

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

Annual Report and Financial Statements

For the Year Ended 31 October 2018

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

The South West Heritage Trust
Contents
For the Year Ended 31 October 2018

	<u>Page</u>
Reference and Administrative Details	1
Trustee Directors' Report	2 – 21
Independent Auditors' Report	22 – 24
Consolidated Statement of Financial Activities	25
Balance Sheet and Consolidated Balance Sheet	26 – 27
Statement of Cash Flows and Consolidated Statement of Cash Flows	28
Notes to Financial Statements	29 – 56

Trustee Directors	Rev. P M Beacham Cllr R F Croad Prof. H R French P J Gunner D H Gwyther (Chair) Cllr. D Hall S H D'A Hunt S V Maberley T Makewell M J R Motum A M D Smallwood
Chief Executive Officer	T W Mayberry
Charity Number	1158791
Company Number	09053532
Principal Address and Registered Office	Somerset Heritage Centre Brunel Way Taunton Somerset TA2 6SF
Auditors	Albert Goodman LLP Mary Street House Mary Street Taunton Somerset TA1 3NW
Bankers	NatWest 26-27 Fore Street Taunton Somerset TA1 1JQ
Solicitors	Bates Wells Braithwaite 10 Queen Street Place London EC4R 1BE

The Trustees, who are also directors for the purposes of the Companies Act, present their report and the financial statements of the charity for the year ended 31 October 2018, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

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

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

References and Administrative Details

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

Directors and Trustees

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

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

-	P Beacham	
-	Cllr R F Croad	
-	Prof H French	
-	Cllr A Groskop	(resigned 2 July 2018)
-	P J Gunner	
-	D H Gwyther (Chair)	
-	S Hunt	
-	S V Maberley	
-	T Makewell	
-	Lt Col. M J R Motum	
-	N Nuttall	(resigned 4 April 2019)
-	A Smallwood	
-	Cllr D Hall	(appointed 2 July 2018)

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

Patrons

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and Formation of the South West Heritage Trust

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

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

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

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

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

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

Organisational Management

The Board of Trustees meets on a quarterly basis to discuss the progress of the organisation and to provide and agree strategic direction. A Chief Executive Officer is appointed by the Trustees to manage the day to day operation of the Trust and provide leadership and direction for the implementation of the Business Plan. In 2018 a Trust-wide salary comparability study was initiated to benchmark pay points, including those of the leadership team and Chief Executive Officer. The findings of the study will be reported to the Trustees in 2019.

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

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

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

Selection and Training of Trustees

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

The annual retirement meeting for Trustees of the Trust took place on 11 April at which Peter Gunner, Sandy Maberley and Terry Makewell retired from the Board. All three trustees were re-appointed by agreement of the remaining trustees.

During the year Cllr Anna Groskop retired as the nominated Trustee of Somerset County Council and was succeeded by Cllr David Hall.

The induction process for all new Trustees includes:

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

Risk and Risk Management

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

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

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

OBJECTIVES AND ACTIVITIES

Objectives

Our Vision

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

Our Mission

Access, Learning and Enjoyment

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

Care, Conservation and Protection

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

Resilience

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

Staff and Volunteers

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

Our Values

The South West Heritage Trust values:

- Heritage in all its forms
- Opportunities for discovery and lifelong learning
- People as the heart of heritage
- The spirit of enterprise and development
- Creativity and innovation

Equality and Diversity

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

All those who work for or volunteer with the Trust are of equal importance and should be respected and valued for their contribution and commitment and for the role they fulfil.

Activities

Museums

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

- The Museum of Somerset (including Somerset Military Museum) at Taunton Castle. The museum reopened in 2011 following a major redevelopment and has welcomed over 440,000 visitors since that time.
- Somerset Rural Life Museum in Glastonbury. The museum re-opened on 3 June 2017 following a £2.4 m redevelopment funded by Somerset County Council and a range of grant-giving bodies including the Heritage Lottery Fund (HLF) and Viridor Credits Environmental Company. The newly-refurbished museum tells the story of Somerset's rich rural and social history and provides a family-friendly destination which has learning, access and discovery at its heart.
- The Brick and Tile Museum is the smallest of our museums in Somerset and awaits renewal and investment to reach its full potential. A partnership project is in the early stages of development to increase recognition and understanding of Bridgwater's industrial heritage. The Brick and Tile Museum will be a central part of the wider project.

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

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

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

Archives and Local Studies

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

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

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

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

Historic Environment and Estates Service

The Trust delivers this service in Somerset by:

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

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

PUBLIC BENEFIT

Economic Benefits

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

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

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

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

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

Health and Wellbeing and Social Benefits

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

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

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

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

We continue to develop new localised exhibitions, activities and projects which enable people to engage with and understand their own heritage. Recent examples include the Devon Remembers Heritage Project, the Avalon Marshes Landscape Partnership Project and the Muse: Makers in Museums Project. Our services actively address issues of diversity, including those which are easily recognised and those which are less readily understood:

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

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

In the year ending 31 October 2018, the following was achieved:

Visitors to our sites	107,375
Children attending formal learning sessions	14,495
Formal learning sessions	544
People at informal learning sessions	11,157
Informal learning sessions	149
Visitors to our websites	848,244
Days of volunteer time	4,214
Volunteer hours	31,190
Heritage events held	462
People attending our heritage events	15,788
Cubic metres of archives accessioned	19
Archive documents repaired	2,817
Formal external requests for information	9,347
Service complaints received	14
Combined social media review (out of 5)	4.6

ACHIEVEMENTS AND PERFORMANCE

Somerset Museums Service

The Somerset Museums Service was successful in its applications to secure **Accreditation** under the Arts Council England Scheme for The Museum of Somerset, Somerset Military Museum and Somerset Rural Life Museum. The Accreditation Scheme sets out nationally-agreed standards which inspire the confidence of the public and funding and governing bodies. It enables museums to assess their current performance, as well as supporting them to plan and develop their services.

Extensive work has been undertaken to shape a new approach to the collection, evaluation and use of **visitor data**. Working with the South West Museums Development Programme, visitor insight surveys were conducted at the Museum of Somerset and the Rural Life Museum in August and September to inform future strategy and programming.

The Trust is the host organisation for the delivery of the **Portable Antiquities Scheme** in the counties of Somerset, Dorset and Devon and employs the equivalent of three officers.

The Trust is among a small group of organisations nationally to have been selected for the British Museum's **'Museum Futures' programme** funded by the National Lottery. A trainee will be hosted for a year within the museum curatorial team.

http://www.britishmuseum.org/about_us/skills-sharing/museum_futures.aspx

The exhibition '**MUSE: Makers in Museums**' opened on 11 November. It celebrated the work of eight artists based in community museums in Somerset and Devon and was generously funded by Arts Council England and the Heritage Lottery Fund.

From June 2018 to March 2020 the **Museums Development Officer** will be supporting delivery of a new initiative called **Rural Proofing**. Designed to help small volunteer-run museums to thrive in the current economic climate, Rural Proofing will offer museums in Somerset, Devon and Dorset training in financial resilience, fundraising, business planning, leadership, marketing and audience intelligence.

Since **Weston Museum** re-opened to the public in August 2016, the Trust has continued to provide curatorial support to enable its successful operation and engagement with visitors. Curators from the Trust assisted the museum staff to gain full Accreditation under the Arts Council England Scheme. Other activities included responding to enquiries from the general public and developing and installing high profile temporary exhibitions.

Weston Museum was one beneficiary of funding secured by the Trust from Arts Council England through its **Ready to Borrow** scheme. The funding provided specialist display cabinets and environmental monitoring equipment for use at each of the museums supported by the Trust.

The Museum of Somerset and Castle House

The Museum of Somerset enjoyed a busy and successful year, maintaining its strong appeal to visitors and achieving **Accreditation** under the Arts Council Scheme. Visitor numbers remained consistent with previous years, despite falling numbers of visitors being reported by many visitor attractions across the south of England.

Visitor **reviews** have shown little change and are consistently high:

- Trip Advisor – average of 4.67 out of 5
- Facebook – average of 4.6 out of 5
- Google – average of 4.6 out of 5

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

- 'Colours of Exile: the Art of Hans Schwarz' opened on 21 October and comprised paintings generously loaned from a large number of private, local and national collections – <https://youtu.be/la6f2fyaoyl>.
- 'Henry VII: the First Royal Portrait' also opened on 21 October as one of the 'spotlight loans' series. The portrait was loaned to the Trust by the National Portrait Gallery. On 14 November one of the best-attended talks yet held at the Museum of Somerset told the story of Henry VII and Perkin Warbeck, and their association with Taunton Castle.
- The Trust's family-focused exhibition, 'Michael Morpurgo: A Lifetime in Stories', opened on 17 March and was very well received.
- The summer exhibition, 'From Spinning Tops to Space Hoppers', opened on 28 July. The exhibition focused on childhood in Somerset over the last 150 years and was especially popular because of its strong hands-on emphasis.

Other **events** at the Museum of Somerset included Dino Day on 22 October. A total of 1,350 people visited on what was an exceptionally busy and popular occasion. There were many first-time visitors.

A programme of supporting **events and activities** was developed for each of the temporary exhibitions with the aim of engaging with many different audiences including families and children.

Somerset Rural Life Museum

The period from November 2017 to October 2018 was the first full year of operation of the museum and **audience numbers** have grown steadily. The total number of visits to the museum was 15,895. The feedback received was overwhelmingly positive and the income generated is the highest ever achieved at the site.

A significant number of **reviews** of the museum are now available and the consensus is a very positive one. A summary of on-line reviews is as follows:

- TripAdvisor - 92 reviews, averaging 4.5 out of 5
- Facebook - 19 reviews, averaging 4.8 out of 5
- Google - 25 reviews, averaging 4.4 out of 5

Somerset Rural Life Museum received its first **TripAdvisor** Certificate of Excellence in May.

Temporary exhibitions at the site have enhanced the museum and served as attractions in their own right:

- The inaugural temporary exhibition, 'FARM', curated by Kate Lynch was very popular.
- 'Echoes of War: the Somerset Countryside 1914-1918' opened on 16 December and drew both on the museum and archive collections cared for by the Trust.
- 'Processions' opened on 16 June and marked the centenary of the Representation of the People Act 1918. The Act gave the first British women the right to vote. The exhibition displayed a rare original suffrage banner, created by the Weston-super-Mare branch of the National Union of Women's Suffrage Societies, alongside a contemporary banner created by students from Strode College under the guidance of the artist Dorcas Casey. The new banner was one of many which were commissioned to form part of the national PROCESSIONS mass participation artwork.
- 'The Art of Self Expression', an exhibition which explored the history of facial hair and tattoos, opened on 8 September.

Other activity at the museum included completion of the 'Believing' and 'Creating' galleries, a busy family-focused summer programme and an attendance of more than 700 for Heritage Open Days on 8 September.

The museum received the **William Stansell Historic Building Award** for 2018 from Somerset Building Preservation Trust. The award, which was announced at a ceremony on 20 September, praised 'a dramatic transformation, successfully integrating several disparate elements with clarity, and with excellent materials and workmanship.' It added that 'new spaces and the new building are beautifully designed and detailed to enhance the setting of the barn where the repairs and lighting scheme are exemplary.'

Somerset Brick and Tile Museum

The **partnership** with Discovery (Somerset Adult Learning Disability Services) has continued and both organisations are strongly committed to their involvement with the site. Work is now starting to develop a project related to the museum and Bridgwater's industrial heritage.

Meetings have taken place separately with **Arts Council England** and Heritage Lottery Fund to share the vision for the site and its importance to Bridgwater and its communities.

The **Learning** Team have continued to provide events at the Brick and Tile Museum and the visitors attending are positive and engaged with the site. The total number of visits recorded in the year was 658.

Somerset Archives and Local Studies

The Somerset Archives and Local Studies Service continued to provide **public access** to the Somerset archive collections at Somerset Heritage Centre.

Both Somerset and Devon Archives Services have been involved with a major project to implement a **digital preservation** solution for archives that are received in digital form. The new system will enable the Trust to care for these archives long-term and make them available to researchers. This project marks a significant development and paves the way for the Trust to be able to accept digital archives more easily in future.

To celebrate completion of the project to digitise and catalogue **Stanley Walter Kenyon's photographic collection**, a temporary exhibition was installed at the Museum of Somerset. Opening on 17 February 2018, the exhibition displayed highlights of the extensive photographic record captured by Kenyon and a short film to tell the story of the preservation and the importance of the collection. A volunteer and stakeholder event to celebrate the completion of the Kenyon photographic project was held at Castle House on 20 April.

The **Somerset Studies Library** serves both customers and staff, and during the year a major focus has been on sorting and organising the library. Nearly 1,000 books were classified, labelled and evaluated for conservation or archival storage. The entire collection was re-ordered by subject and shelf markers printed, to ease the process of responding to enquiries and supporting research projects. Following the success of an event held at the Devon Heritage Centre in April, to raise awareness of local studies collections, a similar event was held at the Somerset Heritage Centre in October.

A series of **events** was held in November at the Somerset Heritage Centre for the national Explore Your Archives campaign. They included searchroom help sessions, a local studies day, a tour behind the scenes and promotion on social media.

The pop-up **archive exhibition**, 'Cheese and Charabancs: Historic Holidays in Devon and Somerset', was featured in several venues in Devon and Somerset throughout the summer.

Devon Archives and Local Studies

The Devon Archives and Local Studies Service continued to provide **public access** to the Devon archive collections at the Devon Heritage Centre and the North Devon Record Office.

The Trust was delighted to hear that it has been awarded £18,861 by the National Manuscripts Conservation Trust for a project to **conserve the political correspondence of Henry Addington, 1st Viscount Sidmouth** (1757–1844) who was Prime Minister from 1801 to 1804 and Home Secretary from 1812 to 1822. The Friends of Devon's Archives generously provided an additional £2,000 towards the project.

Much of the activity relating to the **Devon Remembers Heritage Project** reached a conclusion during the year, with the final completion date for the project being 31 January 2019. The project enabled people of all ages from across the county to learn about Devon's role during the First World War and to share their discoveries with others. A total of 118 volunteers donated over 10,000 hours of their time, working on 30 research projects which transformed our understanding of the home front. Every school and library in the county received learning resources, 6,000 First World War archive records were catalogued and made available, 328 people took part in creative activities, 9,480 people attended events and 47,800 people visited exhibitions.

The Trust has also been working with the **South West Police Heritage Trust** in relation to the long-term future of the archive collection of the Devon and Cornwall Constabulary. A partnership project is underway to sort, catalogue and protect the collection.

We have continued to work in partnership with Beaford Arts on their **Hidden Histories Project**. With support from the Heritage Lottery Fund this project has been conserving, digitising, cataloguing and publishing c. 10,000 images that illustrate the social history of rural North Devon during the late 20th century.

North Devon Record Office

This was the second year in which the North Devon Record Office was run under new arrangements, with funding from Devon County Council, Barnstaple Town Council, the Trust and a range of local organisations from north Devon. It was also the year in which the service celebrated 30 years of providing access to archives in north Devon.

A major priority has been improving the care of collections held in the strongroom in Barnstaple. A separate three-year **Conservation and Preservation Plan** has been developed which runs from 2017–20.

A programme of **quarterly talks** with a Devonshire cream tea was introduced during the year. This provided the opportunity for people to discover more of the stories from the archives, increase awareness of the collections, and hear visiting speakers talking about a range of archive-related themes.

Throughout the autumn we sought **funding** to enable the North Devon Archive Service to continue for the next three-year period (from April 2019 to March 2022). This has included writing to all parish and town councils in the North Devon and Torridge districts, holding an event and attending a Parish Forum meeting. A number of bids to support the service and equipment needs have also been written.

Historic Environment and Estates Service

The Trust estate of **landscape sites** totals more than 400 acres and is actively managed. At Charterhouse-on-Mendip scrub and some trees have been removed from the Scheduled Ancient Monument to ensure that the earthworks are better protected. Measures have also been put in place to prevent further damage by unauthorised off-road vehicles. Discussions have taken place with the Mendip AONB team for a partnership agreement between the AONB and the Trust concerning management of the Trust's sites at Charterhouse and at Deer Leap, Westbury-sub-Mendip.

New **interpretation panels** were prepared for installation on the Trust's heritage sites at Marston Magna and Nether Adber.

The Service won the contract for delivering a project called 'Valuing Environmental Capital and Services' within the **Blackdown Hills AONB**. The contract started on 28 March and lasted for 6 months.

Discussions have taken place with Taunton Deane Borough Council and Historic England concerning a strategy for bringing the prehistoric **hillfort at Norton Fitzwarren** fully into public stewardship.

A private foundation awarded £26,000 towards the cost of new learning facilities at the **Avalon Marshes Centre**. Negotiations are on-going with Natural England concerning the best means of removing and replacing the temporary classroom buildings at the Avalon Marshes Centre.

Having acted as archaeological advisers to the **Bridgwater Gateway project**, Trust staff were on duty at an exhibition held in the Sedgemoor Auction Centre on 14 June to highlight the discoveries made. Excavations revealed the largest Bronze Age landscape yet investigated archaeologically in Somerset, including a settlement with four large ditched enclosures and a rare Bronze Age cemetery containing about 60 cremation burials.

In November the Heritage Lottery Fund gave outline approval to a bid for £1.9 m made to its Landscape Partnership funding stream. The bid has been led by the **Quantock Hills AONB Service** which has developed an ambitious scheme in partnership with the South West Heritage Trust, the Friends of Quantock and others. The scheme seeks to deliver a wide range of projects to provide resilience and protection for the Quantocks.

The Service worked closely with Historic England and Taunton Deane Borough Council concerning the seriously-deteriorating condition of **Tonedale Mill, Wellington**. The Borough Council has appointed a project officer to develop proposals for action.

Towards the end of the year, it was confirmed that the Trust had been successful in its bid to supply Historic Environment services to **Bath & North East Somerset Council**. A contract for the temporary supply of such services to South Somerset District Council is now also in operation.

Volunteers have continued to add tithe map data to the **Somerset Historic Environment Record** (<http://www.somersetheritage.org.uk/#>). During the course of nearly two years, volunteers mapped the locations of 69,000 fields in 132 parishes (a third of the total) and linked them to the information contained in the tithe apportionment books of c. 1840.

The first revision since 2012 of the **National Planning Policy Framework** was published by the government on 24 July. The revision responded to concerns expressed during consultation about provisions for the conservation and enhancement of the historic environment and reaffirmed the status and role of the Historic Environment Record.

Learning

Formal Learning has remained key to the activity of the Trust. During the year 14,495 children attended 544 sessions delivered at our museums or in schools compared with 9,879 children attending 382 sessions in the preceding year.

Early in the year, Arts Council England (ACE) asked the Trust to become a partner in its **Museums and Schools Programme** for 2018–20, to be funded by a grant to the Trust of £124,000 over two years. The Trust has now developed a programme, called 'Adventures in Time', which includes:

- Engaging schools (at ACE's request particularly schools in rurally-isolated West Somerset) with our exhibition programme through interactive workshops and activities
- Working with pupils to co-create exhibition content
- Creating bespoke programmes so SEN and disadvantaged pupils can better enjoy our museums
- Partnership with the British Museum and Somerset Art Works to improve learning materials
- Becoming an Arts Award Centre
- Creating new educational resources
- Providing continuing professional development for teachers

In February we heard that a project bid for £9,200 to the Heritage Lottery Fund had been successful. The project focused on the importance of wartime agriculture and food production through researching and creating a **First World War** allotment garden in the grounds of Somerset Rural Life Museum. The project also enabled the creation of a range of learning resources for primary and secondary pupils and involved volunteers, museum visitors and a group of adults with learning disabilities.

A **Take One Project**, based on the Hinton House Hospital First World War autograph book, achieved the very successful participation of eight Somerset schools and several hundred pupils. Children's work arising from the project was the focus of a popular event at Somerset Rural Life Museum on 23–24 June.

Good progress was made during the year to develop and refresh the **loans** available for learning. An internally-funded project improved the quality of loans by re-boxing and repair, creating teacher notes and introducing Trust branding. **Loans boxes** were also prepared for distribution in Devon.

A group of 7 to 17 year olds took part in the final creative programme for the Devon Remembers Heritage Project. Members of the Plough Youth Theatre in Great Torrington researched and performed a play called '**Provincial Patriots**' which told stories relating to Devon's home front experience.

The Learning Team continued with a wide range of other engagement with **audiences of all ages**, including regular toddler sessions at the Museum of Somerset and Somerset Rural Life Museum, holiday events at the museums, tailored sessions for specific groups and reminiscence sessions in care homes and day centres. Tours of the Somerset Heritage Centre continued to be popular with organisations including U3As and family history groups. Special tours were held as part of the annual Heritage Open Days programme.

The number of people attending **Informal Learning** events increased by 43% year on year from 7,753 to 11,157. The number of events increased from 91 to 149.

Exhibitions and Public Programme

The Design Team of the Trust created a number of complex temporary exhibitions in the year together with associated promotional material. Support was also provided to other parts of the Trust to assist with outreach events and activities. In addition to the exhibitions already noted, which were provided at the Museum of Somerset and Somerset Rural Life Museum, the Trust also created the following:

Weston Museum

- *That's the Way to Do It: Punch and Judy Through The Ages* – told the story of Punch and Judy and their development over time.
- *Alfred Leete: The Man Behind the Icon*. Alfred Leete was a graphic artist who produced advertising campaigns for companies including the London Underground and Younger's Ale. His most famous image was of Lord Kitchener depicted for the First World War recruiting poster 'Your Country Needs You'. The original artwork, generously loaned by the Imperial War Museum in London, was the exhibition's centrepiece.

Touring and external exhibitions

- *Cheese and Charabancs: Historic Holidays in Devon and Somerset* – using historic documents from the archives to show how people enjoyed their leisure time in the two counties.
- *Devon Remembers Heritage Project* – providing support to exhibitions which explored first-hand accounts and contemporary interpretations to demonstrate the impact of the First World War.

A major exhibition '**Devon Voices: Home Front Stories 1914-1918**' was held at the Royal Albert Memorial Museum in Exeter. The result of a significant collaboration with RAMM, the exhibition used the archives, objects and stories of individual people discovered during the Devon Remembers Heritage Project to bring to life the varied ways in which Devon people experienced the First World War. The exhibition ran from September to January.

The Trust celebrated **thirty years of the North Devon Record Office** at a special event on 2 October, which was attended by over 100 people. The occasion included an exhibition of archives, tours behind the scenes, historic films and short talks promoting the achievements of the North Devon service. This event was run in partnership with the North Devon Athenaeum and Libraries Unlimited South West.

Collections

Following the death in 2017 of Sir Edward du Cann, former Member of Parliament for Taunton, his family gave an extensive group of archives and artefacts to the county collection.

Two diaries belonging to Edward Phelps MP (1725-1797) of Montacute, dated 1784 and 1789, were acquired by a group of Montacute residents and donated to the archive collections.

A group of documents, including a commonplace book relating to the Dyer family of Barnstaple, 1830s, was acquired at auction in September with the support of the Devon Family History Society.

Other notable accessions have included items relating to the First World War, deposited as part of the Devon Remembers Heritage Project, including papers relating to conscientious objectors and two volumes of an illustrated diary written by Phyllis Mary Dearman describing her work as a driver-mechanic with the Army Service Corps during 1918–19.

In consultation with the Blake Museum, Bridgwater, the Trust acquired at auction on 1 March a portrait of Dr John Allen MD, FRS (c. 1660-1741). He was a Bridgwater doctor, writer and inventor who patented but did not put into practice an early form of steam propulsion.

A painting in oils of Kingston St Mary near Taunton, 1810, was given to the museum collections by the Kingston St Mary History Society. The painting, which shows the village street over two centuries ago, was presented to the Trust at a special ceremony held in the village.

In consultation with the Friends of Coleridge and the National Trust, the Heritage Trust acquired on 14 March the writing table of Samuel Taylor Coleridge (1772-1834). The acquisition was fully funded by donations.

A memorandum of understanding with the Somerset Partnership NHS Trust has now been signed and will govern the basis on which care of, and access to, historic NHS records is managed.

After more than two years of negotiation, it was confirmed that ownership of the Luttrell of Dunster collection had been transferred to Somerset County Council under the acceptance in lieu procedures. The collection, which extends to 133 linear metres, has been on deposit since 1958 and is of outstanding significance. It is rich in medieval and early modern materials. A project to improve the catalogue of the collection is now underway.

In December the Trust's officers Bob Croft and Laura Burnett ensured the proper recording of a Roman coin hoard and Roman lead coffin found near Ilminster by a metal detectorist. There was widespread local and national publicity for the finds.

Volunteers

Throughout the year, the Trust was supported by an average of 209 volunteers across all areas of delivery. 31,190 hours were recorded, which is equivalent to 4,214 days or more than 19 full-time members of staff. The outstanding commitment of our volunteers means the Trust can undertake far more activity than would otherwise be possible. We are very grateful to them.

Our volunteers include researchers, retired heritage professionals, young people seeking work experience, conservators, craftsmen, story-tellers, curators and historians. Many younger volunteers engage with the Trust while studying a related subject and gain paid employment as a result of their time with us. For retired or older volunteers their participation often helps to maintain physical and mental agility and to address issues of loneliness and isolation.

Events to thank our volunteers for their essential contribution were held at the Somerset Heritage Centre in October and the Museum of Somerset in December.

Fundraising

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

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

FINANCIAL REVIEW AND RESERVES POLICY

Unrestricted income in the year totalled £3,009,476, with restricted income totalling £438,735. Of the £4,095,426 total expenditure, £4,045,891 (98.79%) was for charitable purposes. The remainder was for raising funds.

Pension schemes

Pension costs and liabilities are a key feature of the Trust's accounts, impacting on both the Statement of Financial Activities and the Balance Sheet. The majority of employees of the Trust are members of the Local Government Pension Schemes (LGPS) managed by Devon and Somerset County Councils and full details of these schemes are given in notes 1.16 and 17 to the accounts.

The LGPS schemes are defined benefit (final salary) schemes and the amounts included in the accounts are calculated by the schemes' actuary in accordance with accounting standards (FRS102) at 31 October 2018. Actual contributions payable are calculated by the actuary on a triennial basis with the latest valuation having been carried out at 31 March 2016 with changes to contribution rates becoming effective from 1 April 2017.

The LGPS funding valuations at 31 October 2018 show a combined deficit of £4.38 m compared to £4.47 m at 31 October 2017 on an FRS102 basis. The difference is partly due to the different dates but primarily to the different assumptions used by the actuary under the different bases.

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

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

The aggregate cash contributions to the two funds in the year ended 31 October 2018 were £215k compared to an actuarially-calculated expense charged in the Statement of Financial Activities of £403k.

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

Reserves

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

	£'000
Unrestricted general funds	107
Designated funds	276
Total unrestricted funds	<hr/> 383 <hr/>
Restricted funds	430 <hr/>

At 31 October 2018, excluding the pension reserve, the Trust had unrestricted reserves of £383k including £276k of specific designated reserves and £122k of fixed assets to leave free reserves of (£15k).

The Trust established a Reserves Policy during its first year of operation, which was adopted by Trustees on 3 September 2015. It states that the 'target provision for reserves should meet operational costs for three months'. This target is an organisational aspiration to be achieved by 2025. For our core operations, the target position would be reserves of approximately £700k. During the current (2018/19) financial year a medium term financial plan, tying in to the business plan and encompassing the building of additional reserves, will be established.

Major Income

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

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

FUTURE PLANS

In 2017, the Trustees and Senior Management Team developed a new five-year business plan to set the strategic direction of the Trust to 2022. The plan identifies five strategic ambitions to shape the work of the Trust. The Trust will be:

Resilient – By providing strong and responsible leadership we will champion heritage in Somerset and Devon, contributing to the prosperity of the region. We will seek new sources of funding and use digital means to develop and improve our services. We will stand up for the heritage of Somerset and Devon.

Enterprising – We will use our sites, collections and resources in new ways, working with communities, businesses, charities and public sector partners on innovative projects. Use of new technology will be at the heart of what we do, through initiatives including digital preservation for the long-term care of digital archives.

Collaborative – We will work in partnership with many stakeholders to expand access to heritage through new exhibitions and by bringing collections to communities. We want to work with cultural partners locally, regionally and nationally to ensure that heritage and the arts make their full contribution to wellbeing, prosperity and community identity.

Inclusive – We will reach more people through temporary and touring exhibitions, pop-up events, open days and outreach. We will work with them to understand what they want and to help them engage with a wide range of heritage stories and experiences. We will communicate in clear and accessible ways.

Inspiring – We will care for, record and interpret our collections so that they are available to inspire people. Through the passion and expertise of our staff and volunteers we will tell heritage stories in ways that are challenging, engaging and enriching. We will strengthen and extend our work with school-age children and families to capture their imaginations and provide unforgettable experiences.

Statement of Trustees' Responsibilities

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

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

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

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

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

Statement as to disclosure to our auditors

In so far as the Trustees are aware:

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

AUDITORS

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

SMALL COMPANY PROVISIONS

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

By order of the Trustees.

.....
D H Gwyther

Trustee
The South West Heritage Trust

Date:

The South West Heritage Trust

Independent Auditors' Report to the Trustees and Members
For the Year Ended 31 October 2018

Opinion

We have audited the financial statements of The South West Heritage Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 October 2018, which comprise the consolidated Statement of Financial Activities, the consolidated and parent charitable company Balance Sheets, the consolidated and parent charitable company Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 October 2018 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

The South West Heritage Trust

Independent Auditors' Report to the Trustees and Members
For the Year Ended 31 October 2018

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

The South West Heritage Trust

Independent Auditors' Report to the Trustees and Members
For the Year Ended 31 October 2018

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 20, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

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

Mary Street House
Mary Street
Taunton
Somerset
TA1 3NW

Date:

The South West Heritage Trust

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

For the Year Ended 31 October 2018

				2018			2017
	Notes	Unres- tricted £	Res- tricted £	Total £	Unres- tricted £	Res- tricted £	Total £
Income from:							
Donations and legacies	2	44,007	25,675	69,682	71,832	69,892	141,724
Charitable activities	4	2,651,184	410,001	3,061,185	2,591,229	486,586	3,077,815
Other trading activities	5	314,285	3,020	317,305	292,494	5,528	298,022
Investments	3	-	39	39	-	14	14
Total income		3,009,476	438,735	3,448,211	2,955,555	562,020	3,517,575
Expenditure on:							
Raising funds	6	49,535	-	49,535	42,201	-	42,201
Charitable activities	6	3,487,677	558,214	4,045,891	3,598,510	577,402	4,175,912
Total expenditure		3,537,212	558,214	4,095,426	3,640,711	577,402	4,218,113
Net expenditure		(527,736)	(119,479)	(647,215)	(685,156)	(15,382)	(700,538)
Transfer between funds		(12,570)	12,570	-	(3,741)	3,741	-
Other recognised gains							
Actuarial gains on defined benefit pension schemes		486,000	-	486,000	2,511,000	-	2,511,000
Net movement in funds for the year		(54,306)	(106,909)	(161,215)	1,822,103	(11,641)	1,810,462
Reconciliation of funds							
Total funds brought forward		(3,946,514)	536,969	(3,409,545)	(5,768,617)	548,610	(5,220,007)
Total funds carried forward		(4,000,820)	430,060	(3,570,760)	(3,946,514)	536,969	(3,409,545)

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

All income and expenditure derive from continuing activities.

		2018	2018	2017	(As restated) 2017
	Notes	£ Group	£ Charity	£ Group	£ Charity
Fixed assets					
Tangible fixed assets	9	432,566	432,566	557,561	557,561
Investments	10	-	1	-	1
		<u>432,566</u>	<u>432,567</u>	<u>557,561</u>	<u>557,562</u>
Current assets					
Stock	11	29,606	-	28,120	-
Debtors	12	480,839	546,490	1,061,375	1,099,323
Cash at bank and in hand		775,881	609,999	381,377	202,742
		<u>1,286,326</u>	<u>1,156,489</u>	<u>1,470,872</u>	<u>1,302,065</u>
Liabilities:					
Creditors: amounts falling due within one year	13	(905,652)	(893,591)	(970,978)	(953,407)
		<u>380,674</u>	<u>262,898</u>	<u>499,894</u>	<u>348,658</u>
Net current assets					
		<u>813,240</u>	<u>695,465</u>	<u>1,057,455</u>	<u>906,220</u>
Net assets excluding pension liabilities					
Defined benefit pension scheme liabilities	17	(4,384,000)	(4,384,000)	(4,467,000)	(4,467,000)
		<u>(3,570,760)</u>	<u>(3,688,535)</u>	<u>(3,409,545)</u>	<u>(3,560,780)</u>
Total net liabilities including pension liabilities					
The funds of the charity:					
Unrestricted funds:					
General funds		107,413	(10,362)	197,101	45,866
Designated funds		275,767	275,767	323,385	323,385
		<u>383,180</u>	<u>265,405</u>	<u>520,486</u>	<u>369,251</u>
Unrestricted funds excluding pension reserve					
Pension reserve		(4,384,000)	(4,384,000)	(4,467,000)	(4,467,000)
		<u>(4,000,820)</u>	<u>(4,118,595)</u>	<u>(3,946,514)</u>	<u>(4,097,749)</u>
Total unrestricted funds	14				
Restricted funds	14	430,060	430,060	536,969	536,969
		<u>(3,570,760)</u>	<u>(3,688,535)</u>	<u>(3,409,545)</u>	<u>(3,560,780)</u>
Total charity funds					

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

The notes on pages 29 - 56 form part of these accounts.

Approved by the Board for issue on and signed on their behalf by:

.....
D H Gwyther

Trustee

The South West Heritage Trust
Statement of Cash Flows and Consolidated Statement of Cash Flows
For the Year Ended 31 October 2018

		(As restated)			
		2018	2018	2017	2017
		£	£	£	£
	Notes	Group	Charity	Group	Charity
Cash flows from operating activities					
Net expenditure for the year		(647,215)	(613,755)	(700,538)	(747,089)
Adjustments to cash flows from non-cash items:					
Depreciation and amortisation	9	160,112	160,112	153,927	153,927
Profit on disposal of fixed assets		600	600	1,800	1,800
Finance Income	5	(39)	(39)	(14)	(14)
cost less contributions payable	17	122,000	122,000	408,000	408,000
Defined benefit pension scheme finance cost	17	281,000	281,000	220,000	220,000
		(83,542)	(50,082)	83,175	36,624
Working capital adjustments					
Increase in stocks	11	(1,486)	-	(5,491)	-
Decrease / (increase) in debtors	12	580,536	552,833	(357,171)	(358,873)
Decrease in creditors	13	(65,326)	(59,816)	(146,002)	(156,844)
Net cash flow from operations		430,182	442,935	(425,489)	(479,093)
Cash flows from investing activities					
Purchase of tangible fixed assets	9	(35,717)	(35,717)	(486,474)	(486,474)
Interest received	5	39	39	14	14
		(35,678)	(35,678)	(486,460)	(486,460)
Net increase in cash and cash equivalents		394,504	407,257	(911,949)	(965,553)
Cash and cash equivalents at the beginning of the reporting period		381,377	202,742	1,293,326	1,168,295
Cash and cash equivalents at the end of the reporting period		775,881	609,999	381,377	202,742
Cash & Cash equivalents reconciliation:					
Cash at bank		775,881	609,999	381,377	202,742
Total cash & cash equivalents at the end of the reporting period		775,881	609,999	381,377	202,742

1 Accounting Policies

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

1.1 Basis of accounting

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

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

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

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

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

1.2 Legal status of the Trust

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

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

1.3 Going Concern

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

1.4 Restatements

Restatements are accounting adjustments arising from a change in accounting policy. The change in accounting policy is applied as if the new policy had always been applied. See note 20 for more details.

1.5 Income

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

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

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

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

The charity receives income from its subsidiary under gift aid and they are recognised upon physical receipt. See note 20 for more details.

1.6 Interest receivable

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

1.7 Expenditure

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

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

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

1.8 Operating leases

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

1.9 Fund accounting

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

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

1.10 Tangible fixed assets and depreciation

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

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

1.11 Debtors

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

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

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

1.12 Stock

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

1.13 Cash at bank and in hand

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

1.14 Creditors

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

1.15 Defined contribution pension

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

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

1.16 Defined benefit pension obligation

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

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

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

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

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

1.17 Critical accounting estimates and areas of judgement

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 October 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

1.18 Taxation

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

2 Donations and legacies

	Unres- tricted funds £	Res- tricted funds £	2018 Total £	Unres- tricted funds £	Res- tricted funds £	2017 Total £
Donations and bequests	44,007	25,675	69,682	71,832	69,892	141,724
	44,007	25,675	69,682	71,832	69,892	141,724

3 Investment income

	Unres- tricted funds £	Res- tricted funds £	2018 Total £	Unres- tricted funds £	Res- tricted funds £	2017 Total £
Bank interest	-	39	39	-	14	14

4 Income from charitable activities

	Unres- tricted funds £	Res- tricted funds £	2018 Total £	Unres- tricted funds £	Res- tricted funds £	2017 Total £
Fees for services and grants						
<u>Heritage services</u>						
Somerset County Council	1,632,424	-	1,632,424	1,627,032	-	1,627,032
Devon County Council	392,555	-	392,555	420,975	-	420,975
North Somerset Council	142,431	-	142,431	137,085	7,000	144,085
Weston-Super-Mare Town Council	65,683	890	66,573	49,159	3,328	52,487
Torbay Council	104,419	-	104,419	100,990	-	100,990
<u>Other services</u>						
SCC - Registration	13,868	-	13,868	13,439	-	13,439
SCC - Records	54,240	-	54,240	50,354	-	50,354
<u>Grant income</u>						
Somerset Wildlife Trust	-	-	-	-	14,109	14,109
The National Archives	-	-	-	47,165	-	47,165
Heritage Lottery Fund	-	98,776	98,776	-	118,554	118,554
The British Museum	-	51,908	51,908	-	72,556	72,556
Somerset County Council	30,328	100,753	131,081	30,327	168,639	198,966
Arts Council England	-	57,470	57,470	2,253	24,331	26,584
Bristol Council	-	9,000	9,000	-	20,000	20,000
DEFRA	34,736	-	34,736	16,938	-	16,938
Devon County Council	-	48,440	48,440	-	35,167	35,167
Weston-Super-Mare Town Council	-	14,868	14,868	-	-	-
Ancestry Information Operations Company	-	-	-	3,074	-	3,074
Emily Estate	81,217	-	81,217	-	-	-
Under £10k	61,552	27,896	89,448	57,581	22,902	80,483
	2,613,453	410,001	3,023,454	2,556,372	486,586	3,042,958
Memberships and subscriptions	37,731	-	37,731	34,857	-	34,857
	2,651,184	410,001	3,061,185	2,591,229	486,586	3,077,815

5 Other trading activities

	Unres- tricted funds £	Res- tricted funds £	2018 Total £	Unres- tricted funds £	Res- tricted funds £	2017 Total £
Merchandising income						
Shop sales	114,754	-	114,754	102,033	-	102,033
Café concession	32,911	-	32,911	23,400	-	23,400
	<u>147,665</u>	<u>-</u>	<u>147,665</u>	<u>125,433</u>	<u>-</u>	<u>125,433</u>
Events and other sales						
Digital images, publications and research income	64,957	315	65,272	80,416	4,588	85,004
Room hire	8,520	-	8,520	6,947	-	6,947
Education income	42,782	-	42,782	24,040	940	24,980
Rental income	13,413	-	13,413	15,995	-	15,995
Other income	36,948	2,705	39,653	39,663	-	39,663
	<u>166,620</u>	<u>3,020</u>	<u>169,640</u>	<u>167,061</u>	<u>5,528</u>	<u>172,589</u>
	<u>314,285</u>	<u>3,020</u>	<u>317,305</u>	<u>292,494</u>	<u>5,528</u>	<u>298,022</u>

6 Expenditure

	Staff costs £	Other Direct costs £	2018 Total £	Staff costs £	Other Direct costs £	2017 Total £
Cost of raising funds						
Trading costs	-	49,535	49,535	-	42,201	42,201
Charitable activities						
Archives and local studies	1,009,995	159,119	1,169,114	1,151,846	252,219	1,404,065
Museums	717,761	305,087	1,022,848	801,997	460,724	1,262,721
Historic environment and estates services	452,555	56,564	509,119	347,378	57,784	405,162
Heritage services	411,212	593,601	1,004,813	518,280	407,738	926,018
Learning	220,872	21,409	242,281	160,982	16,964	177,946
Closed projects	-	97,716	97,716	-	-	-
	<u>2,812,395</u>	<u>1,283,031</u>	<u>4,095,426</u>	<u>2,980,483</u>	<u>1,237,630</u>	<u>4,218,113</u>

	2018 £	Charity 2017 £	2018 £	Subsidiary 2017 £	Total 2018 £	Total 2017 £
Depreciation of owned assets	160,112	153,927	-	-	160,112	153,927
Operating lease expenses	35,903	30,328	-	-	35,903	30,328
Auditors' remuneration for: Current auditors						
- Audit services	5,000	6,453	1,548	881	6,548	7,334
- Other services	719	8,237	-	-	719	8,237

7 Trustee directors

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2017: £nil).

Four charity trustees were reimbursed £1,225 for travel expenses during the year (2017: Four trustees - £1,827).

No charity trustee received payment for professional or other services supplied to the charity (2017: £nil).

8 Employees

Number of employees

The average monthly head count was 98 staff (2017: 123 staff) and the average number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

	2018	2017
Management	4.8	5
Finance and admin	7.6	8.8
Fundraising	0.8	0.6
Service provision	64.6	60.9
	<u>77.8</u>	<u>75.3</u>

Employment costs

	2018	2017
	£	£
Wages and salaries	1,985,858	1,928,136
Social security costs	167,768	164,506
Pension costs	658,769	887,841
	<u>2,812,395</u>	<u>2,980,483</u>

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

	2018	2017
	number	number
£60,000 - £70,000	<u>1</u>	<u>1</u>

This employee is a member of the defined benefit pension scheme, into which contributions of £10,672 (2017: £10,622) were made.

The key management personnel of the group comprise those of the Trust and the key management personnel of its wholly owned subsidiary South West Heritage Trust Trading Company Ltd. The key management personnel of the group comprises of the Chief Executive Officer. The total employee benefits (includes gross pay, employer pension and employer national insurance) of the key management personnel of the Trust were £86,387 (2017: £85,600).

Pension costs

The company operates both defined benefit and defined contribution pension schemes.

The charge to the Statement of Financial Activities for the year is shown above.

Contributions totalling £38,334 (2017 - £32,202) were payable to the schemes at the end of the year and are included in creditors. Further details of the defined benefit schemes are given in note 17.

9 Tangible fixed assets
Group

	Leasehold improvements	Computer equipment	Motor Vehicles	Fixtures & fittings	Total
	£	£	£	£	£
Cost					
At 1 November 2017	491,481	216,811	38,500	22,844	769,636
Additions	19,794	3,250	-	12,672	35,716
Disposals	-	-	(1,500)	-	(1,500)
At 31 October 2018	511,275	220,061	37,000	35,516	803,852
Depreciation					
At 1 November 2017	98,296	80,702	23,100	9,977	212,075
Charge for the year	102,247	43,362	7,400	7,103	160,112
Eliminated on disposals	-	-	(900)	-	(900)
At 31 October 2018	200,543	124,064	29,600	17,080	371,287
Net book value					
At 31 October 2018	310,732	95,997	7,400	18,436	432,565
At 31 October 2017	393,185	136,109	15,400	12,867	557,561

The above assets are all held by the charity.

10 Investments

	Charity (as restated)	
	Total 2018	Total 2017
	£	£
South West Heritage Trust Trading Limited		
Ordinary shares of £1 each	1	1

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

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

A summary of the trading results is shown below:

	2018	(as restated) 2017
	£	£
Turnover	264,106	258,551
Cost of sales	(51,954)	(41,661)
Gross profit	212,152	216,890
Administrative expenses	(94,377)	(65,655)
Operating profit	117,775	151,235
Investment income	-	-
Profit before tax & profit for the financial year	117,775	151,235
Retained earnings brought forward in subsidiary	151,235	104,685
Gift aid to The South West Heritage Trust	(151,235)	(104,685)
Retained earnings carried forward in subsidiary	117,775	151,235
The assets and liabilities were:		
Current assets	218,918	232,697
Current liabilities	(101,142)	(81,461)
Total net assets	117,776	151,236
Called up share capital	1	1
Profit and loss reserve	117,775	151,235
	117,776	151,236

11 Stocks

	Group	2018	Group	2017
	£	Charity	£	Charity
		£		£
Goods for resale	29,606	-	28,120	-

Stock recognised in the Statement of Financial Activities as an expense is £36,315 (2017: £31,678).

12 Debtors

	Group	2018	Group	(as restated)
	£	Charity	£	2017
		£		Charity
		£		£
Trade debtors	314,731	308,492	755,574	735,826
Prepayments and accrued income	166,108	148,917	305,801	299,607
Amounts owed by group undertakings	-	89,081	-	63,890
	480,839	546,490	1,061,375	1,099,323

13 Creditors: Amounts falling due within one year

	2018		2017	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	44,136	41,751	82,496	73,822
Other creditors	66,968	66,968	73,754	73,754
Accruals and deferred income	679,341	677,162	687,972	684,715
Taxation and social security	115,207	107,710	126,756	121,116
	<u>905,652</u>	<u>893,591</u>	<u>970,978</u>	<u>953,407</u>

Deferred Income

	2018		2017	
	Group	Charity	Group	Charity
	£	£	£	£
Deferred income at 1 November 2017	600,255	599,173	580,280	579,659
Released from previous years	(600,255)	(599,173)	(580,280)	(579,659)
Resources deferred in the year	583,543	583,111	600,255	599,173
Deferred Income at 31 October 2018	<u>583,543</u>	<u>583,111</u>	<u>600,255</u>	<u>599,173</u>

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

14 Summary of movement in funds- Group

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

Summary of movement in funds- Charity

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

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

14 Summary of movement in funds – Group (2017)

	Opening balance £	Income £	Expenditure £	Transfers & losses £	Closing balance £
Unrestricted funds - Group					
General	291,383	2,832,866	(2,990,067)	62,919	197,101
Designated funds - Group and Charity					
Somerset Rural Life Museum (Leasehold improvements fund)	-	-	(19,773)	98,864	79,091
New Burdens	-	47,165	(2,871)	-	44,294
Project development fund	125,000	-	-	(25,000)	100,000
ICT development and investment	25,000	75,524	-	(100,524)	-
Capital reserve	140,000	-	-	(40,000)	100,000
Total designated funds	290,000	122,689	(22,644)	(66,660)	323,385
Pension fund	(6,350,000)	-	(628,000)	2,511,000	(4,467,000)
	(5,768,617)	2,955,555	(3,640,711)	2,507,259	(3,946,514)
Restricted funds - Group and Charity					
Somerset Rural Life Museum (Leasehold improvements fund)	268,912	91,931	(78,523)	31,774	314,094
Archive and museum donations	105,310	2,774	-	(42,920)	65,164
Castle House Project	(922)	49,088	(1,813)	(1,622)	44,731
Historic Environment and Estates	45,472	60,362	(68,492)	3,296	40,638
Somerset Levels	28,106	6,000	(13,706)	(1,353)	19,047
Ready to Borrow	-	20,000	(2,539)	-	17,461
HES Hinkley	35,146	6,962	(14,342)	(15,000)	12,766
Portable Antiques	2,813	73,556	(63,704)	(529)	12,136
Devon Remembers	9,768	89,348	(91,839)	-	7,277
North Devon Record Office	18,976	35,171	(47,662)	(2,830)	3,655
Manorial Document Register	13,194	-	(10,643)	(2,551)	-
Wyndham Catalogue Project	-	14,998	(21,729)	6,731	-
Museum Development Officer	-	19,126	(36,937)	17,811	-
SRLM Redevelopment	-	-	-	-	-
Manorial Document Register	-	-	-	-	-
Camdem Town	18,335	1,000	(25,127)	5,792	-
Pike Ward	2,000	3,950	(6,214)	264	-
Herd and Harvest	1,500	-	(3,400)	1,900	-
Makers in Museums Programme	-	54,611	(54,611)	-	-
	548,610	562,020	(577,402)	3,741	536,969
	(5,220,007)	3,517,575	(4,218,113)	2,511,000	(3,409,545)

Summary of movement in funds – Charity- 2017 (as restated)

	Opening balance £	Income £	Expenditure £	Transfers & losses £	Closing balance £
Unrestricted funds - Charity					
General	186,699	2,678,999	(2,882,751)	62,919	45,866
Designated funds - Charity	290,000	122,689	(22,644)	(66,660)	323,385
Pension fund	(6,350,000)	-	(628,000)	2,511,000	(4,467,000)
	<u>(5,873,301)</u>	<u>2,801,688</u>	<u>(3,533,395)</u>	<u>2,507,259</u>	<u>(4,097,749)</u>
 Restricted funds - Charity	 548,610	 562,020	 (577,402)	 3,741	 536,969
	<u>(5,324,691)</u>	<u>3,363,708</u>	<u>(4,110,797)</u>	<u>2,511,000</u>	<u>(3,560,780)</u>

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

14 Summary of movement in funds (cont'd)

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

14 Summary of movement in funds (cont'd)

- Museums and Schools - a project entitled 'Adventures in Time' funded by Arts Council England Museums and Schools programme. The project has enabled work with pupils and schools located in isolated rural areas.
- Ready to borrow - funding towards the cost of a high specification display case for loan objects and a radio-environmental monitoring system, installed at Weston Museum.

15 Analysis of assets between funds – Group

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

Analysis of assets between funds – Charity

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

Analysis of assets between funds – Group - 2017

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Creditors more than one year £	Total £
Unrestricted funds	164,376	64,981	(32,256)	-	197,101
Designated funds	79,091	244,294	-	-	323,385
Restricted funds	314,094	72,102	150,773	-	536,969
Pension reserve	-	-	-	(4,467,000)	(4,467,000)
As at 31 October 2017	557,561	381,377	118,517	(4,467,000)	(3,409,545)

Analysis of assets between funds – Charity – 2017 (as restated)

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Creditors more than one year £	Total £
Unrestricted funds	164,377	(113,654)	(4,857)	-	45,866
Designated funds	79,091	244,294	-	-	323,385
Restricted funds	314,094	72,102	150,773	-	536,969
Pension reserve	-	-	-	(4,467,000)	(4,467,000)
As at 31 October 2017	557,562	202,742	145,916	(4,467,000)	(3,560,780)

16 Income and expenditure account of the Trust

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

Prior to gift aid amounts received from the subsidiary, The South West Heritage Trust has net expenditure for the year of £764,990 (2017 - expenditure £851,773) based on income of £3,259,025 (2017 - £3,259,025). Gift aid distributions from trading subsidiary of £151,235 (2017: £104,684) were received in the year, in which the amount relates to the prior year trading profits.

17 Pension commitments

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

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

At the year end there were outstanding contributions due to the schemes totalling £23,382 which are included within creditors.

The schemes are funded defined benefit pension schemes, with assets held in separate Trustee-administrated funds. The total contributions made for the year ended 31 October 2018 were £296,000 of which employer's contributions totalled £215,000 and employees' contributions totalled £81,000. The current employer contribution rates for future years are 16% (SCC) and 22% (DCC).

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

Summary of net pension liability as at 31 October 2018:

	SCC £'000	DCC £'000	Total £'000
Present value of defined benefit obligations	(9,018)	(4,246)	(13,264)
Fair value of share of scheme assets	6,019	2,861	8,880
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Deficit in the schemes	(2,999)	(1,385)	(4,384)
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Summary of net pension liability as at 1 November 2017:

	SCC £'000	DCC £'000	Total £'000
Present value of defined benefit obligations	(8,863)	(4,140)	(13,003)
Fair value of share of scheme assets	5,750	2,786	8,536
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Deficit in the schemes	(3,113)	(1,354)	(4,467)
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Somerset County Council Pension Scheme

Principal Actuarial Assumptions

	At 31 October 2018	At 1 November 2017
Salary increases	3.95%	4.20%
Pension increases	2.45%	2.70%
Discount rate	2.80%	2.80%
CPI increases	2.45%	2.70%
RPI increases	3.45%	3.60%

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

The assumed life expectations on retirement age 65 are:

	At 31 October 2018	At 1 November 2017
<i>Retiring today</i>		
Males	24.0	23.9
Females	25.2	25.1
<i>Retiring in 20 years</i>		
Males	26.3	26.2
Females	27.5	27.4

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

	As at 31 October 2018			As at 1 November 2017		
	Expected return	Fair value £'000	% of total scheme assets	Expected return	Fair value £'000	% of total scheme assets
Equities		4,282	71%		4,124	72%
Gilts		344	6%		306	5%
Other bonds		540	9%		549	10%
Property		513	9%		527	9%
Cash		340	6%		244	4%
Total market value of assets	15.0%	6,019	100%	15.0%	5,750	100%
Present value of scheme liabilities - funded		(9,018)			(8,863)	
Deficit in the scheme		(2,999)			(3,113)	

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

	31 October 2018 £'000	31 October 2017 £'000
Current service cost	(363)	(546)
Net interest cost	(85)	(130)
Administration expenses	(5)	(4)
Total	(453)	(680)

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

	At 31 October 2018 £'000	At 31 October 2017 £'000
At 1 November 2017	(8,863)	(9,096)
Current service cost	(363)	(472)
Interest cost	(249)	(274)
Past service costs	-	(74)
Estimated benefits paid	5	27
Employee contributions	(63)	(73)
Actuarial gains/(losses)	515	1,099
At 31 October 2018	(9,018)	(8,863)

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

	At 31 October 2018 £'000	At 31 October 2017 £'000
At 1 November 2017	5,750	4,685
Interest income	164	144
Expected return on Fund assets less interest	(96)	534
Other actuarial gains	-	139
Employer contributions	148	206
Employee contributions	63	73
Estimated benefits paid	(5)	(27)
Administrative expenses	(4)	(4)
At 31 October 2018	6,019	5,750

Devon County Council Pension Scheme

Principal Actuarial Assumptions

	At 31 October 2018	At 1 November 2017
Salary increases	4.00%	4.20%
Pension increases	2.50%	2.70%
Discount rate	2.75%	2.80%
CPI increases	2.50%	2.70%
RPI increases	3.50%	3.60%

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

The assumed life expectations on retirement age 65 are:

	At 31 October 2018	At 1 November 2017
<i>Retiring today</i>		
Males	23.6	23.5
Females	25.7	25.6
<i>Retiring in 20 years</i>		
Males	25.8	25.7
Females	28.0	27.9

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

	As at 31 October 2018			As at 1 November 2017		
	Expected return	Fair value £'000	% of total scheme assets	Expected return	Fair value £'000	% of total scheme assets
Gilts		93	3%		80	3%
UK equities		495	17%		661	24%
Overseas equities		1,193	42%		986	35%
Property		263	9%		243	9%
Infrastructure		105	4%		103	4%
Target return portfolio		412	14%		410	15%
Cash		61	2%		73	3%
Other bonds		54	2%		230	8%
Alternative assets		151	5%		-	n/a
Private equity		34	1%		-	n/a
		<hr/>			<hr/>	
Total market of assets	13.0%	2,861	100%	13.0%	2,786	100%
Present value of scheme liabilities - funded		(4,246)			(4,140)	
		<hr/>			<hr/>	
Defecit in the scheme		(1,385)			(1,354)	
		<hr/>			<hr/>	

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

	At 31 October 2018 £'000	At 31 October 2017 £'000
Current service cost	(126)	(190)
Net interest cost	(37)	(58)
Administration expenses	(2)	(2)
Settlements and curtailments	-	-
	<hr/>	<hr/>
Total	(165)	(250)
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Movements in the present value of defined benefit obligations were as follows:

	At 31 October 2018 £'000	At 31 October 2017 £'000
At 1 November 2017	(4,140)	(4,433)
Current service cost	(126)	(127)
Past service costs	-	(63)
Interest cost	(116)	(134)
Estimated benefits paid	30	54
Employee contributions	(18)	(19)
Actuarial gains/(losses)	124	582
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At 31 October 2018	(4,246)	(4,140)
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Movements in the fair value of the charity's share of scheme assets were as follows:

	At 31 October 2018 £'000	At 31 October 2017 £'000
At 1 November 2017	2,786	2,494
Interest income	79	76
Expected return on Fund assets	(57)	227
Other actuarial gains / (losses)	-	(70)
Employer contributions	67	96
Employee contributions	18	19
Estimated benefits paid	(30)	(54)
Administrative expenses	(2)	(2)
	<hr/>	<hr/>
At 31 October 2018	2,861	2,786
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18 Obligations under leases

Operating leases-

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

	2018	2017
	£	£
Land and Buildings		
Expiry date:		
Within one year	30,328	30,328
Within two and five years	121,312	121,312
More than five years	682,848	713,165
Other		
Expiry date:		
Within one year	8,268	8,268
Within two and five years	11,807	20,075
More than five years	-	-
	<hr/>	<hr/>
	854,563	893,148
	<hr/> <hr/>	<hr/> <hr/>

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

19 Related party transactions

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

There were no other related party transactions other than with members of the group (2017: none).

20 Restatement

The charity receives income from its subsidiary under gift aid as set out in accounting policy 1.5.

The policy has been changed in line with the SORP clarification issued in 5 October 2018 (Update Bulletin 2). Previously income was recognised in the year to which it related, under update Bulletin 2, amounts are now recognised as a distribution from its subsidiary in the year in which they are paid.

For the year ended 31 October 2017, the effect of the change in the charity only accounts is to decrease the net liability at 1 November 2016 by £104,684 from £5,220,007 to £5,324,691. The gift aid donation during the year ended 31 October 2017 is reduced by £46,551 from £151,235 to £104,684 and the net income is reduced by £46,551 from £1,810,462 to £1,763,911. Debtors at the 31 October 2017 are decreased by £151,235 from £1,250,558 to £1,099,323, and therefore the net liability and closing funds at 31 October 2017 are decreased by £151,235 from £3,409,545 to £3,560,780.

The comparative figures of the charity have been restated to reflect the application of the new policy.

There is no effect on the group accounts.