the museum Friends and commemorates the support given by Ann to the museum during her life.

The carving of the **door stone** with words from the Somerset Wassail was completed in July by the sculptor Tom Waugh, great grandson of the novelist Evelyn Waugh, and funded by a private donor.

Somerset Brick and Tile Museum

Our **partnership with Discovery** continues and the visitor experience is provided by their volunteers on Tuesdays and Thursdays. The arrangement is unique in Somerset and is one which both organisations are keen to develop.

The Trust provides **learning sessions** at the museum, which attract hundreds of people each year. The sessions provide an opportunity for people to turn their hand to ceramics, introducing children to the thrill of making.

Initial work was begun during the year to explore **options for how the museum may be reimaged and reinvigorated** as a creative space within Bridgwater. A project plan is being developed, including refining the project vision, scoping architectural ideas for the site, resourcing, and engaging with cultural, heritage and other partners in Bridgwater, to ensure links to wider town, Sedgemoor and Parrett initiatives.

Somerset and Devon Archives and Local Studies

The Trust has successfully implemented a pioneering **digital preservation** solution for the Somerset and Devon Archives services. Using a hybrid of systems provided by two independent suppliers, the solution preserves born-digital and digitised archives in a secure environment. A detailed survey of all existing electronic archives was completed and the long job of importing them into the new system has started.

We have been working with Bristol Culture and the British Library as part of a national project to contribute copies of some of our extensive oral archive for preservation in the national collection. The initiative is part of the **Unlocking Our Sound Heritage project**, funded by the National Lottery Heritage Fund to address the threat facing the UK's sound heritage: <https://www.bl.uk/projects/unlocking-our-sound-heritage>.

New reader-scanners were purchased for each of the three archive searchrooms. We were successful in a bid to North Devon Communities Together Fund to fund the scanner for the North Devon Record Office. The machines allow the public to digitally view and print material held on microfilm.

Somerset Archives and Local Studies

The Somerset Archives and Local Studies Service continued to provide **public access** to the Somerset archive collections at the Somerset Heritage Centre. The Trust also provides a service to North Somerset, including quarterly visits to Weston-super-Mare Library.

On 2 February 2019 the Service was represented at the **OUTing the Past LGBT+ History Month** event hosted at Taunton Library. The Service provided a LGBT+ specific PowerPoint highlighting items in the archive and local studies collections that relate to LGBT history, together with other resources.

May was **Local and Community History Month**, run by the Historical Association. Two well attended events took place - a talk about the Know Your Place website, and a day course called 'Resources for Local Studies'.

The **75th anniversary of D Day** was commemorated on 6 June 2019 by a talk and tour of the Archives and Museums stores to see Second World War documents, uniforms and objects.

Other project work has included discussions about a partnership project with Loughborough University relating to the archives of Mendip Hospital, Wells (originally Somerset and Bath Pauper Lunatic Asylum). The records survive in fine completeness and are nationally important. We began discussions with other archive services in the South West about a possible collaborative project to increase electronic access to **historic newspaper collections**. We also defined a cataloguing and outreach project which will form part of the Quantock Landscape Partnership Scheme.

Devon Archives and Local Studies

Full public access is made available at Devon Heritage Centre in Exeter and North Devon Record Office in Barnstaple.

A new five-year agreement was put in place with Torbay Council to enable us to run the **Torbay Archive Service**. The agreement began on 1 April 2019 and includes a new provision for quarterly visits to be made to Torbay, hosted at Torre Abbey, to enable local people to undertake research using original records and to have access to professional advice.

Fundraising is an integral part of the provision of the North Devon Archive Service. Without the financial support of Devon County Council, Barnstaple Town Council and local organisations, principally parish and town councils, it would not be possible for the Trust to run the archive service. By 31 October 2019 a total of 43 organisations had pledged their support, including the Bideford Bridge Trust.

The conservation project on the political correspondence of **Henry Addington, 1st Viscount Sidmouth (1757–1844)** was completed. The collection contains remarkable political correspondence from the Napoleonic era. The project was made possible by a grant from the National Manuscripts Conservation Trust and support from the Friends of Devon's Archives. A successful and well-attended event to mark the conclusion of the project and the bicentenary of the Peterloo Massacre was held at the Devon Heritage Centre on 19 August 2019.

There was significant progress towards the partnership project with the South West Police Heritage Trust relating to the archive of the **Devon and Cornwall Constabulary**. The Police Heritage Trust obtained funding to sort, catalogue and undertake packaging work on the extensive archives of the constabulary, which is now held at Devon Heritage Centre. The project will culminate in public access to the non-sensitive content of the collection.

The final events of the **Devon Remembers Heritage Project** took place in November 2018. Four hundred people gathered in Exeter Cathedral for an event to showcase all that had been discovered and achieved. The project has enabled people of all ages from across the county to learn about Devon's role during the First World War and to share their discoveries with others.

Historic Environment and Estates Service

New contractual arrangements to supply planning and archaeological advice to **Bath and North East Somerset Council (B&NES)** commenced at the beginning of the year and progressed successfully throughout the year. The B&NES Historic Environment Record was subsequently launched: www.somersetheritage.org.uk.

The **A303 Sparkford to Ilchester Examination**, concerning the proposed dualling of the road, ended formally on 12 June 2019. Staff of the Historic Environment Service contributed to this intensive process over a period of almost nine weeks.

The Trust continued to advise Somerset County Council on the refurbishment of Vincent Harris's Grade II listed **County Hall building** of 1932–5. The Trust provided key heritage advice for the Listed Building consent which was granted in March 2019.

After long negotiation Somerset West & Taunton Council became the owner of the whole of the **Norton Fitzwarren Hillfort site**, which has long been at significant risk. Discussions began about the Trust having a leading role in its management and in increasing public engagement with the site.

The Trust secured a grant of £86,616 from the LEADER Programme for the Avalon Archaeology Park at the **Avalon Marshes Centre**, Shapwick. The generous funding was chiefly used to create a new learning building on the site, so making possible the removal of a time-expired and intrusive temporary classroom. A replica in oak of a **Viking boat**, acquired from the National Maritime Museum, Falmouth, joined the site's other historic replica structures, greatly increasing learning-related opportunities. A very successful open day on 21 July 2019 was attended by about 600 people who visited the reconstructions and saw Viking re-enactors.

As part of its public realm works, the Historic Environment Conservation Team repaired and enhanced the **historic packhorse bridge and associated paths in Cannington village**.

A new Memorandum of Understanding (MoU) was signed between the Trust and the **Mendip Hills AONB** relating to management of the Trust's sites at Blackmoor Reserve and Deer Leap. This agreement is similar to the MoU already in place with the Quantock Hills AONB. Planning and development work continued on the **Quantock Landscape Partnership Scheme** as part of a major bid to the National Lottery Heritage Fund. This bid is being led by the Quantock Hills AONB.

Volunteers working on the **Tithe Map project** have now plotted over 200,000 historic names on to the online rectified map base, reaching an important milestone.

The Historic Environment Service has been working with Sedgemoor District Council and others on a social history project relating to the former Royal Ordnance Factory at Puriton. A photographic display and short film are being produced.

The development of a new primary school at **Somerton** revealed a large Iron Age and Roman site including a medium-sized Roman cemetery. Work to record the archaeology and understand the importance of the site was undertaken in advance of building works. In addition, work on the outskirts of Bishop's Lydeard revealed a previously unknown **Bronze Age site**.

Learning

The provision of learning services by the Trust is a fundamental component of delivery and central to the charitable objects of the organisation. During the year, Learning Officers provided 420 formal curriculum-based learning sessions to 13,398 school children. The Trust also developed a learning offer for children who are receiving home education.

The Trust has been a partner in the **Arts Council England (ACE) Museums and Schools programme** since 2018 and has successfully increased visits from schools to the Trust's museum sites, with a particular focus on children who are rurally isolated. A further key aim has been to increase the sustainability of the Trust's schools programme and to improve marketing. Travel bursaries have been available in many cases and the Trust has worked with schools with a high pupil premium. In the past year 517 pupils visited the Museum of Somerset to take place in Storywalks sessions led by poet Christopher Jelley, offering an innovative way for children to engage with museum collections while developing their creative writing skills.

Four members of Trust staff have been trained as **Arts Award** facilitators, meeting the ACE standard. In the year, Arts Award 'Discover in a Day' was launched at Somerset Rural Life Museum and has been well received by participating schools: <https://www.artsaward.org.uk/site/?id=1977>

Facilities have been upgraded at the Museum of Somerset Learning Room to improve the acoustics and make the room more child friendly. At the Rural Life Museum new banners depicting Somerset have been installed in the learning room and furniture has been purchased to provide lunch-time seating for children. A set of Victorian costumes has been made by a volunteer for the Rural Life Museum. The costumes are now available for children to wear at the 'Victorian House and Home' school workshops held at the museum.

The **Take One project** for 2019, in which children focus on one object as a stimulus to learning and creativity, was based on the Bronze-Age cist burial from Culbone displayed at the Museum of Somerset. The project was outstandingly successful both with the 988 children who took part and with their parents. Work created by the children included poetry and art and was displayed at the museum from 21 to 25 June 2019.

Trust staff attended the reconstituted **Somerset Cultural Education Partnership**. The strategic role of such partnerships is encouraged by Arts Council England.

Informal and family-based learning was provided to 8,355 people across 121 sessions. These reached people of all ages and included reminiscence sessions in care homes and day centres across the county and regular toddler sessions at the Museum of Somerset and Rural Life Museum. A wide range of family activities were offered during school holidays at all the museum sites, including the Brick and Tile Museum.

Trust staff contributed to the **Youth Festival** organised by Arts Taunton. The award-winning visual artist Tom Goddard was commissioned to work with young people to create art responding to the theme 'breaking down barriers'. It was displayed at the Museum of Somerset:

<https://somersestartworks.org.uk/what-we-do/projects/county-of-contrasts/thomas-goddard-county-of-contrasts-young-people-commission/>

Exhibitions and Public Programme

The Trust's Design Team created several complex temporary exhibitions, together with associated promotional material. Support was also provided to assist with the Trust's many outreach events and activities. In addition to the exhibitions detailed above, the Trust also created the following:

Weston Museum

- *Alfred Leete: The Man Behind the Icon*. Alfred Leete was a Weston-born graphic artist who produced advertising campaigns for companies including the London Underground and Younger's Ale. His original artwork for the famous image of Lord Kitchener seeking army recruits was generously loaned by the Imperial War Museum in London and was the exhibition's remarkable centrepiece.
- *From Spinning-Tops to Spacehoppers: Growing up in Somerset* featured popular toys and games from the last century to demonstrate how childhood in Somerset has been enjoyed.
- *Microsculpture*, a ground-breaking project by British photographer Levon Biss, presenting unparalleled close-up images of insect specimens from the Oxford University Museum of Natural History.

Events and Outreach

The Trust provides a broad range of events and outreach activities as part of its public programme. The events attract considerable numbers with many repeat visitors. Events are provided for all age ranges and include the popular Toddler Explorers, talks and lectures, and guided tours.

Between 1 November 2018 and 31 October 2019 the Trust provided 532 events across all service areas, attracting 17,457 people.

The period under review included the final events commemorating the centenary of the First World War. Over a period of four years the Trust had a central role, both in Devon and Somerset, in helping to remember the war and its significance. The extent of public engagement with events and activities that were hosted, supported or organised by the Trust was truly remarkable. Volunteers were at the heart of the commemoration and taught us a great deal about the power, importance and dignity of the volunteering role.

The Trust worked closely with the Somerset Lieutenancy to support the 'Somerset Remembers' commemorative gathering at Wells Cathedral on 6 November. The event was broadcast by BBC Somerset and formed a very memorable conclusion to the centenary in Somerset. 500 people attended.

Two days later in Exeter Cathedral the **Devon Remembers Heritage Project** came to a formal end after more than three years. 400 people gathered in the cathedral for music, poetry, art and drama, and to engage with the work of volunteer researchers.

Collections

A review of **disaster planning** and salvage procedures was initiated in respect of all the Trust's sites. The outcome of the review will be to ensure that procedures are clear, up to date and widely understood.

An internal project to **audit the storage locations of museum collections** was started and is ongoing. Working with two project assistants, more than 100,000 database records were updated.

The acquisition of a sculpture and wood engraving by the Somerset artist **Rachel Reckitt** (1908–1995) was made possible through support from the Golsoncott Foundation.

The conservation project on the political correspondence of **Henry Addington, 1st Viscount Sidmouth (1757–1844)** was completed. The collection contains remarkable political correspondence from the Napoleonic era. The project was made possible by a grant from the National Manuscripts Conservation Trust and support from the Friends of Devon's Archives.

Conservation of the maritime portrait showing **Captain Robert Poole (1761–1833) of Staplegrove** was completed. His father sailed round the world with Captain Cook, and Poole himself, according to his tombstone, 'crossed the equator to and from the Pacific Ocean 22 times, passed Cape Horn 17 times, sailed once around the globe and likewise to the 74th Degree of North Latitude and to the 62nd Degree of South Latitude.'

Funding of more than £20,000 from the V&A Purchase Grant Fund, the Friends of National Libraries, the Friends of Somerset Archives and other donors made possible the purchase at auction on 6 September of three volumes of papers relating to the **Helyar family of Coker Court, East Coker**. The papers, dating from 1608–1797, contain much 17th-century material, including a letter of Archbishop William Laud and important documents relating to the Civil War and Monmouth Rebellion.

Volunteers

Our large community of knowledgeable and dedicated volunteers enhances the services we provide. Volunteering contributes directly to the physical, emotional and mental wellbeing of volunteers in an environment which is inclusive and which supports and respects the needs of individuals. In the year, the Trust had 202 volunteers, providing a total 30,884 hours across all services. This is equivalent to 4,173 working days.

Our volunteers include researchers, retired heritage professionals, young people seeking work experience, conservators, craftsmen, storytellers, curators and historians. Many younger volunteers engage with the Trust while studying a related subject and gain paid employment as a result of their time with us. For retired or older volunteers their participation often helps to maintain physical and mental agility and to address issues of loneliness and isolation. All of our public services rely on volunteers and collectively their support and endeavour means the Trust achieves a reach and influence much greater than would otherwise be possible. We are extremely grateful to them.

Partnerships and sector support

Two **stakeholder seminars** took place in the spring of 2019. About 70 heritage stakeholders from Somerset and Devon gathered to consider recent priorities and developments in the South West Heritage Trust and to help set its course for the future. Keynote speakers from Arts Council England and the National Lottery Heritage Fund contributed significantly to an occasion which was very productive of ideas and insights and very well received. The views of stakeholders about the role of the Trust and the benefits it provides helped to shape the new five-year strategy, summarised below in 'Future Plans'.

A three-year Memorandum of Understanding with the **University of Exeter** was agreed and will form the basis of future cooperation in areas including collections research, audience research, digital development, and health and wellbeing. On 23 September a well-attended event was held at the Devon Heritage Centre to celebrate the signing of the document. This marks the start of closer collaboration between the two organisations to further research and access to the region's heritage. The agreement relates to the whole Trust and will build on the already strong relationships that existed between the university and the Devon Archive Service.

Fundraising

The Trust's income derives mainly from grants and from contracts for the provision of heritage services. Traded activities are undertaken across all operations and income received is a significant contributor to turnover. We invite and encourage visitors to our sites, and those who use our services, to make donations should they wish to do so. Admission fees are charged at some sites and for some events, in which case this is clearly advertised.

The Trust does not engage in large-scale public fundraising campaigns, undertake door-to-door or private site fundraising or engage third-party membership and donation solicitation agencies.

FINANCIAL REVIEW AND RESERVES POLICY

Unrestricted income in the year totalled £3,197,801, with restricted income totalling £538,393. Of the £4,237,915 total expenditure, £4,179,727 (98.63%) was for charitable purposes. The remainder was for raising funds.

Pension schemes

Pension costs and liabilities are a key feature of the Trust's accounts, impacting on both the Statement of Financial Activities and the Balance Sheet. The majority of employees of the Trust are members of the Local Government Pension Schemes (LGPS) managed by Devon and Somerset County Councils. Full details of these schemes are given in notes 1.14 and 1.15 to the accounts.

The LGPS schemes are defined benefit (final salary) schemes and the amounts included in the accounts are calculated by the schemes' actuary in accordance with accounting standards (FRS102) at 31 October 2019. Actual contributions payable are calculated by the actuary on a triennial basis with the latest valuation having been carried out at 31 March 2016 with changes to contribution rates becoming effective from 1 April 2017. Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The next actuarial valuation of the Fund was carried out as at 31 March 2019 and have set contributions for the period from 1 April 2020 to 31 March 2023.

The LGPS funding valuations at 31 October 2019 show a combined deficit of £5.58 m compared to £4.38 m at 31 October 2018 on an FRS102 basis. The difference is partly due to the different dates but primarily to the different assumptions used by the actuary under the different bases.

While mindful of the FRS102 deficit, the Trustees continued to focus on the cash contributions payable to the schemes when setting budgets and managing the performance and cash resources of the Trust.

- In respect of the Somerset LGPS, employer contributions from 1 April 2017 were 15.8% compared to 16.0% previously (16% from 1 April 2020).
- In respect of the Devon LGPS, employer contributions from 1 April 2017 were 22.4% plus £200 per month compared to 19.0% previously (22% from 1 April 2020).

The aggregate cash contributions to the two funds in the year ended 31 October 2019 were £207k compared to an actuarially-calculated expense charged in the Statement of Financial Activities of £505k.

Based on the above contribution rates the annual increase in the cash contributions for the three years from 1 April 2017 were in the order of £10k.

Reserves

At the year end the group reserves, excluding the long-term pension reserve, were as follows:

	£'000
Unrestricted general funds	173
Designated funds	257
Total unrestricted funds	<u>430</u>
Restricted funds	<u>387</u>

At 31 October 2019, excluding the pension reserve, the Trust had unrestricted reserves of £430k including £257k of specific designated reserves and £75k of fixed assets to leave free reserves of £98k.

The Trust established a Reserves Policy during its first year of operation. It states that the 'target provision for reserves should meet operational costs for three months'. This target is an organisational aspiration to be achieved by 2025. For our core operations, the target position would be reserves of approximately £700k.

Major Income

The Trustees are extremely grateful for the financial support and commitment of all funders of the Trust. In particular, the financial and other support provided by Somerset and Devon County Councils has been fundamental to the Trust's success and has allowed it to celebrate, preserve and make accessible the remarkable heritage of the two counties. We here express our thanks to both local authorities for their support.

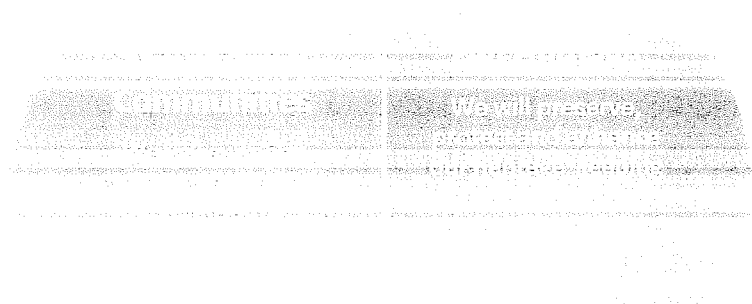
The Trustees are also most grateful to individual donors, and to the Trust's Founder Members and Supporters, for their outstanding generosity. It is very greatly appreciated.

FUTURE PLANS

Following consultation with stakeholders and to coincide with the new five-year funding term agreed with its principle funders, the Trust has prepared a new strategy to 2024. The strategy is supported by three other strategic documents:

- Annual Delivery Plans
- The Audience Development Plan
- The Fundraising and Enterprise Strategy

The five-year strategy sets out how we will fulfil our vision through three major outcomes:



To achieve these outcomes we will seek to be:

Inclusive and relevant

Our services are for everyone, enabling people to feel valued, respected and included. We will use our collections and heritage resources to make a difference for people of all ages and to benefit their wellbeing.

Collaborative and connected

Working with others is at the heart of what we do. We will seek opportunities to enable rich and diverse heritage outcomes through creative partnerships of many kinds.

Sustainable and responsible

Our values and principles are expressed in the way we deliver services. We will strive in all we do to be environmentally, socially and financially sustainable and responsible.

Impact of coronavirus (Covid-19)

The annual report was nearing completion when the British Government announced the closure of all public sites and offices. In the weeks that followed it became clear that the emergence of Covid-19 would have profound effects. Not all will necessarily be negative.

The five-year strategy was due to be signed-off by the Board of Trustees at its meeting in April. In light of the virus, the strategy was further revised to incorporate essential changes to the operational model of the Trust.

The fundamental outcomes will continue to be relevant. How these are realised will be modified to respond to the new reality.

The trustees have reviewed the adjusted net asset position (before LGPS pension liabilities but considering annual employer payments) of the charity and, given the reserves and cash available, consider that the charity remains a going concern. Further detail is given in note 20 of the accounts.

Statement of Trustees' Responsibilities

The Trustees (who are directors of The South West Heritage Trust for the purposes of company law) are responsible for preparing the Trustee Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, *the Financial Reporting Standard applicable in the UK and the Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standard have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

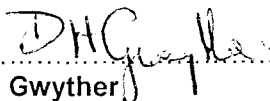
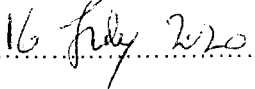
AUDITORS

The auditors, Albert Goodman LLP, are deemed to be re-appointed under Section 487(2) of the Companies Act 2006.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

By order of the Trustees.


.....
D H Gwyther
Trustee
The South West Heritage Trust
Date: 

The South West Heritage Trust

Independent Auditors' Report to the Trustees and Members
For the Year Ended 31 October 2019

Opinion

We have audited the financial statements of The South West Heritage Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 October 2019, which comprise the consolidated Statement of Financial Activities, the consolidated and parent charitable company Balance Sheets, the consolidated and parent charitable company Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 October 2019 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

The South West Heritage Trust

Independent Auditors' Report to the Trustees and Members
For the Year Ended 31 October 2019

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

The South West Heritage Trust

Independent Auditors' Report to the Trustees and Members
For the Year Ended 31 October 2019

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 21, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

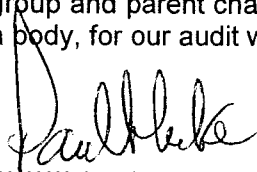
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



.....
Paul Hake FCCA (Senior Statutory Auditor)
For and on behalf of Albert Goodman LLP, Statutory Auditor

Goodwood House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Date: 16 July 2020

The South West Heritage Trust

Consolidated Statement of Financial Activities (including an Income & Expenditure account)

For the Year Ended 31 October 2019

				2019			2018
	Notes	Unres- tricted £	Res- tricted £	Total £	Unres- tricted £	Res- tricted £	Total £
Income from:							
Donations and legacies	2	85,636	48,950	134,586	44,007	25,675	69,682
Charitable activities	4	2,763,308	485,324	3,248,632	2,651,184	410,001	3,061,185
Other trading activities	5	348,857	4,004	352,861	314,285	3,020	317,305
Investments	3	-	115	115	-	39	39
Total income		3,197,801	538,393	3,736,194	3,009,476	438,735	3,448,211
Expenditure on:							
Raising funds	6	58,188	-	58,188	49,535	-	49,535
Charitable activities	6	3,598,085	581,642	4,179,727	3,487,677	558,214	4,045,891
Total expenditure		3,656,273	581,642	4,237,915	3,537,212	558,214	4,095,426
Net expenditure		(458,472)	(43,249)	(501,721)	(527,736)	(119,479)	(647,215)
Transfer between funds		(306)	306	-	(12,570)	12,570	-
Other recognised gains							
Actuarial (losses)/gains on defined benefit pension schemes		(694,000)	-	(694,000)	486,000	-	486,000
Net movement in funds for the year		(1,152,778)	(42,943)	(1,195,721)	(54,306)	(106,909)	(161,215)
Reconciliation of funds							
Total funds brought forward		(4,000,820)	430,060	(3,570,760)	(3,946,514)	536,969	(3,409,545)
Total funds carried forward		(5,153,598)	387,117	(4,766,481)	(4,000,820)	430,060	(3,570,760)

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The South West Heritage Trust – Company Registration Number: 09053532
Balance Sheet and Consolidated Balance Sheet
As at 31 October 2019

	Notes	2019 £ Group	2019 £ Charity	2018 £ Group	2018 £ Charity
Fixed assets					
Tangible fixed assets	9	283,033	283,033	432,566	432,566
Investments	10	-	1	-	1
		<u>283,033</u>	<u>283,034</u>	<u>432,566</u>	<u>432,567</u>
Current assets					
Stock	11	19,524	-	29,606	-
Debtors	12	1,143,604	1,232,587	480,839	546,490
Cash at bank and in hand		463,630	344,361	775,881	609,999
		<u>1,626,758</u>	<u>1,576,948</u>	<u>1,286,326</u>	<u>1,156,489</u>
Liabilities:					
Creditors: amounts falling due within one year	13	(1,093,272)	(1,078,618)	(905,652)	(893,591)
Net current assets		<u>533,486</u>	<u>498,330</u>	<u>380,674</u>	<u>262,898</u>
Net assets excluding pension liabilities		<u>816,519</u>	<u>781,364</u>	<u>813,240</u>	<u>695,465</u>
Defined benefit pension scheme liabilities	17	(5,583,000)	(5,583,000)	(4,384,000)	(4,384,000)
Total net liabilities including pension liabilities		<u>(4,766,481)</u>	<u>(4,801,636)</u>	<u>(3,570,760)</u>	<u>(3,688,535)</u>
The funds of the charity:					
Unrestricted funds:					
General funds		172,574	137,419	107,413	(10,362)
Designated funds		256,828	256,828	275,767	275,767
Unrestricted funds excluding pension reserve		<u>429,402</u>	<u>394,247</u>	<u>383,180</u>	<u>265,405</u>
Pension reserve		(5,583,000)	(5,583,000)	(4,384,000)	(4,384,000)
Total unrestricted funds	14	<u>(5,153,598)</u>	<u>(5,188,753)</u>	<u>(4,000,820)</u>	<u>(4,118,595)</u>
Restricted funds	14	<u>387,117</u>	<u>387,117</u>	<u>430,060</u>	<u>430,060</u>
Total charity funds		<u>(4,766,481)</u>	<u>(4,801,636)</u>	<u>(3,570,760)</u>	<u>(3,688,535)</u>

The South West Heritage Trust – Company Registration Number: 09053532

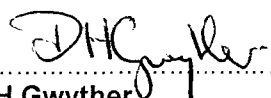
Balance Sheet and Consolidated Balance Sheet (continued)

As at 31 October 2019

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes on pages 30 - 58 form part of these accounts.

Approved by the Board for issue on *16 July 2020* and signed on their behalf by:


.....
D H Gwyther
Trustee

Statement of Cash Flows and Consolidated Statement of Cash Flows
For the Year Ended 31 October 2019

Page 29

1 Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are:

1.1 Basis of accounting

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

The South West Heritage Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) and all amounts are presented in £ sterling.

These financial statements consolidate the results of the Charity and its wholly owned subsidiary, The South West Heritage Trust Trading Limited, on a line by line basis. The "Group" heading within the balance sheet refers to the consolidated accounts of The South West Heritage Trust Trading Limited and The South West Heritage Trust.

In the parent company financial statements the investment in the trading subsidiary is accounted for at cost less impairment.

A separate Statement of Financial Activities or income and expenditure account, for the Charity itself has not been presented because the Charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

1.2 Legal status of the Trust

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The company is incorporated in England and Wales and the company registered office is detailed on page 1, reference and administration details.

1.3 Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting when preparing the financial statements.

As highlighted in note 20, the Trustees have considered the implications of Covid-19 on the charity. Taking into accounts the adjusted net asset position (before LGPS pension liabilities but considering annual employer payments) of the charity and given reserves and cash available, the Trustees consider that the charity remains a going concern.

1.4 Income

Income from grants and donations is recognised in the year in which they are receivable when there is evidence of entitlement, receipt is probable and the amount can be reliably measured. Where income has not been received for gift aid claims relating to donations received in the year, income is accrued.

Income from government grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Where no conditions are attached to the grant income they are recognised within donations and legacies and where conditions relating to performance of services are attached, grant income is recognised in income from charitable activities within the Statement of Financial Activities.

Income from charitable activities includes membership and admissions income. Membership income is accounted for in full in the year that the membership commences. Admission income is recognised on a cash basis, in the year the income is physically received.

Income from other trading activities, including rental income, is included in the period in which the group is entitled to receipt, it is probable that economic benefits will flow to the entity and the amount can be reliably measured.

The charity receives income from its subsidiary under gift aid and they are recognised upon physical receipt.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.6 Expenditure

Resources expended are recognised on the accruals basis to match the period in which the expenditure was incurred.

Raising funds is expenditure incurred in generating the trading subsidiary funds and from other trading activities carried out by the trust.

Charitable activity expenditure comprises costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and costs of an indirect nature necessary to support them. Grants payable are at the discretion of the Trustees. Governance costs are those costs associated with the governance arrangements of the charity and relate to general running of the charity as opposed to those costs associated with charitable activities.

1.7 Operating leases

The trust classifies the lease of properties as operating leases as title remains with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

1.8 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of Trust.

Restricted funds are from donations and grants in which the donor or funder has specified are to be solely used for particular areas of the Trust's work or for specific projects being undertaken by the Trust.

1.9 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Fixed assets under £500 are not capitalised. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life as follows:

Fixtures and fittings	5 years straight line
Computer equipment	5 years straight line
Motor Vehicles	5 years straight line
Leasehold improvements	5 years straight line

1.10 Debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Trust will not be able to collect all amounts due to according to the original terms of the receivables.

Other debtors comprise amounts due from funders, prepayments and accrued income. Amounts due from funders are recognised when the Trust is entitled to the money, prepayments arise from the payments for services prior to benefit from those services, and accrued income is amounts due for services provided, recognised at the point of provision of the services.

1.11 Stock

Stock consists of shop stock for resale and publication stocks. Stock is valued at the lower of cost and net realisable value, after making allowances for obsolete and slow moving stock.

1.12 Cash at bank and in hand

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

1.13 Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

1.14 Defined contribution pension

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as staff pension expense through the profit and loss when they are due.

1.15 Defined benefit pension obligation

The majority of employees of the charity are members of the Local Government Pension Schemes (LGPS) managed by Devon and Somerset County Councils.

These are funded defined benefit schemes where the assets are held separately from those of the charity in separate Trustee administered funds. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one of more factors such as age, years of service and compensation.

The liability recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of the plan assets. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are recognised immediately in other gains and losses.

The net liability in the schemes at the date of the transfer of the employees from the respective councils is shown as a separate item in the Statement of Financial Activities.

1.16 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 October 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

1.17 Taxation

As a registered charity, the company is not liable to corporation tax or capital gains tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax (VAT) is partially recoverable by the company. Any irrecoverable VAT is added to the relevant cost and charged as an expense in the Statement of Financial Activities.

2 Donations and legacies

	Unres- tricted funds £	Res- tricted funds £	2019 Total £	Unres- tricted funds £	Res- tricted funds £	2018 Total £
Donations and bequests	85,636	48,950	134,586	44,007	25,675	69,682
	<u>85,636</u>	<u>48,950</u>	<u>134,586</u>	<u>44,007</u>	<u>25,675</u>	<u>69,682</u>

3 Investment income

	Unres- tricted funds £	Res- tricted funds £	2019 Total £	Unres- tricted funds £	Res- tricted funds £	2018 Total £
Bank interest	-	115	115	-	39	39
	<u>-</u>	<u>115</u>	<u>115</u>	<u>-</u>	<u>39</u>	<u>39</u>

4 Income from charitable activities

	Unres- tricted funds £	Res- tricted funds £	2019 Total £	Unres- tricted funds £	Res- tricted funds £	2018 Total £
Fees for services and grants						
<u>Heritage services</u>						
Somerset County Council	1,596,688	-	1,596,688	1,632,424	-	1,632,424
Devon County Council	389,806	-	389,806	392,555	-	392,555
North Somerset Council	146,989	-	146,989	142,431	-	142,431
Weston-Super-Mare Town Council	61,366	-	61,366	65,683	890	66,573
Torbay Council	96,647	-	96,647	104,419	-	104,419
<u>Other services</u>						
SCC - Registration	14,277	-	14,277	13,868	-	13,868
SCC - Records	55,266	-	55,266	54,240	-	54,240
<u>Grant income</u>						
Bath & North East Somerset Council	46,944	-	46,944	-	-	-
South Somerset District Council	70,042	-	70,042	-	-	-
National Art Collection Fund	-	19,800	19,800	-	-	-
Heritage Lottery Fund	-	37,173	37,173	-	98,776	98,776
The British Museum	-	71,709	71,709	-	51,908	51,908
Somerset County Council	30,328	201,878	232,206	30,328	100,753	131,081
Arts Council England	-	91,923	91,923	-	57,470	57,470
Bristol Council	-	-	-	-	9,000	9,000
DEFRA	32,320	-	32,320	34,736	-	34,736
Devon County Council	-	35,196	35,196	-	48,440	48,440
Weston-Super-Mare Town Council	-	-	-	-	14,868	14,868
Emily Estate	87,419	-	87,419	81,217	-	81,217
Under £10k	95,254	27,645	122,899	61,552	27,896	89,448
	2,723,346	485,324	3,208,670	2,613,453	410,001	3,023,454
Memberships and subscriptions	39,962	-	39,962	37,731	-	37,731
	2,763,308	485,324	3,248,632	2,651,184	410,001	3,061,185

5 Other trading activities

	Unres- tricted funds £	Res- tricted funds £	2019 Total £	Unres- tricted funds £	Res- tricted funds £	2018 Total £
Merchandising income						
Shop sales	158,481	-	158,481	114,754	-	114,754
Café concession	31,415	-	31,415	32,911	-	32,911
	<u>189,896</u>	<u>-</u>	<u>189,896</u>	<u>147,665</u>	<u>-</u>	<u>147,665</u>
Events and other sales						
Digital images, publications and research income	74,630	3,035	77,665	64,957	315	65,272
Room hire	9,907	-	9,907	8,520	-	8,520
Education income	28,523	-	28,523	42,782	-	42,782
Rental income	17,586	-	17,586	13,413	-	13,413
Other income	28,315	969	29,284	36,948	2,705	39,653
	<u>158,961</u>	<u>4,004</u>	<u>162,965</u>	<u>166,620</u>	<u>3,020</u>	<u>169,640</u>
	<u>348,857</u>	<u>4,004</u>	<u>352,861</u>	<u>314,285</u>	<u>3,020</u>	<u>317,305</u>

6 Expenditure

	Staff costs £	Other Direct costs £	2019 Total £	Staff costs £	Other Direct costs £	2018 Total £
Cost of raising funds						
Trading costs	-	58,188	58,188	-	49,535	49,535
Charitable activities						
Archives and local studies	982,326	143,312	1,125,638	1,009,995	159,119	1,169,114
Museums	855,607	372,971	1,228,578	717,761	305,087	1,022,848
Historic environment and estates services	410,654	165,457	576,111	452,555	56,564	509,119
Heritage services	429,365	540,558	969,923	411,212	593,601	1,004,813
Learning	149,629	13,626	163,255	220,872	21,409	242,281
Closed projects	64,671	51,551	116,222	-	97,716	97,716
	<u>2,892,252</u>	<u>1,345,663</u>	<u>4,237,915</u>	<u>2,812,395</u>	<u>1,283,031</u>	<u>4,095,426</u>

	2019 £	Charity 2018 £	2019 £	Subsidiary 2018 £	Total 2019 £	Total 2018 £
Depreciation of owned assets	164,403	160,112	-	-	164,403	160,112
Operating lease expenses	37,218	35,903	-	-	37,218	35,903
Auditors' remuneration for:						
Current auditors						
- Audit services	8,189	5,000	1,547	1,548	9,736	6,548
- Other services	1,507	719	-	-	1,507	719

7 Trustee directors

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2018: £nil).

Three charity trustees were reimbursed £1,230 for travel expenses during the year (2018: Four trustees - £1,225).

No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

8 Employees

Number of employees

The average monthly head count was 97 staff (2018: 98 staff) and the average number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

	2019	2018
Management	5.0	4.8
Finance and admin	9.5	7.6
Fundraising	-	0.8
Service provision	59.2	64.6
	<u>73.7</u>	<u>77.8</u>

Employment costs

	2019 £	2018 £
Wages and salaries	1,946,698	1,985,858
Social security costs	164,739	167,768
Pension costs	755,026	658,769
Staff redundancy costs	25,789	-
	<u>2,892,252</u>	<u>2,812,395</u>

During the year, total costs of £25,789 were paid in respect of four employee redundancies. The amounts were full and final with no outstanding amounts due at the balance sheet date.

The number of employees whose annual emoluments were £60,000 or more were:

	2019 number	2018 number
£60,000 - £70,000	<u>1</u>	<u>1</u>

This employee is a member of the defined benefit pension scheme, into which contributions of £10,885 (2018: £10,672) were made.

The key management personnel of the group comprise those of the Trust and the key management personnel of its wholly owned subsidiary South West Heritage Trust Trading Company Ltd. The key management personnel of the group comprises of the Chief Executive Officer. The total employee benefits (includes gross pay, employer pension and employer national insurance) of the key management personnel of the Trust were £94,927 (2018: £86,387).

Employees (continued)

Pension costs

The company operates both defined benefit and defined contribution pension schemes. The charge to the Statement of Financial Activities for the year is shown above.

Contributions totalling £28,771 (2018 - £38,334) were payable to the schemes at the end of the year and are included in creditors. Further details of the defined benefit schemes are given in note 17.

9 Tangible fixed assets Group

	Leasehold improvements £	Computer equipment £	Motor Vehicles £	Fixtures & fittings £	Total £
Cost					
At 1 November 2018	511,275	220,062	37,000	35,516	803,853
Additions	-	14,870	-	-	14,870
At 31 October 2019	511,275	234,932	37,000	35,516	818,723
Depreciation					
At 1 November 2018	200,543	124,064	29,600	17,080	371,287
Charge for the year	102,264	47,636	7,400	7,103	164,403
At 31 October 2019	302,807	171,700	37,000	24,183	535,690
Net book value					
At 31 October 2019	208,468	63,232	-	11,333	283,033
At 31 October 2018	310,732	95,998	7,400	18,436	432,566

The above assets are all held by the charity.

10 Investments

	Total 2019 £	Charity Total 2018 £
South West Heritage Trust Trading Limited Ordinary shares of £1 each	1	1

Investments (continued)

South West Heritage Trust Trading Limited (company no 09222720) was incorporated on 17 September 2014 as a wholly owned trading subsidiary of The South West Heritage Trust. The parent charity holds 100% of the issued share capital and 100% of the voting rights of the subsidiary trading company.

The principal activities of the company are the operation of a retail outlet at The Museum of Somerset and other trading activities. The registered office is the same as that of the Trust, detailed on page 1. The subsidiary gift aids its taxable profits to The South West Heritage Trust, and files audited accounts with the Registrar of Companies.

A summary of the trading results is shown below:

	2019 £	2018 £
Turnover	307,565	264,106
Cost of sales	(58,188)	(49,535)
Gross profit	249,377	214,571
Administrative expenses	(114,222)	(96,796)
Operating profit	135,155	117,775
Investment income	-	-
Profit before tax & profit for the financial year	135,155	117,775
Retained earnings brought forward in subsidiary	117,775	151,235
Gift aid to The South West Heritage Trust	(217,775)	(151,235)
Retained earnings carried forward in subsidiary	35,155	117,775
The assets and liabilities were:		
Current assets	161,867	218,918
Current liabilities	(126,711)	(101,142)
Total net assets	35,156	117,776
Called up share capital	1	1
Profit and loss reserve	35,155	117,775
	35,156	117,776

11 Stocks

	Group	2019	Group	2018
	£	Charity	£	Charity
		£		£
Goods for resale	19,524	-	29,606	-

Stock recognised in the Statement of Financial Activities as an expense is £42,641 (2018: £36,315).

12 Debtors

	Group	2019	Group	2018
	£	Charity	£	Charity
		£		£
Trade debtors	940,873	924,118	314,731	308,492
Prepayments and accrued income	202,731	196,412	166,108	148,917
Amounts owed by group undertakings	-	112,057	-	89,081
	1,143,604	1,232,587	480,839	546,490

13 Creditors: Amounts falling due within one year

	2019		2018	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	84,989	83,108	44,136	41,751
Other creditors	31,372	31,372	38,335	38,335
Accruals and deferred income	770,123	767,026	679,341	677,162
Taxation and social security	206,788	197,112	143,840	136,343
	<u>1,093,272</u>	<u>1,078,618</u>	<u>905,652</u>	<u>893,591</u>

Deferred Income

	2019		2018	
	Group	Charity	Group	Charity
	£	£	£	£
Deferred income at 1 November 2018	583,543	583,111	600,255	599,173
Released from previous years	(583,543)	(583,111)	(600,255)	(599,173)
Resources deferred in the year	688,287	687,411	583,543	583,111
Deferred Income at 31 October 2019	<u>688,287</u>	<u>687,411</u>	<u>583,543</u>	<u>583,111</u>

At the balance sheet date the trust was holding funds received in advance from Somerset County Council and Devon County Council and subscriptions received in advance.

14 Summary of movement in funds- Group

	Opening balance £	Income £	Expenditure £	Transfers & losses £	Closing balance £
Unrestricted funds - Group					
General	107,413	3,193,945	(3,113,574)	(15,210)	172,574
Designated funds - Group and Charity					
Somerset Rural Life Museum (Leasehold improvements fund)	71,917	-	(22,912)	-	49,005
National Archives		3,856	-	3,967	7,823
New Burdens	3,850		(14,787)	10,937	-
Project development fund	100,000	-	-	-	100,000
Capital reserve	100,000	-	-	-	100,000
Total designated funds	<u>275,767</u>	<u>3,856</u>	<u>(37,699)</u>	<u>14,904</u>	<u>256,828</u>
Pension fund	<u>(4,384,000)</u>	<u>-</u>	<u>(505,000)</u>	<u>(694,000)</u>	<u>(5,583,000)</u>
	<u>(4,000,820)</u>	<u>3,197,801</u>	<u>(3,656,273)</u>	<u>(694,306)</u>	<u>(5,153,598)</u>

14 Summary of movement in funds- Group (continued)

	Opening balance £	Income £	Expenditure £	Transfers & losses £	Closing balance £
Restricted funds - Group and Charity					
Somerset Rural Life Museum					
(Leasehold improvements fund)	238,815	-	(79,352)	-	159,463
Archive and museum donations	57,702	115	-	(3,967)	53,850
Castle House Project	44,381	-	(4,265)	-	40,116
Historic Environment and Estates	39,136	16,239	(41,906)	25,258	38,727
Somerset Levels	9,038	6,950	(4,236)	-	11,752
HES Hinkley	1,101	84,567	(52,647)	(32,162)	859
Portable Antiques	-	79,418	(79,418)	-	-
Devon Remembers	-	25,956	(25,518)	(438)	-
North Devon Record Office	-	48,249	(52,178)	4,538	609
Exeter Cathedral	1,355	2,083	(1,158)	-	2,280
Museum Development Officer	-	28,000	(36,218)	8,218	-
North Somerset Collections	1,856	-	(455)	-	1,401
Sidmouth Collection Conservation	-	4,767	(7,372)	2,605	-
Somerset in the Home Front	5,303	(1,745)	(3,388)	(170)	-
Getting to Know You					
Small Grant Big Improvement	-	(126)	(2,068)	2,194	-
Our Town, Our Museum,					
Our Place	287	-	-	(287)	-
Museums and Schools	23,723	73,539	(80,401)	(113)	16,748
Ready to Borrow	7,363	-	(7,484)	121	-
Makers in Museums					
Programme	-	7,117	(1,626)	(5,491)	-
Charthouse/Blackmoor					
Land Holding	-	8,000	-	-	8,000
Avalon Archaeology Park	-	82,691	(82,691)	-	-
Painter Pilgrim	-	39,970	(13,543)	-	26,427
West Country Studies	-	6,181	-	-	6,181
Gravity project	-	20,000	(556)	-	19,444
Wild Hares & Hummingbirds					
Public Engagement Project	-	4,650	(3,390)	-	1,260
Norman Garden	-	45	(45)	-	-
Banner Project	-	1,727	(1,727)	-	-
	430,060	538,393	(581,642)	306	387,117
	(3,570,760)	3,736,194	(4,237,915)	(694,000)	(4,766,481)

Summary of movement in funds- Charity

	Opening balance £	Income £	Expenditure £	Transfers & losses £	Closing balance £
Unrestricted funds - Charity					
General	(10,362)	3,204,089	(3,041,098)	(15,210)	137,419
Designated funds - Charity	275,767	3,856	(37,699)	14,904	256,828
Pension fund	(4,384,000)	-	(505,000)	(694,000)	(5,583,000)
	<u>(4,118,595)</u>	<u>3,207,945</u>	<u>(3,583,797)</u>	<u>(694,306)</u>	<u>(5,188,753)</u>
Restricted funds - Charity	430,060	538,393	(581,642)	306	387,117
	<u>(3,688,535)</u>	<u>3,746,338</u>	<u>(4,165,439)</u>	<u>(694,000)</u>	<u>(4,801,636)</u>

The breakdown of designated and restricted funds is as per the group funds statement.

14 Summary of movement in funds – Group (2018)					
	Opening balance £	Income £	Expenditure £	Transfers & losses £	Closing balance £
Unrestricted funds - Group					
General	197,101	3,009,476	(3,070,856)	(28,308)	107,413
Designated funds - Group and Charity					
Somerset Rural Life Museum (Leasehold improvements fund)	79,091	-	(22,912)	15,738	71,917
New Burdens	44,294	-	(40,444)	-	3,850
Project development fund	100,000	-	-	-	100,000
Capital reserve	100,000	-	-	-	100,000
Total designated funds	323,385	-	(63,356)	15,738	275,767
Pension fund	(4,467,000)	-	(403,000)	486,000	(4,384,000)
	(3,946,514)	3,009,476	(3,537,212)	473,430	(4,000,820)
Restricted funds - Group and Charity					
Somerset Rural Life Museum (Leasehold improvements fund)	314,094	4,056	(79,335)	-	238,815
Archive and museum donations	65,164	38	(7,500)	-	57,702
Castle House Project	44,731	(350)	-	-	44,381
Historic Environment and Estates	37,616	64,316	(60,832)	(1,964)	39,136
Somerset Levels	19,047	504	(10,513)	-	9,038
Ready to Borrow	17,461	9,000	(27,303)	842	-
HES Hinkley	12,766	25,555	(32,220)	(5,000)	1,101
Portable Antiques	12,136	60,499	(72,635)	-	-
Devon Remembers	7,277	98,760	(106,037)	-	-
North Devon Record Office	3,655	35,523	(45,055)	5,877	-
Exeter Cathedral	3,022	2,083	(3,750)	-	1,355
Alfred Leete	-	9,000	(11,971)	2,971	-
Museum Development Officer	-	28,330	(35,179)	6,849	-
North Somerset Collections	-	1,774	(913)	995	1,856
Sidmouth Collection Conservation	-	16,074	(16,074)	-	-
Somerset in the Home Front	-	9,136	(5,833)	2,000	5,303
Getting to Know You					
Small Grant Big Improvement	-	6,306	(6,306)	-	-
Our Town, Our Museum, Our Place	-	900	(613)	-	287
Museums and Schools	-	31,031	(7,308)	-	23,723
Ready to Borrow	-	14,868	(7,505)	-	7,363
Makers in Museums					
Programme	-	21,332	(21,332)	-	-
	536,969	438,735	(558,214)	12,570	430,060
	(3,409,545)	3,448,211	(4,095,426)	486,000	(3,570,760)

Summary of movement in funds – Charity- 2018

	Opening balance £	Income £	Expenditure £	Transfers & losses £	Closing balance £
Unrestricted funds - Charity					
General	45,866	2,896,605	(2,924,525)	(28,308)	(10,362)
Designated funds - Charity	323,385	-	(63,356)	15,738	275,767
Pension fund	(4,467,000)	-	(403,000)	486,000	(4,384,000)
	<u>(4,097,749)</u>	<u>2,896,605</u>	<u>(3,390,881)</u>	<u>473,430</u>	<u>(4,118,595)</u>
 Restricted funds - Charity	 536,969	 438,735	 (558,214)	 12,570	 430,060
	<u><u>(3,560,780)</u></u>	<u><u>3,335,340</u></u>	<u><u>(3,949,095)</u></u>	<u><u>486,000</u></u>	<u><u>(3,688,535)</u></u>

The breakdown of designated and restricted funds is as per the group funds statement.

14 Summary of movement in funds (continued)

- The Archive and Museum donations – Accumulated funds comprising of donations and bequests for acquisitions for the Somerset Archives and Museum services.
- North Devon Record Office – Archive service provided in Barnstaple to serve the North Devon area. Although linked to the Devon Archive and Local Studies Team, the funding is provided through a separate arrangement.
- Portable Antiques – Partnership project with the British Museum to employ Finds Liaison Officers in Somerset and Dorset, recording and where appropriate receiving finds and treasure discovered by metal detectorists.
- HES Hinkley– Project supported by EDF through Somerset County Council to interpret archaeological findings and landscape features discovered as a result of the excavations and development work to create the new Hinkley Point nuclear power station.
- Somerset Rural Life Museum – Project to undertake the interpretive design and fit-out of the newly refurbished museum, funded by Viridor Environmental Credits, HLF and Somerset County Council. The works are being undertaken as an appendix to the main five-year Grant Agreement in place with Somerset County Council. The balances held in designated funds and restricted funds represent the Net Book Value of the Fixed Asset.
- Makers in Museums – Relates to grant income from the British Museum to work with smaller museums encouraging creative projects using local materials and inspiration.
- New Burdens- Funding from the National Archives to help support extra digital records held by the Trust.
- Designated Funds – An accumulating Project Development fund with contributions added annually. The intention is to grow a fund which may be used for future internal investment for identified requirements or as match funding to external funding sources.
- Designated Funds – An accumulating general Capital Fund with annual contributions amounting to 1% of the 'core' turnover of the Trust, i.e. turnover which is not funded by discrete means. The purpose is to enable cash-flow for the purchase or renewal of capital items.
- Pension reserve – This fund represents the pension deficit for the Local Government Pension Scheme for both Somerset and Devon and its associated costs for the period.
- Devon Remembers Heritage Project – A community outreach project exploring personal family stories about Devon during the First World War. Funded by Heritage Lottery Fund, the project will come to an end in 2019.
- Castle House Project – A capital fund was provided to the Trust by Somerset Building Preservation Trust which is to be used for maintenance or works which enhance Castle House, or enable a contribution to the viability of the business.
- Historic Environment and Estates – Remaining funds from discrete projects which continue to have a low level of activity, including Somerset Churchyard Grant Scheme, Taunton Heritage project and Somerset Levels publications.
- Museum Development Officer - supporting independent museums in Somerset, the work is financially supported by the South West Museum Development Programme and South Somerset District Council. The project is part funded by the South West Heritage Trust and is scheduled to continue until 2022.
- Sidmouth Collection Conservation – a year-long project to conserve the political papers of former Prime Minister, Henry Addington 1st Viscount Sidmouth. The project was made possible thanks to a grant from The National Manuscripts Conservation Trust and support from The Friends of Devon's Archives.
- Museums and Schools - a project entitled 'Adventures in Time' funded by Arts Council England Museums and Schools programme. The project has enabled work with pupils and schools located in isolated rural areas.

14 Summary of movement in funds (cont'd)

- Ready to borrow - funding towards the cost of a high specification display case for loan objects and a radio-environmental monitoring system, installed at Weston Museum.
- Somerset Levels- a series of archaeological research and management projects that the Trust is undertaking in partnership with Historic England and other organisations to safeguard vulnerable wetland sites.
- Avalon Archaeology Park- showcases the archaeological reconstruction buildings at the Avalon Marshes Centre. The project, funded by the local Leader scheme and other donations, included the creation of a new education building adjacent to the Park and provided resources for learning and volunteers.
- Gravity Project- an oral history project to record the social history of the Puriton Royal Ordnance Factory, which is subject to a major redevelopment.
- Painter Pilgrim- a major temporary exhibition at the Museum of Somerset presenting the largest retrospective of the art of Tristram Hillier since his death in 1983, funded by Arts Council England and the Art Fund.

15 Analysis of assets between funds – Group

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Creditors more than one year £	Total £
Unrestricted funds	74,565	107,096	(9,087)	-	172,574
Designated funds	49,005	207,823	-	-	256,828
Restricted funds	159,463	148,711	78,943	-	387,117
Pension reserve	-	-	-	(5,583,000)	(5,583,000)
As at 31 October 2019	283,033	463,630	69,856	(5,583,000)	(4,766,481)

Analysis of assets between funds – Charity

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Creditors more than one year £	Total £
Unrestricted funds	74,566	(12,173)	75,026	-	137,419
Designated funds	49,005	207,823	-	-	256,828
Restricted funds	159,463	148,711	78,943	-	387,117
Pension reserve	-	-	-	(5,583,000)	(5,583,000)
As at 31 October 2019	283,034	344,361	153,969	(5,583,000)	(4,801,636)

Analysis of assets between funds – Group - 2018

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Creditors more than one year £	Total £
Unrestricted funds	121,834	443,753	(458,174)	-	107,413
Designated funds	71,917	203,850	-	-	275,767
Restricted funds	238,815	128,278	62,967	-	430,060
Pension reserve	-	-	-	(4,384,000)	(4,384,000)
As at 31 October 2018	432,566	775,881	(395,207)	(4,384,000)	(3,570,760)

Analysis of assets between funds – Charity – 2018

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Creditors more than one year £	Total £
Unrestricted funds	121,835	277,871	(410,068)	-	(10,362)
Designated funds	71,917	203,850	-	-	275,767
Restricted funds	238,815	128,278	62,967	-	430,060
Pension reserve	-	-	-	(4,384,000)	(4,384,000)
As at 31 October 2018	432,567	609,999	(347,101)	(4,384,000)	(3,688,535)

16 Income and expenditure account of the Trust

The company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own Income and Expenditure Account or separate Statement of Financial Activities.

Prior to gift aid amounts received from the subsidiary, The South West Heritage Trust has net expenditure for the year of £523,876 (2018 - expenditure £464,990) based on income of £3,528,563 (2018 - £3,184,105). Gift aid distributions from trading subsidiary of £217,775 (2018: £151,235) were received in the year, in which the amount relates to the prior year trading profits plus an additional distribution during the year.

17 Pension commitments

The majority of the Trust's employees belong to the Local Government Pension Schemes (LGPS) managed by Devon County Council ("DCC") and Somerset County Council ("SCC").

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation for both LGPSs was 31 March 2016, with the next valuations being undertaken as at 31 March 2019.

At the year end there were outstanding contributions due to the schemes totalling £23,220 which are included within creditors.

The schemes are funded defined benefit pension schemes, with assets held in separate Trustee-administrated funds. The total contributions made for the year ended 31 October 2019 were £284,000 of which employer's contributions totalled £207,000 and employees' contributions totalled £77,000. The current employer contribution rates for future years are 16% (SCC) and 22% (DCC).

The LGPS obligation relates to employees of the Trust who transferred as under the transfer agreements when the activities of the Trust were transferred from DCC and SCC on 1 November 2014. The obligation in respect of employees who transferred represents their cumulative service both prior to the transfer and following it.

Summary of net pension liability as at 31 October 2019:

	SCC £'000	DCC £'000	Total £'000
Present value of defined benefit obligations	(10,439)	(4,750)	(15,189)
Fair value of share of scheme assets	6,510	3,096	9,606
Deficit in the schemes	(3,929)	(1,654)	(5,583)

Summary of net pension liability as at 1 November 2018:

	SCC £'000	DCC £'000	Total £'000
Present value of defined benefit obligations	(9,018)	(4,246)	(13,264)
Fair value of share of scheme assets	6,019	2,861	8,880
Deficit in the schemes	(2,999)	(1,385)	(4,384)

Somerset County Council Pension Scheme

Principal Actuarial Assumptions

	At 31 October 2019	At 1 November 2018
Salary increases	3.75%	3.95%
Pension increases	2.25%	2.45%
Discount rate	2.00%	2.80%
CPI increases	2.25%	2.45%
RPI increases	3.05%	3.45%
The current mortality assumptions include sufficient allowance for the future improvements in mortality rates.		

The assumed life expectations on retirement age 65 are:

	At 31 October 2019	At 1 November 2018
<i>Retiring today</i>		
Males	23.3	24.0
Females	24.7	25.2
<i>Retiring in 20 years</i>		
Males	24.7	26.3
Females	26.1	27.5

The Trust's share of the assets and liabilities in the Somerset County Council Pension Fund are as follows:

Pension Commitments - Assets/liabs in SCC Pension Fund

	As at 31 October 2019		As at 1 November 2018	
	Fair value £'000	% of total scheme assets	Fair value £'000	% of total scheme assets
Equities	4,535	70%	4,282	71%
Gilts	394	6%	344	6%
Other bonds	624	9%	540	9%
Property	587	9%	513	9%
Cash	370	6%	340	6%
Total market value of assets	6,510	100%	6,019	100%
Present value of scheme liabilities - funded	(10,439)		(9,018)	
Deficit in the scheme	(3,929)		(2,999)	

Amounts recognised in the statement of financial activities are as follows:

	31 October 2019 £'000	31 October 2018 £'000
Current service cost	(429)	(363)
Net interest cost	(82)	(85)
Administration expenses	(5)	(5)
Total	(516)	(453)

Movements in the present value of defined benefit obligations were as follows:

	At 31 October 2019 £'000	At 31 October 2018 £'000
At 1 November 2018	(9,018)	(8,863)
Current service cost	(316)	(363)
Interest cost	(252)	(249)
Past service costs	(113)	-
Estimated benefits paid	97	5
Employee contributions	(59)	(63)
Actuarial gains/(losses)	(778)	515
At 31 October 2019	(10,439)	(9,018)

Movements in the fair value of the charity's share of scheme assets were as follows:

	At 31 October 2019 £'000	At 31 October 2018 £'000
At 1 November 2018	6,019	5,750
Interest income	170	164
Expected return on Fund assets less interest	226	(96)
Employer contributions	138	148
Employee contributions	59	63
Estimated benefits paid	(97)	(5)
Administrative expenses	(5)	(5)
At 31 October 2019	6,510	6,019

Devon County Council Pension Scheme

Principal Actuarial Assumptions

	At 31 October 2019	At 1 November 2018
Salary increases	3.80%	4.00%
Pension increases	2.30%	2.50%
Discount rate	1.95%	2.75%

The current mortality assumptions include sufficient allowance for the future improvements in mortality rates.

The assumed life expectations on retirement age 65 are:

	At 31 October 2019	At 1 November 2018
<i>Retiring today</i>		
Males	22.5	23.6
Females	24.4	25.7
<i>Retiring in 20 years</i>		
Males	24.2	25.8
Females	26.2	28.0

The Trust's share of the assets and liabilities in the Devon County Council Pension Fund are as follows:

Pension Commitments - Assets/liabs in DCC Pension Fund

	As at 31 October 2019		As at 1 November 2018	
	Fair value £'000	% of total scheme assets	Fair value £'000	% of total scheme assets
Gilts	108	4%	93	3%
UK equities	502	16%	495	17%
Overseas equities	1,357	44%	1,193	42%
Property	263	8%	263	9%
Infrastructure	117	4%	105	4%
Target return portfolio	430	14%	412	14%
Cash	46	1%	61	2%
Other bonds	57	2%	54	2%
Alternative assets	161	5%	151	5%
Private equity	55	2%	34	1%
Total market of assets	3,096	100%	2,861	100%
Present value of scheme liabilities - funded	(4,750)		(4,246)	
Defecit in the scheme	(1,654)		(1,385)	

Amounts recognised in the statement of financial activities for are as follows:

	At 31 October 2019	At 31 October 2018
	£'000	£'000
Current service cost	(157)	(126)
Net interest cost	(37)	(37)
Administration expenses	(2)	(2)
Total	(196)	(165)

Movements in the present value of defined benefit obligations were as follows:

	At 31 October 2019 £'000	At 31 October 2018 £'000
At 1 November 2018	(4,246)	(4,140)
Current service cost	(123)	(126)
Past service costs	(34)	-
Interest cost	(116)	(116)
Estimated benefits paid	65	30
Employee contributions	(18)	(18)
Actuarial gains/(losses)	(278)	124
	<hr/>	<hr/>
At 31 October 2019	(4,750)	(4,246)
	<hr/>	<hr/>

Movements in the fair value of the charity's share of scheme assets were as follows:

	At 31 October 2019 £'000	At 31 October 2018 £'000
At 1 November 2018	2,861	2,786
Interest income	79	79
Expected return on Fund assets	136	(57)
Employer contributions	69	67
Employee contributions	18	18
Estimated benefits paid	(65)	(30)
Administrative expenses	(2)	(2)
	<hr/>	<hr/>
At 31 October 2019	3,096	2,861
	<hr/>	<hr/>

18 Obligations under leases

Operating leases-

The total future minimum rentals payable under non-cancellable operating leases funded by unrestricted funds are as follows:

	2019	2018
	£	£
Land and Buildings		
Expiry date:		
Within one year	30,328	30,328
Within two and five years	121,312	121,312
More than five years	652,531	682,848
Other		
Expiry date:		
Within one year	6,697	8,268
Within two and five years	5,110	11,807
More than five years	-	-
	<hr/>	<hr/>
	815,978	854,563
	<hr/>	<hr/>

The rent payable above is funded by the Council. The funding from Council to the Trust to pay for the rent on leased and sub-leased properties shall be a sum equivalent to the full value of the rent. This sum is ring-fenced and is not included in the core funding it receives from the Council for charitable activities.

19 Related party transactions

The charity has taken advantage of the exemption in FRS 102 "Related Party Disclosures" from disclosing transactions with other members of the group.

There were no other related party transactions other than with members of the group (2018: none).

20 Non adjusting post balance sheet event

The Trustees have identified the Covid-19 pandemic as a non-adjusting post balance sheet event as the position is not indicative of any conditions that were in existence at the year end.

The impact of Covid-19 has significantly affected the ability of the Trust to raise income through services and trading activities provided through its sites in the year ending 31 October 2020. The total annualised income at risk comprises up to 14% of the turnover of the Trust, although the actual value of the losses is lower than this. The income lost in the year through these activities has been offset through the receipt of emergency grants, including the retail, hospitality and leisure grant and the Coronavirus Job Retention Scheme. It has also been possible to make some savings against planned expenditure while the sites have been closed. It is expected that the cash position of the in-year Trust accounts at 31 October 2020 will be balanced.

Due to ongoing national measures to limit the risk of transmission of Covid-19 and modified consumer confidence, it is expected that site-based services and trading income will continue to be adversely impacted after 31 October 2020. The likely impact and expected recovery of the Trust to pre-Covid-19 income levels has been forecast to 31 October 2024, with income expected to be at reduced levels for at least three years. The impacts and proposed mitigating measures have been discussed in detail with the delegated Finance Committee. This is a process which has enabled officers to begin the planning and implementation of medium to long term recovery measures, including service modifications to generate new income.

As a result of these actions, the Trustees have reviewed the adjusted net asset position (before LGPS pension liabilities but considering annual employer payments) of the charity and, given reserves and cash available, consider that the charity remains a going concern.