



**Porthcurno**

**The Porthcurno Collections Trust**

**Trustee's Report and Consolidated Financial Statements**

**Period ended 30 September 2020**

**Registered charity number 1062233**

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## Vision

**Everyone communicates.**

**The technology behind communication has changed the world.**

Mobiles, fibre optics, the World Wide Web, radio and television would not have been possible without the development of the telegraph and early wireless technology.

**We are here to tell part of this story; from the first use of electricity to how we communicate today. How cable communication and early wireless technology came to change our perceptions and our everyday lives.**

### **Access & Learning - VISION**

1. An internationally important site for communications and local history as well as a key destination in Cornwall for visitors
2. A regional centre of excellence for out-of-school science and technology learning where we inspire an interest in science
3. A high quality visitor experience that is educational, inspiring and accessible to all
4. A centre of an active programme of events and temporary exhibitions

### **Collections Management and Research - VISION**

5. Maintaining the highest standards of collections care to a designated collection and keeping some of the collections working
6. Recognised research centre in communications and social history with an unique and complete collection of submarine cable technology

### **Sustainability - VISION**

7. An active member of the local community that encourages local involvement in the activities and development of the museum
8. Working in partnership with others, to foster social, economic and environmental benefits for the trust and wider community
9. Sustainable and financially independent charity
10. Taking an active role in the strategic priorities and emerging issues locally, regionally and nationally

## Legal and administrative information

### Registered office and

**principal place of business:** Eastern House  
Porthcurno  
Penzance  
Cornwall, TR19 6JX

**Charity registration number:** 1062233

**VAT number:** GB 699 4558 55

### Trustees

The Trustee who served during the period was:

Porthcurno Limited                      Corporate Trustee appointed 12 March 1997

The directors of Porthcurno Ltd during the period under review were:

Gareth Parry (Chairman)  
Christopher Fyles (Treasurer, Vice-chairman)  
Patrick Cowan  
Tamsin Daniel  
David Escott  
David Foot  
Anita George  
Janet Pascoe (resigned 3 June 2020)  
Richard Perry  
Brett Rolfe  
Julie Seyler  
Deborah Tritton (appointed 26 June 2019)

### Principal officers

The management team reports to the Board of the Corporate Trustee and is responsible for the overall management of the Trust.

The team of managers comprise:

Chairman:                                  Gareth Parry

Treasurer:                                Christopher Fyles

Director:                                    Julia Twomlow

Secretary/Finance Manager:        Patricia McCartney

The Chairman, Treasurer, Director and Secretary are responsible for managing the finances and administration of the Trust and for ensuring compliance with all legal obligations.

**Legal and administrative information (continued)**

**Independent advisers**

Solicitors:	Foot Anstey LLP Senate Court Southernhay Gardens Exeter, Devon EX1 1NT
Auditor:	RRL LLP Peat House Newham Road Truro Cornwall, TR1 2DP
Bankers:	Barclays Bank plc Bolitho's Bank 21 Coinagehall Street Helston Cornwall, TR13 8ET

## **Director's Report**

This is the final report of the PK Trust, the charity which had owned and operated Telegraph Museum Porthcurno since its foundation by Cable and Wireless in 1998. During 2019-20, the PK Trust undertook a full governance review resulting in the foundation of a new CIO, called PK Porthcurno, to take over the ownership and running of the museum under its new name: PK Porthcurno, Museum of Global Communications. As a result, this report covers the extended 18-month period from April 2019 to September 2020 when the PK Trust finally transferred ownership and control of the museum, collections and site to the new charity.

The period covered by the report was a time of unprecedented change and uncertainty for everyone. At Porthcurno, we were already on a self-generated trajectory of change, with the rebrand and restructure, but the pandemic added further levels of complexity to the experience and the way it had to be managed.

I have therefore divided this report into two parts, the first covering the charities activities pre-COVID (April 2019 to February 2020) and the second covering our response to the pandemic and eventual handover to the CIO (March to September 2020).

### **April 2019 to February 2020**

Visitor numbers in the early part of 2019 had been disappointing for Telegraph Museum Porthcurno and it became clear that change was needed. In response, we undertook a rebranding exercise, engaging marketing consultants Wolf Rock to guide us through the process and finally deciding on a new trading name, PK Porthcurno, Museum of Global Communications. The purpose of the rebrand was to improve the relevance and appeal of the museum and its displays to attract a wider audience, exploring other aspects of the PK story, beyond the field of telegraphy and cable communications and recognising the historic role of the PK campus as a social hub for the community of St Levan Parish.

Alongside the rebranding we undertook a structural review with governance specialists Counterculture, resulting in a new business model for the museum, moving from a corporate trustee structure to a simpler charitable incorporated organisation (CIO).

Further to a visit to the museum from Andrew Dunnett, CEO of the Vodafone Foundation in September 2019 and subsequently a presentation to the Board of the Foundation in December, a further three years of funding at £120,000 p.a. was secured to support the museum with realising its strategic plans and transformation.

While we planned for change at a strategic level, business at the museum carried on as normal. The archive and museum continued to enjoy support from our dedicated and skilled team of volunteers; helping to keep sensitive equipment working, digitising items for the archive, creating gifts for sale in the shop and curating a new temporary exhibition on spying. In total, the museum opened three new temporary exhibitions: "Going Underground" which explored the construction of the WW2 tunnels; "I Spy: The Secret Listeners" looking at the role of telegraphy and wireless technology as a means of spying and of maintaining secrecy and "Apollo in Ascension" which celebrated the role of the Cable and Wireless Earth Station on Ascension Island in the first moon landing. A new timeline for the rear cross Tunnel was also installed, paid for by a grant from the Trusthouse Charitable Foundation.

Preservation work on the WW2 tunnels, funded by the Pilgrim Trust, was completed including restoration of the mast at the top of the Escape Stairs and repainting of the camouflage to the exterior walls of the tunnels. Thanks to the Pilgrim Trust we were also able to undertake investigative work in the tunnels to identify vulnerable objects from the collection and devise remediation to the risks to which the items are exposed through fluctuating humidity levels.

Digitisation of the Engineers' Reports commenced in April 2019. This two-year project, paid for by sponsorship from Subsea Environmental Services (SES), included a dedicated part-time staff member to conduct the scanning and upload of the documents.

### **Director's Report (continued)**

The PK archive was also one of 10 UK-wide partners in the Unlocking Our Sound Heritage project. Funded by the National Lottery Heritage Fund, this project sought to digitise audio archive items originally recorded on now obsolete formats and enable some to be made available online.

In December 2019, Arts Council England awarded the museum a grant through its Designation Development Fund (DDF) to create an online searchable database for the museum archives, which would be attached to our new website. The project was called PK150: Connected Collections and included an engagement programme aimed at opening the collections and archive to new voices and perspectives, exploring ideas of decolonisation, communications, globalisation and alternative histories of the communities impacted and formed around the arrival of the cables.

Our NPO funded learning and engagement programmes were vibrant and well received. They included a "Soft Sculpture Cables" outreach project in partnership with Nancealverne School project and local artist Vicky Wiltshire, working with a group of children with complex learning and physical needs.

Our monthly STEAM Explorer sessions for 7 to 12-year-olds continued during school holidays and we were able to offer our PK Pioneers family activities in the Clore Learning Space, which were well attended. School visits increased and thanks to an anonymous private donation, we were also able to offer free group visits to 18 local schools and community groups and a PK Learning Pack resource was also developed to share with local schools. Working with Carefree Cornwall and the Culture Pass, we welcomed a group of young Care Leavers for a tour of the museum and an artist-led workshop.

Artist commissions included Lucy Birbeck who created a set of silk flags for the café terrace of the museum to fly throughout the summer. Titled 'Flying Colours' this project was our contribution to the national 'Fly the Flag' campaign celebrating the 70th anniversary of the Declaration of Human Rights. Sculptor, Graham Jobbins was commissioned to create a processional sculpture of Mercury the Messenger for our anniversary celebrations. Also, for the anniversary, we worked with the Minack Theatre to commission playwright, David Lane, to write a new play about our 150-year history for performance on the Minack stage. Artist collective, Moradavaga, based in Portugal and Italy, was commissioned to create a giant communications squid for the anniversary, which was to be installed in the museum gardens.

In 2019-20 we launched our Planet PK ongoing environmental programme, formally recognising our duty of care as residents and landowners within Porthcurno Valley, which is within an Area of Outstanding National Beauty. Planet PK embeds green values within the organisation's future business and marketing plans to ensure that environmental concerns are central to every decision we make. With a grant from Tevi Cornwall and help from the Eden Project, we were also able to commence wildflower planting in the beds and verges around our carpark and café terrace to support biodiversity. Single-use plastics were drastically reduced in our shop and café. Led by our gardener, working with a small team of staff and volunteers, two beehives were also installed on the museum site. In early 2020, we were national winners of the Cultural Enterprises Association Green Award for our work around wildflower planting, sustainable sourcing in the shop and café, installation of renewable energy, beekeeping and habitat and wildlife protection on our site.

### **March to September 2020**

In 2020, PK Porthcurno was due to celebrate the 150th anniversary of the first telegraph cable landing on the beach at Porthcurno, linking Britain directly with India. An exciting range of events and activities were planned for the year and our original intention was to use the 150th anniversary as a launchpad for the rebranding. However, in March 2020, the COVID-19 lockdown began in the UK with associated closures for public buildings and the implementation of social distancing. Like all other galleries and museums in the UK, the museum closed to the public. All anniversary plans were shelved and we entered a period of closure. Emergency grants from Arts Council England and the National Lottery Heritage Fund enabled us to survive this difficult time.

During lockdown, many staff were furloughed whilst others continued to work remotely or in small bubbles. Our Engagement Curator helped us all to "Stay Connected" with each other during this time. When COVID

### **Director's Report (continued)**

restrictions lifted in the summer, we decided to keep the museum closed to the public, prioritising the safety of staff at what turned out to be a very busy time in Cornwall. A pop-up café was opened in the Wilshaw Building however, with a view to establishing a presence in the valley at the height of the season, despite the museum being closed.

In the archive, the Arts Council England funded DDF project made good progress with the appointment of a Collections Cataloguer to improve and modify our MODES collection database in preparation for our online collections catalogue to go live. An Archive Research Assistant was also appointed to deliver the engagement element of the project, including recruiting five "Citizen Curators" from Exeter University and five international students based at locations connected to the telegraph. Each Citizen Curator was paired with an international student to work remotely to research an agreed topic.

With a further grant from the Arts Council England Cultural Recovery Fund, we were able to develop a reopening plan and on 10th September 2020, the museum reopened to the public under its new name: PK Porthcurno, Museum of Global Communications and offering free admission. This was both to reflect the diminished offer we were able to provide whilst remaining COVID-secure and to try to regain momentum from the lengthy closure period.

In preparation for the full transfer of the site to the new CIO, we undertook a revaluation of Mercury House as a single property instead of as five holiday flats. We also commenced negotiations and discussions about the potential purchase of the Cable Station Inn and Coach House leasehold, in the knowledge that the acquisition if completed, would be with the new CIO.

Many changes were introduced, both imposed by the pandemic and those internal to the museum. The former included a controlled one-way visitor route around the museum, recommended pre-booking, 'test and trace' data collection and a limit of only 12 customers per half hour. Added to this were staff changes brought about by the Visitor Services restructure (implemented 1 week after the museum closed in March) and the implementation of the new EPOS system, which had been scheduled for 1st April. Visitor numbers in September were steady and spend per visitor was strong across both the café and retail areas, with an encouraging response to the new branding and identity.

While the period covered by this report has undoubtedly been challenging, it has by no means been entirely negative. At Porthcurno we were already on a trajectory of change and had many plans in place. The pandemic meant that we had to shift the emphasis away from programming-based activities, such as the 150<sup>th</sup> anniversary and instead focus on our longer-term strategic plans.

As Director, I have been particularly proud of the resolve, strength and adaptability of the Board of Trustees and the Senior Management Team in guiding the organisation through such major changes. I have also been deeply impressed by the mutual support, care and consideration of the staff team for each other in the face of so many challenges. This has been a defining year for the museum and I think we have emerged from it stronger, more resilient and with a far greater sense of our purpose and unique value as an organisation.

Julia Twomlow

Museum Director



## **Trustee's report**

The Trustee is pleased to present its report together with the audited financial statements of the charity for the period ended 30 September 2020 and confirm that the latter comply with the requirements of the constitution and the Charities SORP 2019.

The Trust is a UK registered charity, number 1062233.

On 1 October 2020, the Trust transferred its activities, assets and liabilities to the Charitable Incorporated Organisation, PK Porthcurno, registered charity number 1189090.

### **Structure, Governance and Management**

#### **Governing document**

The governing document of the Trust is a deed dated 12<sup>th</sup> March 1997. The Trust is governed by individuals who report to the corporate trustee, Porthcurno Limited, a company limited by guarantee.

#### **Director induction and training**

Existing directors are already familiar with, and the majority experienced in, the work of charities by virtue of their currently holding or having previously held trustee appointments with other charities. New directors may be appointed at any time (either by way of replacement or addition) by the existing directors.

All directors have been acquainted with the Charity Commission's guide "the Essential Trustee", which is distributed free to all directors together with a copy of the Trust Deed and latest report and accounts. In the event of a vacancy a new director would be encouraged to attend a series of meetings with existing directors and employees and, if necessary, attend a short external course.

A Governance Review was carried out during the year ended 31 March 2018 and is reviewed on an ongoing basis. The Trustee pack continues to be updated on a regular basis for the existing and new Directors.

#### **Organisation**

The board of directors of the Trustee meet quarterly and is responsible for the strategic direction of the Trust. The day to day responsibility for the running of the Trust rests with the Director and assistants who report to the board of the Trustee.

#### **Risk Management**

The Trustee has examined the major operational and financial risks that the Trust faces and confirms that procedures have been implemented to enable regular reviews to be undertaken and reports to be produced in order that the necessary steps can be taken to minimise any potential impact on the Trust should those risks materialise.

#### **Objectives and Activities**

The Trust is an educational charity, established by Cable and Wireless plc in 1997. The objects of the charity; as contained in the trust deed 'shall be to advance the education of the public by preserving, restoring, maintaining and documenting for display to the general public; the tunnels, the collection and historical telecommunications equipment and associated artefacts buildings and documents.'

The Trust's major activities are the operation of an award-winning museum, the care and management of the Cable & Wireless historic archive, the maintenance of the object collections, historic buildings and grounds at Porthcurno and the provision of formal and informal learning opportunities. By providing access to unique, world-class historical resources on the history of telecommunications, the Trust continues to increase the reputation of Porthcurno as an important centre for study and a valuable educational resource.

The Trustee considers that as an educational charity the Trust satisfies the meaning of charitable purpose as defined by section 2(2) of the Charities Act. As such it considers that it has complied with the duty in section 4 of the Act having due regard to public benefit guidance published by the Charity Commission.

## **Trustee's report (continued)**

### **Financial Review**

In 2019/20 the Trust had incoming resources of £884,085. Of this total, £180,000 was provided by Vodafone Foundation. The Trust continued to provide heritage services to the Company, focusing on the care and management of the historic archive. Vodafone Foundation's funding is a major contribution to the Trust's museum activities. The funding has been important in maintaining the quality and range of museum activities offered by the Trust.

The remainder of the Trust's income is generated by: museum entrance fees £103,813, shop sales £35,720, café sales £50,757, property rentals £4,200, car park income £82,215, Friends £625, project grants £238,968, COVID-19 related funding £121,396 from a variety of sources, interest and dividends £23,517 and other miscellaneous sources £42,874.

### **Reserves Policy**

The net expenditure for the period on unrestricted funds was £116,087. There was also a transfer of £29,343 from the unrestricted funds to the restricted funds relating to the match funding of £25,892 for the National Portfolio Organisation funding from Arts Council England and £3,451 in relation to the Tevi Wildflower Project. These amounts have been added to and deducted from the surplus balance of unrestricted income funds of £191,002 giving an accumulated surplus of £45,572 excluding amounts arising from the revaluation of fixed assets and investments.

The trustee has considered the charity's various sources of income and the risk that this could be reduced. Although the charity is not substantially dependent on donations, it is largely dependent on seasonal tourism and its location is very isolated. There is a risk that factors outside of the control of the charity could result in a substantial reduction in income one summer which would have an impact on the charity for 12 months. During the period under review, the effect of COVID-19 has had a significant impact on the organisation's income. This impact has been greatly mitigated by the various COVID-19 emergency funds. The trustees consider that reserves should be maintained at an amount equivalent to about 12 months' expenditure. The target reserves are £75,000.

The trustee monitors the need for reserves and the current level of reserves at least once a year considering factors such as sources of income, risks of income reduction, anticipated costs of maintaining the charity.

### **Fundraising Policy**

The Porthcurno Collections Trust does not use external fundraisers or commercial parties; all fundraising for the Trust is conducted by the Museum Director and staff of the charity, with appropriate oversight and guidance by the corporate Trustee, Porthcurno Ltd. Our strategic fundraising objective is to sustain and build the Trust's income to meet our long-term capital and revenue needs. The focus of our fundraising activity is on developing relationships with charitable trusts, local and central authorities, and appropriate corporate sponsors. We comply with all current fundraising legislation, seeking to keep abreast of fundraising developments to ensure best practice in all our fundraising activities.

The Porthcurno Collections Trust encourages donations, both ad hoc or via appeals, through our newsletter to subscribers, website, on site donation boxes and via leaflets and posters. We do not run telephone campaigns or targeted personalised mailshots and we do not actively seek legacies from individuals unless approached by donors or their families. The Porthcurno Collections Trust has not received any complaints about its fundraising practices.

### **Investment policy**

The Trust Deed permits the Trustee to make such investments as it thinks proper. The policy is to achieve the maximum total return in terms of capital growth and income without incurring undue risks subject to any minimum income requirement agreed from time to time.

## **Trustee's report (continued)**

### **The Future**

The Trust is currently looking at the options available for development that would enable it to be more sustainable in the future. These options include seeking to attract new sponsors and funders (specifically to fund new exhibitions and initiatives), partnering with national museums, with local government and with other local attractions with the aim of boosting visitor numbers and, also, aiming to attract new sources of grant funding to support the development (as part of new visitor offerings) of other buildings which form part of the museum's campus.

On 1 October 2020, the Trust transferred its activities, assets and liabilities to the Charitable Incorporated Organisation, PK Porthcurno, registered charity number 1189090.

### **Statement of Trustee's Responsibilities**

The Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year, which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements giving a true and fair view, the Trustee should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustee is responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable it to ascertain the financial position of the charity and which enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustee is aware:

- there is no relevant audit information of which the trust's auditor is unaware; and
- the Trustee has taken all steps that ought to have been taken to make itself aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Trustee and signed on its behalf by:

Patricia McCartney  
Secretary  
4 October 2021

## **Independent auditor's report to the Trustee of The Porthcurno Collections Trust**

### **Opinion**

We have audited the financial statements of The Porthcurno Collections Trust (the 'parent charity') and its subsidiaries (the 'group') for the period ended 30 September 2020 which comprise Statement of Financial Activities, the Balance Sheet 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, 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 parent charity's affairs as at 30 September 2020, 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 Charities Act 2011.

### **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 charity 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 trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charity'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 trustee is responsible for the other information. The other information comprises the information included in the trustee's annual 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.

## **Independent auditor's report to the Trustee of The Porthcurno Collections Trust**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustee**

As explained more fully in the trustee's responsibilities statement set out on page 9, the trustee is responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustee determines 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 trustee is responsible for assessing the group's and parent charity'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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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](http://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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RRL LLP  
Statutory Auditor  
Peat House, Newham Road, Truro, Cornwall, TR1 2DP

Date:

**Charity statement of financial activities incorporating an income and expenditure account for the period ended 30 September 2020**

	<i>Note</i>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total</b>	<b>2019</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income</b>					
Donations:					
- Donations	3	9,362	30,072	39,434	123,155
- Subscriptions and other gifts		23,406	-	23,406	24,993
Charitable activities:					
- Grants	3	60,896	437,112	498,008	121,498
- Service contracts		17,214	-	17,214	7,000
- Car parking		82,215	-	82,215	44,691
Other trading activities:					
- Museum entrance fees		103,813	-	103,813	121,651
- Gift shop income		35,720	-	35,720	36,044
- Café income		50,757	-	50,757	55,076
- Other activities		5,801	-	5,801	3,498
Investments:					
- Dividends & interest received		617	22,900	23,517	17,294
- Property rentals and services		4,200	-	4,200	3,360
<b>Total income</b>		<b>394,001</b>	<b>490,084</b>	<b>884,085</b>	<b>558,260</b>
<b>Expenditure</b>					
Raising funds:					
- Cost of raising funds		25,826	-	25,826	15,133
- Cost of goods sold and other costs		42,394	-	42,394	37,315
- Investment management costs	4	-	1,077	1,077	793
Charitable activities:					
- Service contracts	7	17,214	-	17,214	7,000
- Other activities	5 & 7	424,654	446,369	871,023	520,958
- Depreciation of assets		-	139,304	139,304	99,651
<b>Total expenditure</b>		<b>510,088</b>	<b>586,750</b>	<b>1,096,838</b>	<b>680,850</b>
<b>Net expenditure</b>		<b>(116,087)</b>	<b>(96,666)</b>	<b>(212,753)</b>	<b>(122,590)</b>
Transfer between funds		(29,343)	29,343	-	-
<b>Other recognised gains/(losses):</b>					
Losses on revaluation of fixed assets		(380,000)	-	(380,000)	-
Other gains on sale of assets		-	-	-	75
Net gains/(losses) on investments		-	13,603	13,603	(8,512)
<b>Net movement in funds</b>		<b>(525,430)</b>	<b>(53,720)</b>	<b>(579,150)</b>	<b>(131,027)</b>
Reconciliation of funds:					
Total funds brought forward at 31 March 2019		2,571,012	2,833,898	5,404,910	5,535,937
<b>Total funds as at 30 September 2020</b>		<b>2,045,582</b>	<b>2,780,178</b>	<b>4,825,760</b>	<b>5,404,910</b>

A reconciliation of the movement in funds is given in note 14. There were no acquisitions or discontinued operations within the Trust for the periods to 30 September 2020 or 31 March 2019.

Comparative information of the prior year statement of financial activities for the separate classes of funds is given at note 2.

**Consolidated statement of financial activities incorporating an income and expenditure account for the period ended 30 September 2020**

	Note	2020 Group £	2019 Group £	2020 Charity £	2019 Charity £
<b>Income</b>					
Donations:					
- Donations	3	39,434	123,155	39,434	123,155
- Subscriptions and other gifts		23,406	24,993	23,406	24,993
Charitable activities:					
- Grants	3	498,008	121,498	498,008	121,498
- Service contracts		17,214	7,000	17,214	7,000
- Car parking		82,215	44,691	82,215	44,691
Other trading activities:					
- Museum entrance fees		103,813	121,651	103,813	121,651
- Gift shop income		35,720	36,044	35,720	36,044
- Café income		50,757	55,076	50,757	55,076
- Other activities		5,801	3,498	5,801	3,498
Investments:					
- Dividends & interest received		23,517	17,294	23,517	17,294
- Property rentals and services		4,200	3,360	4,200	3,360
Other income:		4,778	3,642	-	-
<b>Total income</b>		<b>888,863</b>	<b>561,902</b>	<b>884,085</b>	<b>558,260</b>
<b>Expenditure</b>					
Raising funds:					
- Cost of raising funds		25,826	15,133	25,826	15,133
- Cost of goods sold and other costs		42,394	37,315	42,394	37,315
- Investment management costs	4	1,077	793	1,077	793
Charitable activities:					
- Service contracts	7	17,214	7,000	17,214	7,000
- Other activities	5 & 7	875,801	524,600	871,023	520,958
- Depreciation of assets		139,304	99,651	139,304	99,651
<b>Total expenditure</b>		<b>1,101,616</b>	<b>684,492</b>	<b>1,096,838</b>	<b>680,850</b>
<b>Net expenditure</b>		<b>(212,753)</b>	<b>(122,590)</b>	<b>(212,753)</b>	<b>(122,590)</b>
Transfer between funds		-	-	-	-
<b>Other recognised gains:</b>					
Losses on revaluation of fixed assets		(380,000)	-	(380,000)	-
Other gains on sale of assets		-	75	-	75
Net gains/(losses) on investments		13,603	(8,512)	13,603	(8,512)
<b>Net movement in funds</b>		<b>(579,150)</b>	<b>(131,027)</b>	<b>(579,150)</b>	<b>(131,027)</b>
Reconciliation of funds:					
Total funds brought forward at 31 March 2019		5,404,763	5,535,790	5,404,910	5,535,937
<b>Total funds as at 30 September 2020</b>		<b>4,825,613</b>	<b>5,404,763</b>	<b>4,825,760</b>	<b>5,404,910</b>

A reconciliation of the movement in funds is given in note 14. There were no acquisitions or discontinued operations within the Trust for the years to 30 September 2020 or 31 March 2019.

Comparative information of the prior year statement of financial activities for the separate classes of funds is given at note 2.

Restricted income & expenditure in the above group statement of financial activities wholly relates to the charity, details of which can be found in the charity statement of financial activities.

**Charity balance sheet at 30 September 2020**

				30 Sep 2020 Total Funds £	31 Mar 2019 Total Funds £
	<i>Not e</i>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>		
<b>Fixed assets</b>					
Tangible assets	9	2,000,001	2,346,093	4,346,094	4,847,314
Shares in subsidiary undertaking	10	10	-	10	10
<b>Total fixed assets</b>		<b>2,000,011</b>	<b>2,346,093</b>	<b>4,346,104</b>	<b>4,847,324</b>
<b>Current assets</b>					
Stock for resale		14,182	-	14,182	14,152
Debtors	12	38,752	14,211	52,963	102,681
Investments		-	325,328	325,328	361,725
Cash at bank and in hand		40,279	96,684	136,963	128,661
<b>Total current assets</b>		<b>93,213</b>	<b>436,223</b>	<b>529,436</b>	<b>607,219</b>
<b>Creditors: amounts falling due within one year</b>	13	<b>47,642</b>	<b>2,138</b>	<b>49,780</b>	<b>49,633</b>
<b>Net current assets</b>		<b>45,571</b>	<b>434,085</b>	<b>479,656</b>	<b>557,586</b>
<b>Total assets less current liabilities</b>		<b>2,045,582</b>	<b>2,780,178</b>	<b>4,825,760</b>	<b>5,404,910</b>
<b>Net assets</b>		<b>2,045,582</b>	<b>2,780,178</b>	<b>4,825,760</b>	<b>5,404,910</b>
<b>The funds of the charity:</b>					
Restricted funds					
- Restricted funds		-	2,780,178	2,780,178	2,833,898
Unrestricted funds:					
- Unrestricted income funds		45,572	-	45,572	191,002
- Revaluation reserve		1,500,000	-	1,500,000	1,500,000
- Land & buildings revaluation reserve		500,000	-	500,000	880,000
- Shares in subsidiary undertaking		10	-	10	10
<b>Total charity funds</b>	14	<b>2,045,582</b>	<b>2,780,178</b>	<b>4,825,760</b>	<b>5,404,910</b>



**Consolidated Balance sheet at 30 September 2020**

		<b>30 Sep 2020 Group</b>	<b>31 Mar 2019 Group</b>	<b>30 Sep 2020 Charity</b>	<b>31 Mar 2019 Charity</b>
	<i>Not e</i>	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9	<b>4,346,094</b>	4,847,314	<b>4,346,094</b>	4,847,314
Shares in subsidiary undertaking	10	-	-	<b>10</b>	10
<b>Total fixed assets</b>		<b>4,346,094</b>	4,847,314	<b>4,346,104</b>	4,847,324
<b>Current assets</b>					
Stock for resale		<b>14,182</b>	14,152	<b>14,182</b>	14,152
Debtors	12	<b>52,501</b>	56,522	<b>52,963</b>	102,681
Investments		<b>325,328</b>	361,725	<b>325,328</b>	361,725
Cash at bank and in hand		<b>141,500</b>	178,274	<b>136,963</b>	128,661
<b>Total current assets</b>		<b>533,511</b>	610,673	<b>529,436</b>	607,219
<b>Creditors:</b> amounts falling due within one year	13	<b>53,992</b>	53,224	<b>49,780</b>	49,633
<b>Net current assets</b>		<b>479,519</b>	557,449	<b>479,656</b>	557,586
<b>Total assets less current liabilities</b>		<b>4,825,613</b>	5,404,763	<b>4,825,760</b>	5,404,910
<b>Net assets</b>		<b>4,825,613</b>	5,404,763	<b>4,825,760</b>	5,404,910
<b>The funds of the charity:</b>					
Restricted funds					
- Restricted funds		<b>2,780,178</b>	2,833,898	<b>2,780,178</b>	2,833,898
Unrestricted funds:					
- Unrestricted income funds		<b>45,435</b>	190,865	<b>45,572</b>	191,002
- Revaluation reserve		<b>1,500,000</b>	1,500,000	<b>1,500,000</b>	1,500,000
- Land & buildings revaluation reserve		<b>500,000</b>	880,000	<b>500,000</b>	880,000
- Shares in subsidiary undertaking		-	-	<b>10</b>	10
<b>Total charity funds</b>	14	<b>4,825,613</b>	5,404,763	<b>4,825,760</b>	5,404,910

The notes on pages 18 to 30 form part of these financial statements.

These financial statements were approved by the Trustee on 4 October 2021 and were signed on its behalf by:

Chairman  
Gareth Parry

Director  
Christopher Fyles

**Consolidated statement of cash flows for the period ended 30 September 2020**

	Note	2020 Group £	2019 Group £	2020 Charity £	2019 Charity £
<b>Cash flows from operating activities:</b>					
- Net cash provided by operating activities	1	<u>(95,330)</u>	<u>43,437</u>	<u>(50,254)</u>	<u>(6,176)</u>
<b>Cash flows from investing activities:</b>					
- Dividends, interest and rents from investments		26,640	19,861	26,640	19,861
- Proceeds from the sale of property, plant and equipment		-	75	-	75
- Purchase of property, plant and equipment		(18,084)	(27,746)	(18,084)	(27,746)
- Proceeds from the sale of investments		50,000	31,000	50,000	31,000
<b>Net cash used on investing activities</b>		<u>58,556</u>	<u>23,190</u>	<u>58,556</u>	<u>23,190</u>
Change in cash and cash equivalents in the reporting period		(36,774)	66,627	8,302	17,014
Cash and cash equivalents at the beginning of the reporting period		178,274	111,647	128,661	111,647
<b>Cash and cash equivalents at the end of the reporting period</b>	2	<u>141,500</u>	<u>178,274</u>	<u>136,963</u>	<u>128,661</u>

**Notes to the Statement of cash flows****Note 1 - Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	2020 £	2019 £	2020 £	2019 £
<b>Net expenditure for the period ended 30 September 2020</b>	<b>(212,753)</b>	<b>(122,590)</b>	<b>(212,753)</b>	<b>(122,590)</b>
Adjustments for:				
- Depreciation charges	139,304	99,651	139,304	99,651
- Dividends, interest and rents from investments	(26,640)	(19,861)	(26,640)	(19,861)
- Increase in stocks	(30)	1,339	(30)	1,339
- Decrease/(Increase) in debtors	4,021	195,396	49,718	97,846
- (Decrease)/Increase in creditors	768	(110,498)	147	(62,561)
<b>Net cash (used)/provided by operating activities</b>	<b><u>(95,330)</u></b>	<b><u>43,437</u></b>	<b><u>(50,254)</u></b>	<b><u>(6,176)</u></b>

**Note 2 - Analysis of cash and cash equivalents**

	2020 £	2019 £	2020 £	2019 £	Change in year £
Cash in hand	141,500	178,274	136,963	128,661	8,302
<b>Total cash and cash equivalents</b>	<b><u>141,500</u></b>	<b><u>178,274</u></b>	<b><u>136,963</u></b>	<b><u>128,661</u></b>	<b><u>8,302</u></b>

## **Notes (forming part of the financial statements)**

### **1 Summary of significant accounting policies**

#### **(a) General information and basis of preparation**

The Porthcurno Collections Trust is a registered charity in England and Wales. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are preserving the important historic buildings and collections relating to the telegraph station at Porthcurno. It educates the general public about the history of the telegraph station and provides internationally significant archive and research resources for study of the history of international telecommunications.

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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.

#### **(b) Funds**

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

### **(c) Income recognition**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives government grants in respect of a revenue grant from Cornwall Council of £12,284. Details of other government assistance received during the period are included within note 3. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

### **(c) Income recognition (continued)**

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

### **(d) Expenditure recognition**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds comprise the costs of commercial trading including gift shop and café and their associated costs;
- Expenditure on charitable activities includes the costs of maintaining the collections, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated costs; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

### **(e) Support costs allocation**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 7.

### **(f) 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.

#### **(f) Tangible fixed assets (continued)**

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:

Freehold land	Nil
Freehold buildings	50 years
Museum refurbishment	20 years
Permanent exhibitions	20 years
Car park and landscaping	15 – 20 years
Fixtures and fittings	5 – 10 years

The original value of the land and property assets has not been included in the balance sheet as the property is heritage property and the Trust is not permitted to sell it on the open market.

#### **(g) 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 accumulated depreciation and accumulated impairment losses. Fair values for donated assets are estimated by reference to market prices.

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 then heritage assets are not recognised on the balance sheet.

Acquisitions only arise when donated to the charity or if it is believed that they will further the charity's objectives. Once acquired they will be preserved by the charity in order to keep their historical, artistic, scientific, technological, geophysical or environmental qualities to such a high level as to contribute to knowledge and culture. A register of all assets held by the charity is available and the assets themselves are accessible to the public with prior agreement. Heritage assets are to be held for the foreseeable future.

Endowment funds represent those assets which must be held permanently by the charity, principally the original World War II communication centre, known as "the tunnels", built in the hillside of Porthcurno in the 1940's, access, car parking area and a collection of historic telecommunications equipment. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. 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.

#### **(h) Investment properties**

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA.

#### **(i) Investments**

Investments in subsidiaries are measured at cost less impairment.

**(j) 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.

**(k) Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

**(l) Loans and borrowings**

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

**(m) Concessionary loans**

Concessionary loans include those payable to a third party which are interest free or below market interest rates and are made to advance charitable purposes.

**(n) 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.

**(o) Provisions**

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

**(p) Leases**

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

**(q) Foreign currency**

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

**(r) Employee benefits**

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

**(s) Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**(t) Judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, the trustee is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and association assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision only affects that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**(u) Group financial statements**

The financial statements consolidate the results of the charity and its wholly owned subsidiary Porthcurno Enterprises Limited on a line-by-line basis. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

**(v) Investments**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently they are measured at fair value with changes recognised in 'net gains/ (losses) on investments' in the statement of financial activities if the shares are publicly traded or their fair value can otherwise be measured reliably.

For quoted shares, the fair value is deemed to be the quoted bid price as at the balance sheet date. Investments in subsidiaries are measured at cost less impairment.



**2 Statement of financial activities incorporating an income and expenditure account for the prior year ended 31 March 2019**

	<i>Note</i>	<b>2019 Group £</b>	<b>2018 Group £</b>	<b>2019 Charity £</b>	<b>2018 Charity £</b>
<b>Income</b>					
Donations:					
- Donations	3	<b>123,155</b>	623,267	<b>123,155</b>	623,267
- Subscriptions and other gifts		<b>24,993</b>	29,734	<b>24,993</b>	29,734
Charitable activities:					
- Grants	3	<b>121,498</b>	223,355	<b>121,498</b>	223,355
- Service contracts		<b>7,000</b>	7,000	<b>7,000</b>	7,000
- Car parking		<b>44,691</b>	33,182	<b>44,691</b>	33,182
Other trading activities:					
- Museum entrance fees		<b>121,651</b>	133,228	<b>121,651</b>	133,228
- Gift shop income		<b>36,044</b>	41,104	<b>36,044</b>	41,104
- Café income		<b>55,076</b>	67,725	<b>55,076</b>	67,725
- Other activities		<b>3,498</b>	2,281	<b>3,498</b>	2,281
Investments:					
- Dividends & interest received		<b>17,294</b>	9,024	<b>17,294</b>	9,024
- Property rentals and services		<b>3,360</b>	3,360	<b>3,360</b>	3,360
Other income:		<b>3,642</b>	34,475	-	-
<b>Total income</b>		<b>561,902</b>	1,207,735	<b>558,260</b>	1,173,260
<b>Expenditure</b>					
Raising funds:					
- Cost of raising funds		<b>15,133</b>	46,886	<b>15,133</b>	46,886
- Cost of goods sold and other costs		<b>37,315</b>	43,175	<b>37,315</b>	43,175
- Investment management costs	4	<b>793</b>	14,977	<b>793</b>	14,977
Charitable activities:					
- Service contracts	7	<b>7,000</b>	7,000	<b>7,000</b>	7,000
- Other activities	5 & 7	<b>524,600</b>	432,701	<b>520,958</b>	398,226
- Depreciation of assets		<b>99,651</b>	129,581	<b>99,651</b>	129,581
<b>Total expenditure</b>		<b>684,492</b>	674,320	<b>680,850</b>	639,845
<b>Net income/(expenditure)</b>		<b>(122,590)</b>	533,415	<b>(122,590)</b>	533,415
Transfer between funds		-	-	-	-
<b>Other recognised gains:</b>					
Other gains on sale of assets		<b>75</b>	147,103	<b>75</b>	147,103
Net losses on investments		<b>(8,512)</b>	-	<b>(8,512)</b>	-
<b>Net movement in funds</b>		<b>(131,027)</b>	680,518	<b>(131,027)</b>	680,518
Reconciliation of funds:					
Total funds brought forward at 31 March 2018		<b>5,535,790</b>	4,855,272	<b>5,535,937</b>	4,855,419
<b>Total funds as at 31 March 2019</b>		<b>5,404,763</b>	5,535,790	<b>5,404,910</b>	5,535,937

A reconciliation of the movement in funds is given in note 14. There were no acquisitions or discontinued operations within the Trust for the years to 31 March 2019 or 31 March 2018.

Comparative information of the prior year statement of financial activities for the separate classes of funds is given at note 2.

Restricted income & expenditure in the above group statement of financial activities wholly relates to the charity, details of which can be found in the charity statement of financial activities.

**3 Donations**

	2020 £	2019 £
<b>Restricted funds:</b>		
Vodafone Foundation	180,000	120,000
Arts Council of England	147,682	75,137
Cornwall Council	12,284	7,000
Subsea Environmental Services	9,811	10,189
Tevi	10,000	-
Coastal Communities	7,397	-
Cultivator	1,667	2,333
Oxford Innovation	3,550	-
Digital Commissioning Fund	3,721	-
COVID-19 funding		
- Arts Council England - Emergency Response Fund	31,500	-
- National Heritage Lottery Fund - Heritage Emergency Fund	29,000	-
Tunnels Project funding:		
- The Pilgrim Trust	-	19,893
Grants from various sources lists below	30,572	6,946
	<b>467,184</b>	<b>241,498</b>

Donations from various sources include Creative Kernow and private donors.

Included with unrestricted grants are the following government grants:

- HMRC - grants have been received totalling £50,896 to help with furloughed staff whilst in a nationwide lockdown due to COVID-19.
- Cornwall Council - grants have been received totalling £10,000. The local restrictions support grant has been issued to help businesses during the national lockdown and COVID-19 outbreak.

**4 Investment management costs**

	2020 £	2019 £
Other expenses	1,077	793
	<b>1,077</b>	<b>793</b>

**5 Support and governance costs**

	2020 £	2019 £
Staff costs	67,688	46,577
Premises and running expenses	363,555	155,591
Trustee expenses	6,125	3,897
Audit and accountancy	4,500	4,400
	<b>441,868</b>	<b>210,465</b>

**6 Staff costs**

	<b>2020</b>	2019
	<b>£</b>	£
Salaries and wages	<b>491,531</b>	302,882
Social Security	<b>24,452</b>	15,484
Pensions	<b>10,073</b>	3,762
	<b><u>526,056</u></b>	<u>322,128</u>
Average monthly headcount was	<b><u>27.0</u></b>	<u>25.0</u>

Included in the above is £9,412 of termination costs (2019: £nil).

Directors of the Trustee are not remunerated. A total of £6,125 was reimbursed or paid on behalf of directly incurred travel, accommodation and subsistence expenses to 6 directors (2019 - £3,897 - 5 directors) who travel to meetings from outside the area.

The Trustee operated an auto-enrolment compliant pension scheme in line with the current legislation.

The key management personnel of the Trust comprise the Director, Collections Manager and Deputy Director, Finance & Administration Manager, Operations Manager, and Business Planning and Finance Officer. The total employee benefits of the key management personnel of the Trust were £233,651 for the 18 month period (2019: £143,521).

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 during the 18 month period was:-

	<b>2020</b>	2019
£90,000 - £100,000	<b><u>1</u></b>	<u>-</u>

**7 Charitable expenditure**

<b>Activity</b>	<b>Funded expenditure</b>	<b>Support and governance costs</b>	<b>Total 2020</b>	Total 2019
		(see 1(e))		
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Archive & Museum	<b>275,034</b>	<b>162,500</b>	<b>437,534</b>	275,713
Gift shop and café	-	<b>115,992</b>	<b>115,992</b>	71,750
Learning & participation	<b>100,579</b>	<b>153,162</b>	<b>253,741</b>	132,225
Maintenance	<b>70,756</b>	<b>10,214</b>	<b>80,970</b>	48,270
	<b><u>446,369</u></b>	<b><u>441,868</u></b>	<b><u>888,237</u></b>	<u>527,959</u>

## 8 Taxation

The Trust has been granted exemption from UK corporation tax by virtue of its charitable status. Activities which are not primary purpose trades are within the statutory limits prescribed by the statutory exemption for small trading.

## 9 Tangible fixed assets

	Freehold land & buildings	Permanent exhibitions	Fixtures, fittings & equipment	Total
<b>Cost or valuation</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 31 March 2019	5,536,150	721,511	258,099	6,515,760
Additions	1,300	2,466	14,318	18,084
Revaluation	(380,000)	-	-	(380,000)
Disposal	-	-	(14,754)	(14,754)
<b>At 30 September 2020</b>	<b>5,157,450</b>	<b>723,977</b>	<b>257,663</b>	<b>6,139,090</b>
<b>Depreciation</b>				
At 31 March 2019	1,289,150	147,934	231,361	1,668,445
Charge for year	73,368	54,226	11,710	139,304
Depn on disposal	-	-	(14,754)	(14,754)
<b>At 30 September 2020</b>	<b>1,362,518</b>	<b>202,160</b>	<b>228,317</b>	<b>1,792,995</b>
<b>Net book value</b>				
<b>At 30 September 2020</b>	<b><u>3,794,932</u></b>	<b><u>521,816</u></b>	<b><u>29,346</u></b>	<b><u>4,346,094</u></b>
At 31 March 2019	<u>4,247,000</u>	<u>573,576</u>	<u>26,738</u>	<u>4,847,314</u>

The Trust was gifted various property in the Porthcurno valley by Cable & Wireless Plc. The Trustee decided to recognise the value of certain buildings to the Trust. Other land included in the conveyance has not been valued because of its unsuitability for sale on the open market, being mainly scrub and hillside land. Some interest has been expressed by local residents to acquire parcels of the land adjacent to residential property and the Trustee will consider these on a case by case basis.

In October 2020, the former Superintendent's house, Mercury House, was valued by a local surveyor. It had been recognised in the accounts at a value of £880,000 but following that valuation, is now recognised at a value of £500,000.

Only the specific refurbishment of freehold property has been depreciated. This is because the estimated residual value of land and buildings is not considered to be materially different to the carrying value of the assets. Therefore, any depreciation charge would also be immaterial. This situation will be reviewed annually.

The fixtures and fittings include many small items of equipment which have been fully depreciated but are still in use within the charity.

If the freehold land and buildings had not been included at valuation, they would have been included under the historical cost convention as follows:

	2020	2019
	£	£
Cost	3,657,449	4,036,149
Accumulated depreciation	<u>(1,362,518)</u>	<u>(1,289,150)</u>
Net book value	<u>2,294,931</u>	<u>2,746,999</u>

A legal charge over the freehold property had been given to the National Heritage Memorial Fund to secure the repayment of a grant should it become repayable.

**10 Shares in subsidiary undertaking**

	<b>Issued Share Capital</b>	<b>Ownership</b>
Porthcurno Enterprises Limited	£10	100%
	<u>£10</u>	<u>100%</u>

The company is incorporated in England and Wales and its area of operation is the United Kingdom. The company's business is that of a charity trading company and an exhibition production company from 1 April 2017.

The loss before tax for the period ended 30 September 2020 was £4,778 (2019: 3,642 )and the profit after tax credit was nil (2019: nil) and the value of the equity and reserves at 30 September 2020 was £(137) (2019: £(137)).

**11 Heritage property not recognised in the balance sheet**

The Trust owns the original World War II communication centre, known as "the tunnels", built in the hillside of Porthcurno in the 1940s. This property along with access, car parking area and a collection of historic telecommunications equipment, was gifted to the Trust by The Eastern Telegraph Company Limited, a subsidiary of Cable & Wireless Plc.

There have been no acquisitions or disposals of heritage assets during the last five years.

The current insurance value for "the tunnels" is £1,850,000 on a replacement basis. The collection is insured to a value of £500,000 again on an estimated replacement basis, albeit that many of the items would now be irreplaceable.

**12 Debtors**

	<b>Group</b>		<b>Charity</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	-	19,582	-	19,582
Amounts owed by group undertakings	-	-	5,240	49,889
Other debtors	10,342	12,076	5,564	8,346
Prepayments and accrued income	42,159	24,864	42,159	24,864
	<u>52,501</u>	<u>56,522</u>	<u>52,963</u>	<u>102,681</u>

**13 Creditors: amounts falling due within one year**

	<b>Group</b>	<b>Group</b>	<b>Charity</b>	<b>Charity</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	12,554	22,862	12,554	20,224
Other creditors including taxation	10,232	7,423	7,225	7,423
Accruals	28,100	9,715	26,895	8,762
Deferred income	3,106	13,224	3,106	13,224
	<u>53,992</u>	<u>53,224</u>	<u>49,780</u>	<u>49,633</u>

**14 Analysis of charitable funds - period ended 30 September 2020**

	At 31 March 2019	Incoming resources	Resources expended	Transfers	Gains and losses	At 30 September 2020
	£	£	£			£
Restricted funds						
- Heritage Lottery Fund	1,154,892	29,000	69,225	-	-	<b>1,114,667</b>
- Vodafone Foundation	-	180,000	180,000	-	-	-
- Cornwall Council Culture Team	126,126	12,284	18,959	-	-	<b>119,451</b>
- DCMS/Wolfson Fund	311,226	-	19,763	-	-	<b>291,463</b>
- Clore Duffield Foundation	105,106	-	5,562	-	-	<b>99,544</b>
- Wilshaw Benevolent Trust	618,838	22,900	82,665	-	13,603	<b>572,676</b>
- Other funds	517,710	245,900	210,576	29,343	-	<b>582,377</b>
- Total restricted income funds	<u>2,833,898</u>	<u>490,084</u>	<u>586,750</u>	<u>29,343</u>	<u>13,603</u>	<u><b>2,780,178</b></u>
Unrestricted funds:						
- Unrestricted income funds	191,002	394,001	510,088	(29,343)	-	<b>45,572</b>
- Revaluation reserve	1,500,000	-	-	-	-	<b>1,500,000</b>
- Investment property revaluation reserve	880,000	-	-	-	(380,000)	<b>500,000</b>
- Shares in subsidiary undertaking	10	-	-	-	-	<b>10</b>
- Total unrestricted funds	<u>2,571,012</u>	<u>394,001</u>	<u>510,088</u>	<u>(29,343)</u>	<u>(380,000)</u>	<u><b>2,045,582</b></u>
	<u>5,404,910</u>	<u>884,085</u>	<u>1,096,838</u>	<u>-</u>	<u>(366,397)</u>	<u><b>4,825,760</b></u>

**Analysis of charitable funds - year ended 31 March 2019**

	At 31 March 2018	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2019
	£	£	£			£
Restricted funds						
- Heritage Lottery Fund	1,195,640	-	40,748	-	-	<b>1,154,892</b>
- Vodafone Foundation	-	120,000	120,000	-	-	-
- Cornwall Council Culture Team	130,576	7,000	11,450	-	-	<b>126,126</b>
- DCMS/Wolfson Fund	324,401	-	13,175	-	-	<b>311,226</b>
- Clore Duffield Foundation	108,814	-	3,708	-	-	<b>105,106</b>
- Wilshaw Benevolent Trust	662,389	16,680	74,787	23,067	(8,512)	<b>618,838</b>
- Other funds	531,636	114,498	154,069	25,646	-	<b>517,710</b>
- Total restricted income funds	<u>2,953,456</u>	<u>258,178</u>	<u>417,937</u>	<u>48,713</u>	<u>(8,512)</u>	<u><b>2,833,898</b></u>
Unrestricted funds:						
- Unrestricted income funds	202,471	300,082	262,913	(48,713)	75	<b>191,002</b>
- Revaluation reserve	1,500,000	-	-	-	-	<b>1,500,000</b>
- Investment property revaluation reserve	880,000	-	-	-	-	<b>880,000</b>
- Shares in subsidiary undertaking	10	-	-	-	-	<b>10</b>
- Total unrestricted funds	<u>2,582,481</u>	<u>300,082</u>	<u>262,913</u>	<u>(48,713)</u>	<u>75</u>	<u><b>2,571,012</b></u>
	<u>5,535,937</u>	<u>558,260</u>	<u>680,850</u>	<u>-</u>	<u>(8,437)</u>	<u><b>5,404,910</b></u>

All restricted funds are raised and given for specific purposes and projects and are output related. These outputs incorporate fees, consultancies, project spend and implementation work. The conditions governing the income or grants restrict these funds and costs are allocated against the funded element available. Excess expenditure on such projects is met from unrestricted funds.

The Trust's unrestricted funds can be used, with the approval of the Trust's Board, to fund any expenditure relating to projects or general running costs which fall within the Trust's general aims and objectives.

The restricted funds represent the residue of the initial grants and other funding received to finance the redevelopment of the museum and refurbish the heritage property and grounds donated as a permanent endowment.

## 15 Lease commitments

Total commitments under non-cancellable operating leases are as follows:

	Other	
	2020	2019
	£	£
Expiry date:		
- Within one year	4,490	2,468
- Between two and five years	5,553	1,440
	<u>10,043</u>	<u>3,908</u>

## 16 Related party transactions

*Wilshaw Benevolent Trust* – Porthcurno Ltd is also the corporate trustee of this trust. The Trust also charged Wilshaw Benevolent Trust £7,000 (2019: £7,000) for services.

*Porthcurno Enterprises Limited* – The Porthcurno Collections Trust is the sole shareholder of this company. During the year under review, the company operated as an exhibition production company for the production of exhibitions for the Trust for which it charged a management fee to the Trust of £26,408 (2019: £20,735). The Trust charged the company £5,466 (2019: £4,419) for salaries and other costs directly related to the production of the exhibitions. Expenses totalling £26 (2019: 13) were paid by the Trust on behalf of the company. As at 30 September 2020 the company owed £5,240 to the Trust (2019: £49,889).

*Logan Rock Inn* – A George (director of Porthcurno Ltd) is the proprietor. Transactions totalling £856 (2019: £1,214) took place during the period. There were nil amounts outstanding at 30 September 2020.

*D Twomlow* - spouse of the Director. Transactions totalling £3,200 (2019: £nil) took place during the period from the trading subsidiary in relation to exhibition research and curation. There were nil amounts outstanding as at 30 September 2020.

## 17 Ultimate controlling party

The ultimate controlling party of The Porthcurno Collections Trust are the directors of Porthcurno Ltd. Details of the directors can be found within those financial statements.

## 18 Post balance sheet events

On 1 October 2020, the charity's operations, as well as its assets and liabilities, were transferred to PK Porthcurno, charity number 1189090.