

THE GORDON RUSSELL TRUST

Registered Charity No 326446

ANNUAL REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

THE GORDON RUSSELL TRUST
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

GENERAL INFORMATION

PATRONS

Sir Terence Conran
Mr James Ritblat
Mrs Anne Albright
The Rt. Hon. Philip Smith

FOUNDER TRUSTEES

Mrs K Baynes (Appointed Trustee October 1983)
Mr T Chinn (Appointed Trustee October 1983)
Mr R H Leigh (Appointed Trustee October 1983)

TRUSTEES

Mrs G Falkiner Chairman
Miss H Auty
Mr D Dewing
Mr S Feeney
Mr P Head
Mr R Paice
Mr D Russell
Mr C Smith
Mr P C Whatmough Treasurer

EXECUTIVE COMMITTEE

Mrs G Falkiner Chairman
Mr A Freeman
Miss M Osborne
Mr G Stenger
Mr P C Whatmough Treasurer
Mr L S Wolder

SECRETARY TO THE TRUSTEES

Mr P C Whatmough

ADDRESS OF CHARITY

15 Russell Square
High Street
Broadway
Worcestershire WR12 7AP

CHARITY NUMBER

326446

THE GORDON RUSSELL TRUST
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

GENERAL INFORMATION (cont.)

BANKERS

Lloyds TSB Bank plc
19 High Street
Evesham
Worcestershire WR11 4DQ

Hampshire Trust Bank
P O Box 75115
London
EC4P 4GP

Nationwide Building Society
Nationwide House
Pipers Way
Swindon
SN38 1NW

SOLICITORS

Olswang London
90 High Holborn
London WC1V 6XX
DX37972 KINGSWAY

INDEPENDENT EXAMINER

Michael Lindner
Chartered Accountant
The Old Police Station
High Street
Chipping Campden
Gloucestershire GL55 6HB

THE GORDON RUSSELL TRUST
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The Trustees are pleased to present their report together with the financial statements of the Trust for the year ended 31 December 2016.

STATEMENT OF TRUSTEES RESPONSIBILITIES

Charity 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 charity and of the surplus or deficit of the charity for that period. In preparing those financial statements, the Trustees have:

selected suitable accounting policies and applied them consistently
made judgements and estimates that are reasonable and prudent
stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements: and
prepared the financial statements on the going concern basis

The Trustees have overall responsibility for ensuring that the charity has appropriate system of controls, financial and otherwise. They are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Gordon Russell Trust was established under a Trust Deed dated 17th October 1983 and Supplemental Trust Deed dated 10th July 1984.

The Trust is an educational charity and is a totally independent body. The Trust operates in accordance with the Declaration of Trust adopted in 1983.

The Charity is managed by a body of trustees to whom the Executive Committee report. The Trustees are actively seeking to add new talent into the Trust by appointing new trustees who can bring new skills and experience to the Trust body. All potential Trustees are provided with copies of recent minutes, a set of accounts, and a copy of the Trust Deeds as part of the induction process.

The Executive Committee is a voluntary body.

David Dewing, director of the Geffrye Museum in London, provides advice on best museum practice.

A group of Patrons has been established, initially involving Sir Terence Conran, Mrs Anne Albright and the Hon. Philip Smith and effective March 2012, Mr James Ritblat who has been consistent and generous supporter of the Museum since its inception.

RISK MANAGEMENT

The trustees have examined the strategic, business and operational risks and believe that the system of financial control is satisfactory at this stage. An operational Risk Assessment commenced in 2016 and draft recommendations were submitted in February 2017.

There have been no serious incidents during the review period.

THE GORDON RUSSELL TRUST
TRUSTEES' REPORT (CONT.)
FOR THE YEAR ENDED 31 DECEMBER 2016

OBJECTIVES AND ACTIVITIES

The Trust has a 999 year lease on the building at a peppercorn rent granted by the Wychavon District Council on the 1st December 2006.

The aim of the Trust is to preserve the unique collection of furniture and archival records of the late Sir Gordon Russell and that of his Company spanning the years 1919 to 1986 for the benefit of the community and the enjoyment of those interested in the history of 20th Century furniture including students, researchers and the general public. In planning the year's activities the Trustees have kept in mind the Charity Commission's guidance on public benefit.

The Museum aims to recognise the contribution made by the many craftsmen and designers to the success of Gordon Russell through a combination of graphic images, recorded interviews and film material.

Full details are available on the Museum's new Website: www.gordonrussellmuseum.org

Achievements and performance:

On 30th September 2016, the Charity was incorporated as The Gordon Russell Trust Limited, Company Registration No. 10404327

During 2016, the Museum received 2,625 paying visitors between February and December. We received 11 special interest group visits and 2 parties from the education sector.

Design competitions were supported at Rycotewood Furniture College and Warwickshire College Department of Furniture

We held three Exhibitions and hosted two Lectures.

Major donations (over £1000) totalling £8,000 were received

Two local corporate donations were received, total £1000.

Fundraising policy:

The Trustees will establish a formal fundraising policy during 2017 which will take into account the fact that the Trust does not expect to require funding beyond its current income from admissions, gift shop sales and unsolicited donations. Occasional specific funds are discretely requested for such activities as publishing. Future projects may be appropriate for assistance from grant awards.

Support for key objective:

An Education Fund was established with an initial transfer of £10,000 from reserves

Investment policy:

There is no investment policy. Reserves are held in interest bearing bank accounts.

Safeguarding policy:

The Trustees aim, with the Executive Committee, to ensure that the interests of vulnerable beneficiaries, employees and volunteers are safeguarded.

RESERVES

The Trustees policy is to maintain free reserves in unrestricted funds at a level to support approximately a minimum one year's running expenses of the museum. There are no funds in deficit.

Mrs G Falkiner

Chairman of the Trustees

24th April 2017

INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES ON THE UNAUDITED ACCOUNTS OF
THE GORDON RUSSELL TRUST
FOR THE YEAR ENDED 31 DECEMBER 2016

I report on the accounts of the Charity which are set out on pages 7 to 112.

Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the accounts; the trustees consider that an audit is not required for this year under section 144(2) of the Charity's Act 2011 (the 2011 Act), and that an independent examination is needed.

It is my responsibility to examine the accounts and follow the procedures laid down in the General Directions given by the Charity Commissioners under section 145 (5)(b) of the 2011 Act, and state whether particular matters have come to my attention.

Basis of independent examiner's report

I carried out my examination in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the accounts.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect, the trustees have not met the requirements to ensure that:
 - proper accounting records are kept in accordance with section 130 of the 2011 Act; and
 - accounts are prepared which agree with the accounting records
2. to which in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Michael Lindner
Chartered Accountant
The Old Police Station
High Street
Chipping Campden
Gloucestershire
GL55 6HB

24th April 2017

THE GORDON RUSSELL TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2016

			Total	Total
			2016	2015
	£	£	£	£
INCOMING RESOURCES				
from: Generated Funds				
Voluntary Income				
Donations	3,757	-	3,757	19,667
Grants received	4,511	-	4,511	-
Corporate Sponsorship/patronage	7,500	-	7,500	3,542
Friends Donations	963	-	963	-
Gift Aid	2,673	-	2,673	2,834
Investment Income:				
Interest received	935	-	935	590
from: Charitable Activities				
Admissions	14,002	-	14,002	17,158
Sales	13,357	-	13,357	12,485
Fees & Commissions	19,897	-	19,897	189
Sale of furniture/archive items	503	-	503	-
	<hr/>		<hr/>	<hr/>
Total Incoming Resources	68,098	-	68,098	56,465
RESOURCES EXPENDED				
Charitable Activities				
Project costs				
Advertising & sales promotion	4,709	-	4,709	807
Conservation	231	-	231	212
Book printing	-	-	-	7,215
	<hr/>		<hr/>	<hr/>
	4,940	-	4,940	8,234
Museum running costs				
Management	1,587	-	1,587	1,897
Salaries	28,874	-	28,874	13,556
Pension contributions	191	-	191	-
Storage and removal costs	2,060	-	2,060	1,810
Heat, light & water	2,965	-	2,965	3,407
Telephone & communications	1,868	-	1,868	1,115
Cleaning	1,888	-	1,888	1,747
Insurance	2,434	-	2,434	2,454
Computer & IT	871	-	871	2,185
Repairs & Maintenance	5,517	-	5,517	5,869
Professional Fees	451	-	451	687
Security costs	480	-	480	350
Postage, printing & stationery	1,414	-	1,414	1,063
Books, cards & gifts cost of sale	14,419	-	14,419	1,147
Marketing	330	-	330	1,943
Sundry expenses	1,673	-	1,673	1,317
	<hr/>		<hr/>	<hr/>
	67,022	-	67,022	40,547
Governance Costs				
Independent Examination	2,040	-	2,040	984
Depreciation	23,813	-	23,813	23,331
	<hr/>		<hr/>	<hr/>
	97,815	-	97,815	73,096

Net incoming/outgoing resources	(29,717)	-	(29,717)	(16,631)
Total deficit	(29,717)	-	(29,717)	(16,631)
Balance at 1 January 2016	452,875	-	452,875	469,506
Balance at 31 December 2016	<u>£ 423,158</u>	<u>£ -</u>	<u>£ 423,158</u>	<u>£ 452,875</u>

THE GORDON RUSSELL TRUST

BALANCE SHEET AT 31 DECEMBER 2016

	Note	£	2016 £	£	2015 £
Fixed assets:					
Tangible assets	2		304,494		328,307
Current assets:					
Stock		37,554		44,100	
Cash at bank		84,582		79,747	
Cash in hand		906		721	
		<u>123,042</u>		<u>124,568</u>	
Current liabilities:					
Other creditors		4,378		-	
		<u>4,378</u>		<u>-</u>	
Net current assets			118,664		124,568
			<u>£ 423,158</u>		<u>£ 452,875</u>
Represented by:					
Income Funds:					
General Funds			423,158		452,875
			<u>£ 423,158</u>		<u>£ 452,875</u>

The Financial Statements were approved by the Trustees on 24th April 2017.

Mrs G Falkiner

THE GORDON RUSSELL TRUST

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2016

1 Basis of Accounting

(a) Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by 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 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by 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 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn

(b) Funds Structure

General funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects: they represent the Archive Fund (the Collection) and the General Fund together with other running costs of the Museum. All income is credited to the General Fund.

(c) Incoming resources

All incoming resources are recognised once the charity has entitlement to them, and it is certain that they have been received.

(d) Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

(e) Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

(f) Allocation of overhead and support costs

All such costs have been allocated as Charitable Activities.

(g) Governance costs

Governance costs comprise the costs related to independent examination. The Trustees receive no remuneration.

(h) Realised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised losses on the sale of archival assets is calculated as the difference between sales proceeds and valuation.

(i) Tangible fixed Assets and Depreciation

All assets costing more than £2,500 are capitalised and valued at historic cost. The Archive Collection is stated at a professional valuation.

Depreciation is provided on assets, except the Archive Collection, at the following annual rates on cost in order to write off each asset over their estimated useful lives. No depreciation is charged on the Archive Collection on the grounds that it would be immaterial.

	2016	2015
Property Improvements - % on cost	10	10
Fixtures & Fittings - % on cost	25	25

(k) Stock

Stock is valued at the lower of cost and net realisable value.

THE GORDON RUSSELL TRUST

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2016

2. TANGIBLE FIXED ASSETS

	Archive Collection £	Property Improvements £	Displays & Equipment £	Fixtures & Fittings £	Computer Equipment £	Total £
Cost						
At 1 January 2016	302,571	229,081	116,436	3,154	105,734	756,976
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2016	302,571	229,081	116,436	3,154	105,734	756,976
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation						
At 1 January 2016	-	205,741	116,436	758	105,734	428,669
For the year	-	23,340	-	473	-	23,813
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2016	-	229,081	116,436	1,231	105,734	452,482
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Amounts						
At 31 December 2016	£ 302,571	£ -	£ -	£ 1,923	£ -	£ 304,494
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	£ 302,571	£ 23,340	£ -	£ 2,396	£ -	£ 328,307
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The Trustees receive no remuneration.

3. EMPLOYEES

Employee costs during the year amounted to:

	2016 £	2015 £
Wages and salaries	28,874	13,556
Pension costs	191	-
	<hr/>	<hr/>
	£ 29,065	£ 13,556
	<hr/>	<hr/>

The average weekly number of employees during the year were as follows:

	2016 No.	2015 No.
Management and administration	2	1
	<hr/>	<hr/>

4. STOCK

	2016 £	2015 £
Stock comprises:		
Stock for resale	37,554	44,100
	<hr/>	<hr/>
	£ 37,554	£ 44,100
	<hr/>	<hr/>

THE GORDON RUSSELL TRUST

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2016

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Accruals and deferred income	4,378	-
	<hr/>	<hr/>
	£ 4,378	£ -
	<hr/> <hr/>	<hr/> <hr/>