

The Burton Constable Foundation

Financial Statements

31st December 2019

The Burton Constable Foundation

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for the year ended 31st December 2019**

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The Burton Constable Foundation

**Reference and Administrative Details
for the Year Ended 31st December 2019**

TRUSTEES

Mrs R C Straker MA (Cantab) MRICS
J A J Straker – resigned 31/05/2019
N A C Hildyard DL FCA
Ms C J Nichol BSc, PG Dip, AMA, FRGS
Dr C L Ridgway BA, D.Phil.
R A H Sword FRICS FFAV
Ms Y L Hardman MA, AMA
A C T Procter MA (Cantab) Solicitor
J C Straker MBA MA (Oxon) – appointed 31/05/2019

COMPANY SECRETARY

C M Day

REGISTERED OFFICE

Burton Constable Hall
Burton Constable
Skirlaugh
East Yorkshire
HU11 4LN

REGISTERED COMPANY NUMBER

02614135

REGISTERED CHARITY NUMBER

1010121

AUDITORS

Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

SOLICITORS

Langleys
Queens House
Micklegate
York
YO1 6WG

ADVISERS

Investec Wealth and Investment
30 Gresham Street
London
EC2V 7QN

The Burton Constable Foundation

Report of the Trustees for the year ended 31st December 2019

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st December 2019. The trustees have adopted the provisions of 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 2019).

OBJECTIVES AND ACTIVITIES

Statutory Information, Principal Activity and Public Benefit

The company is limited by guarantee and it and its officers are governed by the Memorandum and Articles of Association dated 23 May 1991, as amended by special resolutions dated 24 September 1991 and 23 March 1992.

The principal objectives are: to acquire and maintain the house known as Burton Constable Hall together with the contents thereof and the land and estate appurtenant thereto and to conserve the same and make them available to members of the public; the relief of poverty and the advancement of education and of religion; and such other purposes for the benefit of the community as shall be exclusively charitable. There has been no change in this activity during the year. The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Foundations' aims and objectives and in planning future activities

Grants and Assistance

The directors and trustees are grateful for the assistance given by, and for grants received from, the National Lottery Heritage Fund, Museums Development Yorkshire, the Glaziers Trust, Natural England, and the Friends of Burton Constable during the year.

National Lottery Heritage Fund

In February 2019 The Burton Constable Foundation received a grant of £85,000 from the National Lottery Heritage Fund's Resilient Heritage Grant scheme, to increase its organisational resilience and sustainability. The project aims to secure the future of Burton Constable by reviewing the effectiveness of the organisation, building capacity through adopting new ways of working, testing out ideas, increasing the skills of staff, volunteers and trustees and becoming more financially sustainable.

The Foundation are looking to create a detailed master plan that clearly identifies what can be done going forward to develop Burton Constable as a visitor destination, based on thorough research and consultation, in order to maximise resilience and financial sustainability and to provide the robust basis and justification for future funding bids.

The project aims to bring redundant buildings back into use, maximise income generation potential and secure new sources of funding through commercial and fundraising activities.

The funding gives the Foundation the opportunity to look at how we attract new audiences and develop new income streams to ensure that Burton Constable continues to fulfil the potential that the National Heritage Memorial Fund first realised in 1992 when the house and grounds were saved for the nation.

The work, being carried out by Focus Consultants, is due for completion in April 2020.

Museum Development Yorkshire

Museum Development Yorkshire commissioned Phil Chambers Consultancy to work with the Foundation to carry out an access audit of the Burton Constable Hall and grounds, to identify barriers to access for visitors with disabilities and to make recommendations for improvements. The audit was undertaken in December 2018, with the recommendations being implemented from January 2019 onwards. Improvements needing minimum resources were requested, together with recommendations to provide a direction to progressively implement an inclusive access strategy.

The Burton Constable Foundation

Report of the Trustees for the year ended 31st December 2019

OBJECTIVES AND ACTIVITIES - continued

Improvements that have been made to date include; a redesign of the website and changes to printed material to improve readability and ease of use, a revised access statement on the website, the counter in the Stables Kitchen has been replaced with one at a lower height making it more accessible for wheelchair users, the installation of an emergency cord in the accessible toilet facility, the depth of the gravel on the paths was reduced and rolled to make it easier for people in wheelchairs to get around the grounds.

The Foundation received a further grant of £700 from Museum Development Yorkshire to install hearing induction loops at the ticket desk, Hall reception and the counter in the Stables Kitchen.

The Glaziers Trust

In May the York Glaziers Trust removed the stained glass from the Long Gallery for cleaning, recording and storage in York. This was paid for using a £2,750 grant from the Glaziers Trust. The glass is being stored by York Glaziers Trust, at a cost to the Foundation of £200 per annum, until funds are secured to carry out a full restoration of the glass. It is anticipated that this will cost approximately £35,000. The Curator has been working on a grant bid to the ArtFund but was informed in November 2019 that they are reviewing their Conservation Grants funding stream; this means that work on the bid for that project has been temporarily halted. The Curator has already secured a grant of £2,000 from Leche Trust to act as match funding.

The Friends of Burton Constable

The Friends of Burton Constable provided donations totalling £8,345 in 2019. £3,475 of this donation enabled us to carry out vital conservation work to the paintwork in the chapel, which had deteriorated following water ingress.

Further contributions added greatly to our visitor offer – including the new planters around the grounds, sponsorship of the Flower Festival in June and the purchase of new cushions for storytelling activities for younger visitors.

Volunteers

The Foundation is grateful for the unstinting efforts of its volunteers who assist the Curator with research into the history and collections, the House Technician in the maintenance of the house and the Groundsman in looking after the gardens and grounds. In addition, we have 70 house guides who add so much to the visitor experience. In 2019 a total of 9,860 volunteer hours were worked across the various roles. If this is estimated at being valued at the minimum wage, the volunteer contribution amounts to almost £81,000.

Fixed and Heritage Assets

The movements in fixed assets during the year are set out in notes 11 and 12 to the accounts.

As a result of the disclosures required under the Charities Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2019), heritage assets are shown at either the valuation on acquisition by way of gift or donation, or at the original cost.

The house known as Burton Constable Hall, built c.1570, together with the stable block, certain ancillary buildings, and approximately 320 acres of surrounding parkland was originally gifted to the National Heritage Memorial Fund by John Raleigh Chichester-Constable. This was subsequently gifted to the company on 23 March 1992 by The National Heritage Memorial Fund together with the Heritage collection of 'curiosities' and scientific instruments and an endowment of £3,300,000, now valued at £8,130,345.

The furniture, paintings and decorative art collections were transferred to Leeds City Council to be retained on display at Burton Constable Hall.

The Burton Constable Foundation

Report of the Trustees for the year ended 31st December 2019

FINANCIAL REVIEW

Investment Powers, Policy and Performance

The Deed of Gift established the investment powers for the endowments received. The charity could invest the gift of the endowment of £3,300,000 in such manner as it saw fit and has therefore delegated the management of its investment portfolio to a specialist advisor, Investec Wealth and Investments. The objective of the advisors is to maximise the long-term capital return of the fund ahead of inflation. Full details of the foundations endowment investment policy are disclosed on pages 7 to 9.

Reserves Policy

The Foundation's reserves policy is to hold sufficient reserves to continue to maintain and run Burton Constable Hall for the public benefit.

The Foundation's reserves comprise funds initially gifted by the National Heritage Memorial Fund. These funds were split into separate funds depending upon their purpose.

Endowment Fund - Permanently Endowed Funds

The Endowment Fund was established in 1992 with £3,300,000 endowed from The National Heritage Memorial Fund.

The aim was to provide the Foundation with sufficient investment income to fund the annual running costs of Burton Constable Hall and grounds. The endowment of £3,300,000 has restricted uses and must be used to generate investment income and cannot be used as income itself, except for the fact that the foundation has been granted permission by the National Heritage Memorial Fund to spend up to 1% per year of the capital of the endowment fund so long as the capital has grown ahead of inflation.

Since this fund was established, income from the investments has been used to cover the general running costs of the charitable company. The investment income has been supplemented by income generated from entrance fees to the Hall and grounds and donations received.

The initial endowment and any subsequent changes in market value of the investments it was used to purchase, are designated as the Main Fund within the total Endowment Fund.

The Endowment Fund was augmented at 1st January, 2001 by £1,845,188, being the reinstatement of Heritage assets which had previously been written off or which had been valued at nil of £1,669,329 and reclassification of the riding school from investments of £175,859. These assets are designated as the Heritage Assets Fund within the total Endowment Fund. Since then, additional assets of £34,239 have been acquired and the total fund stands at £1,879,427.

The total balance of the Endowment Fund at 31st December 2019 amounted to £10,154,772 designated as the Main Fund £8,275,345 and the Heritage Assets Fund £1,879,427.

The Main Fund has increased by £784,692 as a result of realised gains on disposals and by the increase in the value of investments at the year end. A capital drawdown of £30,000 was used during the year.

Total Reserves

The total reserves at 31st December 2019 amounted to £10,290,170. The high level of reserves is required in the Endowment Fund to generate sufficient investment income to cover the running costs of the Foundation. The directors and trustees are continually trying to increase and attract funding for curatorial and capital expenditure to continue with improvements to the Hall, contents and grounds.

The Burton Constable Foundation

Report of the Trustees for the year ended 31st December 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, Memorandum and Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Directors and Trustees

The trustees of the charity during the year, and their respective memberships of sub-committees, were as stated below:

Committee Membership

R A H Sword FRICS FAAV	- Chairman
Mrs R C Straker MA (Cantab) MRICS	- Curatorial
J A J Straker – resigned 31/05/2019	
N A C Hildyard DL FCA	
Ms C J Nichol Bsc, PG Dip, AMA, FRGS	
Dr C L Ridgway BA, D.Phil.	
Ms Y L Hardman MA, AMA	
A C T Proctor MA (Cantab)	
J C Straker MBA MA (Oxon) – appointed 31/05/2019	

The first appointed trustees were named in the Memorandum and Articles of Association and were limited to 8. New trustees must be nominated by two existing trustees and their appointment unanimously agreed by those trustees holding office. All trustees must retire after three years but can then offer themselves for re-appointment.

Risk Management

The trustees have debated risk management issues and have developed a risk management strategy.

Principal Officer

The principal officer of the company was the Director, Susan Hopkinson.

The Burton Constable Foundation

Report of the Trustees for the year ended 31st December 2019

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of The Burton Constable Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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, Smailes Goldie, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 19th June 2020 and signed on its behalf by:



C M Day - Secretary

The Burton Constable Foundation

**Endowment Investment Policy
for the year ended 31st December 2019**



Burton Constable
HALL & GROUNDS

Burton Constable Foundation – Endowment Investment Policy 2019

In 1992 the Burton Constable Foundation (the Foundation) was established and endowed by the National Heritage Memorial Fund to maintain for public benefit Burton Constable Hall, together with its collections, associated buildings and parkland, to conserve them and make them available to members of the public. The Foundation has approximately £7million of endowment assets (2019). These, together with agricultural rents and income from visitors and events, provide the total income for the Foundation's charitable activities. The invested capital is necessary to provide income in perpetuity and capital growth ahead of inflation in order to support the funding of the Foundation's activities.

The Trustees of the Foundation are governed by the Trustee Act 2000, which sets out the general power of investment. For further details please see: <http://www.legislation.gov.uk/ukpga/2000/29/notes/division/5/2/1>

The Trustees of the Foundation may delegate day-to-day decision making on investments to the Investment Fund Manager.

Objectives

The Foundation's endowment is invested to produce the best financial total return within an acceptable level of risk.

The assets should be managed to provide as much income as possible whilst maintaining the real capital value of the endowment to support the core activities of the Burton Constable Foundation.

The current (2019) income target is £270,000 per annum. As such the overall investment objective has to be £270,000 per annum increasing with inflation, whilst also increasing the capital value of the endowment fund ahead of inflation – the Total Return.

Risk

The Foundation relies on the investment income to support the core activities of the charity. The stability of income is therefore very important to the Foundation.

The key risks to the long-term sustainability of the Foundation's endowment are inflation and economic and political risk and the assets should be invested to mitigate this risk in the long term. The Trustees understand that this is likely to mean that investment will be concentrated in real assets and that the capital value will fluctuate.



Burton Constable

HALL & GROUNDS

Endowment Assets

The Foundation's endowment assets can be invested widely according to the general power of investment and should be diversified by asset class, by manager and by security. Asset classes could include cash, bonds, equities, property, hedge funds, private equity, commodities and any other asset that is deemed suitable for the endowment.

The Trustees have agreed that they will, in consultation with investment advisors, target a strategic asset allocation which will be set so as to achieve the overall long-term endowment objectives.

The Trustees are responsible for identifying and monitoring suitable investment advisors, who shall be re-appointed at no less than five-yearly intervals.

Currency

The base currency of the investment portfolio is Sterling.

Credit

The Foundation's endowment cash balances should be deposited with institutions with a minimum rating of A+.

Liquidity Requirements

As of August 2019, the Foundation's endowment is valued at c£7m.

The endowment aims to balance the current and future needs of the Foundation and as such aims to set a sustainable income target which at present is £270k per annum, growing with inflation.

In principle the Trustees of the Foundation are unable to draw down capital from the Endowment. However, the Trustees of the Foundation are permitted to draw down 1% per annum from Endowment capital if required for repair and maintenance expenditure where there is a shortfall in income or grants and where the endowment's capital growth remains ahead of inflation. Apart from this there is no general requirement for short-term capital.

To provide sufficient cash-flow the Foundation requires that Endowment income is paid at least quarterly.

Time Horizon

The Foundation's endowment is expected to exist in perpetuity and investments should be managed to meet the investment objective and ensure this sustainability.

The endowment should adopt a long-term investment time horizon.

Ethical Investment

The Trustees of the Foundation do not wish to impose any specific ethical investment policy, although the Trustees are required to consider the congruence of potential investments with the aims of the permanent endowment.

The Burton Constable Foundation

**Endowment Investment Policy
for the year ended 31st December 2019**



Burton Constable
HALL & GROUNDS

Managing, Reporting and Monitoring

The Trustees select investment managers to implement the agreed asset allocation strategy. Managers are required to produce a valuation and performance report quarterly. The Foundation has nominated a list of authorised signatories, two of which are required to sign instructions to the investment manager.

The Trustees have responsibility for agreeing strategy, selecting managers and monitoring the investment assets. The Trustees meet three times each year to review the portfolio, including an analysis of return, risk and asset allocation. Performance will be monitored against agreed market indices, and at an overall level against a composite benchmark and the investment objective of maintaining the value of the endowment and providing the required income and total return of over the long term.

Day-to-day investment decisions are delegated to the Investment Manager.

The Investment Manager is required to report formally to the Trustees at least on an annual basis. This report should include a review of asset allocation strategy, performance, risk profile and consistency with long-term investment objective.

This investment policy statement was prepared for the Foundation's Trustees to provide a framework for the management of its investment assets. This will be reviewed on a regular basis to ensure continuing appropriateness.

October 2019

Report of the Independent Auditors to the Members of The Burton Constable Foundation

Opinion

We have audited the financial statements of The Burton Constable Foundation (the 'charitable company') for the year ended 31st December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors 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, 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of The Burton Constable Foundation

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

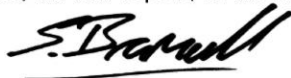
Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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 Report of the Independent Auditors.

Use of our report

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



Stephen Bramall Bsc FCA (Senior Statutory Auditor)
for and on behalf of Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

19th June 2020

The Burton Constable Foundation

**Statement of Financial Activities
for the year ended 31st December 2019**

		Unrestricted funds	Restricted fund	Endowment fund	2019 Total funds	2018 Total funds as restated £
	Notes	£	£	£	£	£
INCOME AND ENDOWMENTS FROM						
Donations and grants	2	26,257	79,950	-	106,207	53,374
Charitable activities						
Historic house and grounds		123,494	-	-	123,494	118,167
Other trading activities	3	62,741	-	-	62,741	53,803
Investment income – listed securities		289,670	-	-	289,670	266,487
Other Income		<u>86,295</u>	<u>-</u>	<u>-</u>	<u>86,295</u>	<u>48,346</u>
Total		588,457	79,950	-	668,407	540,177
EXPENDITURE ON						
Raising funds	4	38,929	-	41,201	80,130	79,334
Charitable activities						
Historic house and grounds	5	<u>563,988</u>	<u>57,856</u>	<u>-</u>	<u>621,844</u>	<u>560,586</u>
Total		602,917	57,856	41,201	701,974	639,920
Net gains/(losses) on investments		<u>-</u>	<u>-</u>	<u>825,893</u>	<u>825,893</u>	<u>(526,778)</u>
NET INCOME/(EXPENDITURE)		(14,460)	22,094	784,692	792,326	(626,521)
Transfers between funds	19	<u>29,615</u>	<u>385</u>	<u>(30,000)</u>	<u>-</u>	<u>-</u>
Net movement in funds		15,155	22,479	754,692	792,326	(626,521)
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>97,764</u>	<u>-</u>	<u>9,400,080</u>	<u>9,497,844</u>	<u>10,124,365</u>
TOTAL FUNDS CARRIED FORWARD		<u>112,919</u>	<u>22,479</u>	<u>10,154,772</u>	<u>10,290,170</u>	<u>9,497,844</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

The Burton Constable Foundation
(Registered company number: 02614135)

Balance Sheet
At 31st December 2019

		2019	2018
		£	as restated £
FIXED ASSETS	Notes		
Intangible assets	10	332	2,681
Tangible assets	11	134,236	130,906
Heritage assets	12	1,879,427	1,879,427
Investments	13	<u>8,130,345</u>	<u>7,375,653</u>
		10,144,340	9,388,667
 CURRENT ASSETS			
Stocks	14	6,544	7,662
Debtors	15	137,732	115,022
Cash at bank and in hand		<u>96,408</u>	<u>69,913</u>
		240,684	192,597
 CREDITORS			
Amounts falling due within one year	16	<u>(94,854)</u>	<u>(83,420)</u>
 NET CURRENT ASSETS		<u>145,830</u>	<u>109,177</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,290,170</u>	<u>9,497,844</u>
 NET ASSETS		<u>10,290,170</u>	<u>9,497,844</u>
 FUNDS	19		
Unrestricted funds		112,919	97,764
Restricted funds		22,479	-
Endowment funds		<u>10,154,772</u>	<u>9,400,080</u>
 TOTAL FUNDS		<u>10,290,170</u>	<u>9,497,844</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Trustees on 19th June 2020 and were signed on its behalf by:



R A H Sword FRICS FAAV-Trustee

The notes form part of these financial statements

The Burton Constable Foundation

**Cash Flow Statement
for the year ended 31st December 2019**

		2019	2018
		£	as restated £
Cash flows from operating activities:	Notes		
Cash generated from operations	23	<u>(290,904)</u>	<u>(331,663)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(25,521)	(5,415)
Sale of tangible fixed assets		23,250	-
Capital drawdown		30,000	35,000
Dividends received		<u>289,670</u>	<u>266,487</u>
Net cash provided by investing activities		<u>317,399</u>	<u>296,072</u>
Change in cash and cash equivalents in the reporting period		26,495	(35,591)
Cash and cash equivalents at the beginning of the reporting period		<u>69,913</u>	<u>105,504</u>
Cash and cash equivalents at the end of the reporting period		<u>96,408</u>	<u>69,913</u>

The notes form part of these financial statements

The Burton Constable Foundation

Notes to the Financial Statements for the year ended 31st December 2019

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Company status

The charity is a company limited by guarantee. The members of the company are the trustees. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member.

Income recognition

Income is measured at the fair value of the consideration received or receivable. The policies adopted for the recognition of income are as follows:

Charitable activities

Income from charitable activities is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured reliably.

Investment income

Income from listed investments is recognised as the charity's right to receive payment is established.

Sale of goods

Income from the sale of goods is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the charity and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on dispatch of the goods.

Donations and grants

Income from donations, government and other grants, whether capital or revenue, 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.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Allocation and apportionment of costs

Support costs have been allocated between administration and governance costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice such as costs related to statutory audit and legal fees.

There has been no apportionment of costs.

The Burton Constable Foundation

Notes to the Financial Statements - continued for the year ended 31st December 2019

1. ACCOUNTING POLICIES - continued

Intangible fixed assets

Intangible assets are amortised on a straight-line basis over their useful lives of five years.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Plant and machinery	- 5% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost

Heritage assets

Heritage assets are recognised on the balance sheet and initially measured at cost when purchased or if donated, their valuation. Assets are subsequently stated at cost or valuation less any provisions for impairment. Fair values for donated assets are estimated by reference to market prices.

Heritage assets stated at cost are not depreciated on the basis they have a very long useful life, thus making any depreciation charge immaterial.

Where information on the cost or valuation of heritage assets is not available or the cost of providing such information significantly outweighs any benefit to the users of the accounts, heritage assets are not recognised on the balance sheet.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used, at the discretion of the trustees, in accordance with the charitable objectives.

Restricted funds can only be used for particular purposes within the objects of the charity.

Endowment funds represent those assets that must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income, in addition, up to 1% of the capital of the endowment fund may be used so long as the capital has grown ahead of inflation. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

The Burton Constable Foundation

Notes to the Financial Statements - continued for the year ended 31st December 2019

1. ACCOUNTING POLICIES - continued

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value through the statement of financial activities if the shares are publicly traded, using the closing quoted middle price, or their value can otherwise be measured reliably.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and are receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of financial activities allocated to the appropriate heading.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the statement of financial activities unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

2. DONATIONS AND GRANTS

	2019	2018 as restated
	£	£
Donations	10,963	12,943
Grants	95,244	40,431
	<u>106,207</u>	<u>53,374</u>

3. OTHER TRADING ACTIVITIES

	2019	2018 as restated
	£	£
Gift shop sales	15,099	14,505
Special event income	25,396	22,205
Rents received	22,246	17,093
	<u>62,741</u>	<u>53,803</u>

4. RAISING FUNDS

	2019	2018 as restated
	£	£
Raising donations and legacies	13,521	13,756
Other trading activities	25,408	24,133
Investment management costs	41,201	41,445
	<u>80,130</u>	<u>79,334</u>

The Burton Constable Foundation

Notes to the Financial Statements - continued for the year ended 31st December 2019

5. CHARITABLE ACTIVITIES COSTS

Historic House and Grounds	2019	2018 as restated
	£	£
Direct costs	448,148	380,696
Support costs - Administration	156,050	158,673
- Governance	<u>17,646</u>	<u>21,217</u>
	<u>173,696</u>	<u>179,890</u>
	<u>621,844</u>	<u>560,586</u>

Governance costs

	2019	2018 as restated
	£	£
Trustees' expenses – travel and subsistence	2,453	4,477
Auditors' remuneration	5,400	5,250
Accountancy fees	1,358	1,088
Legal fees	<u>8,435</u>	<u>10,402</u>
	<u>17,646</u>	<u>21,217</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

No trustees received any remuneration or other benefits for the year ended 31st December 2019 (2018: nil).

7. STAFF COSTS

	2019	2018 as restated
	£	£
Wages and salaries	270,006	246,639
Social security costs	16,637	14,504
Other pension costs	<u>6,752</u>	<u>5,359</u>
	<u>293,395</u>	<u>266,502</u>

The average monthly number of employees during the year was as follows:

	2019	2018
Full time	7	7
Part time	4	4
Seasonal	<u>11</u>	<u>9</u>
	<u>22</u>	<u>20</u>
Full time equivalent	<u>10</u>	<u>10</u>

No employees received emoluments in excess of £60,000.

The total cost of employing key management personnel was £90,782 (2018: £90,618).

The Burton Constable Foundation

**Notes to the Financial Statements - continued
for the year ended 31st December 2019**

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted fund	Endowment fund	Total funds as restated
	£	£	£	£
INCOME AND ENDOWMENTS FROM				
Donations and grants	32,931	20,443	-	53,374
Charitable activities				
Historic house and grounds	118,167	-	-	118,167
Other trading activities	53,803	-	-	53,803
Investment income – listed securities	266,487	-	-	266,487
Other income	48,346	-	-	48,346
Total	519,734	20,443	-	540,177
EXPENDITURE ON				
Raising funds	37,889	-	41,445	79,334
Charitable activities				
Historic house and grounds	538,205	22,381	-	560,586
Total	576,094	22,381	41,445	639,920
Net gains/(losses) on investments	-	-	(526,778)	(526,778)
NET INCOME/(EXPENDITURE)	(56,360)	(1,938)	(568,223)	(626,521)
Transfers between funds	294,748	1,938	(296,686)	-
Net movement in funds	238,388	-	(864,909)	(626,521)
Total funds brought forward	(140,624)	-	10,264,989	10,124,365
TOTAL FUNDS CARRIED FORWARD	97,764	-	9,400,080	9,497,844

9. PRIOR YEAR ADJUSTMENT

The prior year figures have been restated to reflect a transfer between funds to align the main fund with the market value of the fixed asset investment portfolio. The adjustment represents cumulative capital drawdowns made up to 31 December 2016.

The Burton Constable Foundation

**Notes to the Financial Statements - continued
for the year ended 31st December 2019**

10. INTANGIBLE FIXED ASSETS

	£
COST	
At 1st January 2019 and 31 st December 2019	<u>11,745</u>
AMORTISATION	
At 1st January 2019	9,064
Charge for year	<u>2,349</u>
At 31st December 2019	<u>11,413</u>
NET BOOK VALUE	
At 31st December 2019	<u>332</u>
At 31st December 2018	<u>2,681</u>

Intangible fixed assets comprise entitlement rights to receive income under the Basic Payment Scheme.

11. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1st January 2019	146,663	135,598	40,043	322,304
Additions	-	5,075	20,446	25,521
Disposals	<u>-</u>	<u>(18,031)</u>	<u>(38,645)</u>	<u>(56,676)</u>
At 31st December 2019	<u>146,663</u>	<u>122,642</u>	<u>21,844</u>	<u>291,149</u>
DEPRECIATION				
At 1st January 2019	31,776	119,579	40,043	191,398
Charge for the year	7,333	9,589	5,111	22,033
Disposals	<u>-</u>	<u>(17,873)</u>	<u>(38,645)</u>	<u>(56,518)</u>
At 31st December 2019	<u>39,109</u>	<u>111,295</u>	<u>6,509</u>	<u>156,913</u>
NET BOOK VALUE				
At 31st December 2019	<u>107,554</u>	<u>11,347</u>	<u>15,335</u>	<u>134,236</u>
At 31st December 2018	<u>114,887</u>	<u>16,019</u>	<u>-</u>	<u>130,906</u>

12. HERITAGE ASSETS

	Total £
COST OR VALUATION	
At 1st January 2019 and 31st December 2019	<u>1,879,427</u>
NET BOOK VALUE	
At 1st January 2019 and 31st December 2019	<u>1,879,427</u>

The Burton Constable Foundation

Notes to the Financial Statements - continued for the year ended 31st December 2019

12. HERITAGE ASSETS - continued

Burton Constable Hall, together with the stable block, certain ancillary buildings and approximately 320 acres of surrounding parkland, was gifted to the Foundation by the National Heritage Memorial Fund (NHMF) on 23 March 1992. It is included in the accounts at the value of £1,070,000 for which the NHMF acquired the Hall in 1992. In 1992 the NHMF also gifted a collection of scientific instruments, dating from the 18th century, valued at £72,650. Further collections and artefacts have been acquired, details of which can be obtained at Burton Constable Hall, increasing the value of the assets to £1,879,427. The hall and stable block are insured for £49,266,216. The collections are insured for £16,667,500. The furniture, paintings and decorative art collections were transferred to Leeds City Council to be retained on display at Burton Constable Hall.

13. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1st January 2019	7,375,653
Net gains on investments	825,893
Investment management costs	(41,201)
Capital drawdown	<u>(30,000)</u>
At 31st December 2019	<u>8,130,345</u>

The portfolio is managed by Investec Wealth & Investments and at the year end comprised cash and cash equivalents of £16,634 and listed investments of £8,113,711.

14. STOCKS

	2019 £	2018 as restated £
Gift shop stock and guide books	<u>6,544</u>	<u>7,662</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 as restated £
Trade debtors	4,373	6,535
Other debtors	74,188	54,310
VAT	10,730	7,034
Prepayments	<u>48,441</u>	<u>47,143</u>
	<u>137,732</u>	<u>115,022</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 as restated £
Trade creditors	61,464	56,361
Social security and other taxes	5,030	5,527
Other creditors	20,115	13,128
Accruals	<u>8,245</u>	<u>8,404</u>
	<u>94,854</u>	<u>83,420</u>

The Burton Constable Foundation

**Notes to the Financial Statements - continued
for the year ended 31st December 2019**

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019	2018 as restated
	£	£
Within one year	1,791	2,387
Between one and five years	-	1,791
	<u>1,791</u>	<u>4,178</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted fund	Endowment fund	2019 Total funds	2018 Total funds as restated
	£	£	£	£	£
Fixed assets	134,568	-	1,879,427	2,013,995	2,013,014
Investments	-	-	8,130,345	8,130,345	7,375,653
Current assets	218,205	22,479	-	240,684	192,597
Current liabilities	(94,854)	-	-	(94,854)	(83,420)
Loan between funds	(145,000)	-	145,000	-	-
	<u>112,919</u>	<u>22,479</u>	<u>10,154,772</u>	<u>10,290,170</u>	<u>9,497,844</u>

19. MOVEMENT IN FUNDS

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.19 £
Unrestricted funds				
General fund	97,764	(14,460)	29,615	112,919
Restricted funds				
Heritage resilience fund	-	22,479	-	22,479
Other	-	(385)	385	-
	-	22,094	385	22,479
Endowment funds				
Main fund and heritage assets	9,400,080	784,692	(30,000)	10,154,772
TOTAL FUNDS	<u>9,497,844</u>	<u>792,326</u>	<u>-</u>	<u>10,290,170</u>

The Burton Constable Foundation

**Notes to the Financial Statements - continued
for the year ended 31st December 2019**

19. MOVEMENT IN FUNDS – continued

Net movements in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	588,457	(602,917)	-	(14,460)
Restricted funds				
Heritage resilience fund	76,500	(54,021)	-	22,479
Other	3,450	(3,835)	-	(385)
	79,950	(57,856)	-	22,094
Endowment funds				
Main fund and heritage assets	-	(41,201)	825,893	784,692
TOTAL FUNDS	<u>668,407</u>	<u>(701,974)</u>	<u>825,893</u>	<u>792,326</u>

Comparatives for movement in funds

	At 1.1.18 £	Net movement in funds £	Transfers between funds £	At 31.12.18 £
Unrestricted funds				
General fund	(140,624)	(56,360)	294,748	97,764
Restricted funds				
Natural England	-	(1,938)	1,938	-
Other	-	-	-	-
	-	(1,938)	1,938	-
Endowment funds				
Main fund and heritage assets	10,264,989	(568,223)	(296,686)	9,400,080
TOTAL FUNDS	<u>10,124,365</u>	<u>(626,521)</u>	<u>-</u>	<u>9,497,844</u>

Comparative net movements in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	519,734	(576,094)	-	(56,360)
Restricted funds				
Natural England	17,443	(19,381)	-	(1,938)
Other	3,000	(3,000)	-	-
	20,443	22,381	-	(1,938)
Endowment funds				
Main fund and heritage assets	-	(41,445)	(526,778)	(568,223)
TOTAL FUNDS	<u>540,177</u>	<u>(639,920)</u>	<u>(526,778)</u>	<u>(626,521)</u>

The Burton Constable Foundation

Notes to the Financial Statements - continued for the year ended 31st December 2019

19. MOVEMENT IN FUNDS – continued

Main endowment fund

The endowment fund was established in order to provide investment income to fund the annual running costs of the house and grounds. In addition, the foundation has been granted permission to spend up to 1% of the capital of the fund per year so long as capital has grown ahead of inflation.

Heritage assets endowment fund

The heritage assets fund was established with the reinstatement of fixed assets previously included in the accounts at no value. These were the assets donated to the charity on commencement of its activities. The balance on this fund represents the value of the Hall and various collections and artefacts reinstated in 2001 together with subsequent additions.

Heritage resilience fund

Funding received from the National Lottery is being used to increase organisational resilience and financial sustainability.

	Main fund £	Heritage assets £	Total £
Opening balance at 1st January 2019	7,520,653	1,879,427	9,400,080
Net movement in fund	784,692	-	784,692
Capital drawdown transfer	(30,000)	-	(30,000)
Closing balance at 31st December 2019	<u>8,275,345</u>	<u>1,879,427</u>	<u>10,154,772</u>

In 2014, the foundation obtained permission to withdraw £145,000 from the main endowment to fund a major capital project. It is the intention of the foundation to repay this amount over a period of not more than 15 years.

20. CONTINGENT LIABILITIES

Over the years, the Foundation has received some grants that may be partly repayable should the historic assets to which they relate ever be sold. There is no intention that any such assets will be sold and the last grant with such conditions attaching was received in 2007.

21. RELATED PARTY DISCLOSURES

Burton Constable Hall is subject to a 250 year lease on the South Wing in favour of Mrs R C Straker. The lease was issued prior to the donation of the building by the National Heritage Memorial Fund to the Foundation. The lease is a full repairing lease with an annual rent of £260 per annum.

22. SHARE CAPITAL

The company is limited by members' guarantees and therefore has no share capital. The members' liability on a winding up is limited to £1 each. The company currently has eight members.

The Burton Constable Foundation

**Notes to the Financial Statements - continued
for the year ended 31st December 2019**

23. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019	2018
	£	as restated £
Net income for the reporting period (as per the statement of financial activities)	792,326	(626,521)
Adjustments for:		
Depreciation charges	24,382	22,050
Net gains on investments	(825,893)	526,778
Investment management costs	41,201	41,445
Profit on disposal of fixed assets	(23,092)	-
Investment income	(289,670)	(266,487)
Decrease in stocks	1,118	3,336
Increase in debtors	(22,710)	(23,297)
Increase/(decrease) in creditors	<u>11,434</u>	<u>(8,967)</u>
Net cash used in operating activities	<u>(290,904)</u>	<u>(331,663)</u>

24. POST BALANCE SHEET EVENTS

Non-adjusting event arising from COVID-19

Since the year end, there has been a significant downturn in global financial markets following the outbreak of the COVID-19 virus. The foundation's fixed asset investments have reduced in value by approximately 16%. The effect on investment income is as yet unknown, but is likely to reduce significantly during the year ended 31 December 2020. The foundation's charitable activities can be flexed accordingly, so the long-term viability of the charity remains unchanged.