

THE CHARLESTON TRUST (BLOOMSBURY IN SUSSEX)  
TRUSTEES REPORT & ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

## THE CHARLESTON TRUST (BLOOMSBURY IN SUSSEX)

TRUSTEES' REPORT	2
LEGAL AND ADMINISTRATIVE INFORMATION	9
STRUCTURE, GOVERNANCE AND MANAGEMENT	10
FINANCIAL RESULTS	12
STATEMENT OF TRUSTEES' RESPONSIBILITIES	14
INDEPENDENT AUDITOR'S REPORT	15
ANNUAL ACCOUNTS 2020	
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES	19
CONSOLIDATED AND CHARITY BALANCE SHEETS	20
CONSOLIDATED STATEMENT OF CASHFLOWS	21
NOTES TO THE ACCOUNTS	22 - 36

## TRUSTEES' REPORT

The Trustees of The Charleston Trust (Bloomsbury in Sussex), also referred to in the report and financial statements as 'The Charleston Trust', 'the Trust' and 'the Charity', are pleased to present their report and the financial statements for the year to 31 December 2020.

### **Charitable Objectives and Mission Statement**

As a registered charity created to manage and conserve Charleston for the benefit of the public, The Charleston Trust is dedicated to providing excellence in both interpretation and conservation. The Charity's objectives are:

- To acquire, protect and improve for the benefit of the general public the land and buildings known as Charleston;
- To promote the maintenance and development of public knowledge, understanding and appreciation of the art, architecture and contents of Charleston and its historical, literary and artistic connections;
- To encourage and promote appreciation and understanding of the arts.

These objectives are achieved through providing conservation of the house, the collection and the garden; public access to the house, the collection and the garden, and an annual programme of exhibitions, events, festivals and workshops. In all of its activities, the Trust endeavours to be open and accessible to all.

When considering the Charity's objectives and planning activities for the year, the Trustees have had due regard to the Charity Commission's general guidance on public benefit.

## **Introduction**

Charleston entered 2020 projecting continued strong growth in our visitor numbers and programme of festivals and events. However, after a strong start to the year, in March 2020, Charleston closed to the public due to the COVID19 pandemic. The 2020 Charleston Festival was cancelled and most of our staff team were furloughed.

We launched an emergency appeal and secured emergency funding from Arts Council Culture Recovery Fund, National Lottery Heritage Fund, Historic England and South East Museums Development Programme. Our financial projections suggested that even if we were able to reopen in 2020, visitor numbers would be low, and we would incur significant and unmanageable losses. In June, the Trustees made the difficult decision that Charleston would remain closed until Spring 2021 and to reduce overhead costs during closure all visitor related roles were made redundant

As a result of extraordinary acts of philanthropy from 2,673 donors around the world, coupled with government and lottery support, Charleston recovered from the risk of insolvency to finish the year in a stronger financial position. Charleston ended 2020 with sufficient funding in place to operate the organisation until reopening in May 2021.

## **2020 Achievements and Activity**

The Charleston Trust receives no ongoing public funding and is reliant on income from entrance and events ticketing, and visitors' secondary spend in the café and shop. The Covid-19 pandemic occurred when the Charity was at its most financially vulnerable having undertaken over a decade of fundraising and capital investment to open Charleston's restored 18th century barns and purpose-built galleries. 2019 was the first year of operating these new businesses and opening the site all year. It was a year of tremendous successes with dynamic new programmes launched, critically acclaimed exhibitions and a doubling of audiences to the site. However significant investment in staff, marketing and programme costs was required to run the new exhibitions, café/restaurant, events programme and venue hire business. 2020 had been forecast to deliver an annual surplus but instead Charleston became at critical risk of insolvency as the site was closed and Charleston Festival, our major annual fundraising event, was cancelled.

An emergency sub-committee of the Board of Trustees was formed in March 2020 to monitor the potential impact of Coronavirus on Charleston. An immediate spending freeze was implemented and preparations for the Festival were halted to limit further financial liability. An Emergency Appeal was launched within a week of closing to the public and Charleston received significant press in the UK and America as one of the first heritage sites to articulate the severity of the financial risk to arts



## THE CHARLESTON TRUST (BLOOMSBURY IN SUSSEX)

organisations. The majority of staff were placed on furlough leave when this became possible, and generous philanthropy from around the world sustained the organisation month by month. In April, Charleston was placed on the Department for Digital, Culture, Media and Sport (DCMS) Heritage at Risk register, which ultimately resulted in the National Lottery Heritage Fund making a strategic intervention with a grant of £234,100.

Using data from countries emerging from lockdown in late spring 2020, as well as visitor confidence data from Association of Leading Visitor Attractions (ALVA) and others, it was clear that it would be financially prudent for Charleston to remain closed for the remainder of 2020. Whilst working to secure the Charity's solvency, the remaining executive team developed an organisational Covid Recovery Plan. We have used the extended closure period to secure funding to accelerate the delivery of strategic projects, including the creation of a new brand and website, the implementation of a new ticketing and CRM system, rebuilding the collapsing access road to Charleston and restoring Quentin Bell's pottery.

Despite the reduced size of the team during 2020 and the enforced closure period, there have been significant triumphs of engagement during 2020 in our objective to reach new and more diverse audiences. As one of the first arts organisations to shift to a digital presentation our 2020 Charleston Festival at Home reached audiences of over 16,000 worldwide and our social media engagement has grown significantly. A series of fundraising activities saw the creative community coming to Charleston's support with an Instagram auction managed by local artist Emily Maude raising £54,465 for the Charity and a host of other fundraising activities delivered by supporters.

Early in 2020 we secured funding from the Art Fund and the Henry Moore Foundation to complete the purchase of a bust of Duncan Grant by Stephen Tomlin. The vendor subsequently offered a donation from sales of a new edition of the bust to support the Emergency Appeal. In October 2020, we were able to announce that Charleston had secured the acquisition of a substantial collection of erotic drawings by Duncan Grant and we are now seeking funding to secure digitisation and research grants. A funded PhD post has been created in partnership with University of Sussex to catalogue and research these drawings further.

Funding has also been secured for our Covid Recovery plan from

- Ministry of Housing, Communities and Local Government's Getting Building Fund for repairs to the Charleston access road.
- The Linbury Trust and Chalk Cliff to support the implementation of a new ticketing and CRM system.

## THE CHARLESTON TRUST (BLOOMSBURY IN SUSSEX)

- Rockefeller Foundation for the restoration of Quentin Bell's pottery.
- Mercers' Company to restore fragile Bloomsbury textiles and needlework and create facsimiles for display.
- Architectural Heritage Fund for the creation of a new brand and website.
- Bloomberg Philanthropies for the creation of a digital app to create a new visitor experience in the house.

Charleston's much-loved garden was opened to the public free in the summer as a private space for creativity and well-being. 67% of those who booked a slot in the garden were first time visitors to Charleston. Many visitors left heart-warming anecdotes on the importance of time in the garden for children to see grandparents, to read in the sunshine for those without access to outdoor space, and to restore after the trauma of lockdown.

At the end of 2020, we started the process of identifying a new partner to operate the café in the Threshing Barn at Charleston, following the decision of the Trustees to reduce our operating risks in this area.

The second wave of public fundraising was launched with the support of ArtFund in an exciting public Reopen Charleston campaign in the late autumn. To incentivise donations after many months of fundraising, a group of Charleston's trustees and loyal supporters provided match funding to double all donations, and ArtFund paid for a dynamic fundraising video and a host of unique donor rewards. Over the course of 30 days, Charleston and ArtFund secured 1,156 donations totalling £184,174 (including match funding) to the Reopen Charleston campaign.

### **Future Plans**

Having delivered a successful public Reopen Charleston campaign, Charleston was committed to being in the first wave of cultural organisations to reopen when the restrictions lifted. We finally re-opened to the public on 19 May 2021.

Access to the house in 2021 will remain limited while socially distancing remains in place. We have developed a new operating model to enable self-guided tours supported by visitor assistants and volunteers and interpretation via a digital app, funded by Bloomberg Philanthropies, using Bloomberg Connects.

Our exhibitions programme has always been central to the strategy of moving from "once in a lifetime pilgrimage" tourism to becoming a culture centre attracting regular repeat visits from the local

## THE CHARLESTON TRUST (BLOOMSBURY IN SUSSEX)

community and the region. Now more than ever these facilities and programmes are critical to driving audiences to Charleston when both domestic and international tourism have been suppressed. Our 2020 exhibitions were rescheduled and in May 2021, the gallery re-opened with the first museum retrospective dedicated to the work of Bloomsbury artist Nina Hamnett, accompanied by a contemporary response in the South Gallery from South African artist, Lisa Brice. In autumn 2021 we will present an important recreation of Duncan Grant's 1920 first solo exhibition.

Restrictions on 'in person' activity meant that the 2021 Charleston Festival was delivered as a digital programme. However, we have received funding to create an outdoor stage and an outdoor programme of talks, concerts and performance will deliver a dynamic events programme and continue to build our reputation as an interdisciplinary cultural centre.

As part of the strategy of increasing access to Charleston to our local communities, and continuing the success of allowing free access in the summer of 2020, entry to the gardens will remain free of charge.

Charleston has made bold and timely decisions in 2020, which have allowed it to enter 2021 from a relatively strong financial position, with major projects underway to strengthen the organisation for the longer term. However, our current financial reserves are essential to sustain the organisation against a background of significant uncertainty. We project that social distancing requirements and restrictions on group and international travel will mean that visitor numbers in 2021 are likely to be around 30-40% of 2019 numbers. The loss of the festival for a second year has also meant a significant reduction in projected income from programmes. We are grateful to the support of the Arts Council Culture Recovery Fund which has provided funding to cover this lost income between April and June 2021, but further funding streams remain uncertain, and the wider fundraising climate is very challenging. Charleston has secured substantial grants during 2020 but there is significant risk that this support will not be available in the longer term.

Through 2021 we will continue to position Charleston as a cultural centre inspired by the ideas and creativity of the Bloomsbury group. We will also start to develop a new business plan to move the organisation to a sustainable operating model and ensure the organisation remains robust and resilient in future years.

### **Supporters**

The Trustees and Director are grateful to all the public bodies, Trusts and Foundations, individual supporters, patrons and sponsors who have supported Charleston in 2020.

## 2020 objectives and performance

- Secure the financial stability of Charleston and fundraise to allow reopening in 2021.  
*Despite the challenges presented by the Covid 19 pandemic, Charleston secured emergency grants and donations through our Emergency Appeal and Reopen Charleston campaign. We were able to reopen in May 2021 with unrestricted reserves to cover the budget shortfall caused by projected reductions in visitor numbers and reduction in our programme and events.*
- Build free reserves to improve financial stability in future years.  
*As a result of fundraising, we project that at the end of 2021 we will have unrestricted reserves equivalent to up to six months of operating overheads. This will support the organization into 2022 when we project that visitor numbers will still remain below 2019 actuals.*
- Reduce overhead costs and operate as a leaner organisation to increase agility and ability to respond to the risks and opportunities post-covid.  
*In August 2020 we made a number of casual and permanent staff redundant as a result of the decision to remain closed during 2020. During closure we retained a reduced core staff team and in planning for re-opening we have created a smaller visitor experience team with more flexible roles.*
- Accelerate capital investment to minimise disruption in the coming 5 years and improve our efficiency and impact.  
*During 2020 we secured funding to progress a range of capital projects including repair and renewal of the access road from the A27, restoration of Quentin Bell's pottery, restoration of fragile textiles and needlework, creation of a new brand and website and implementation of a new ticketing and CRM system.*
- Secure grants to underwrite 2021 exhibition and event programme.  
*Funding has been secured from the Arts Council Culture Recovery Fund to cover the lost net income of the 2021 Charleston Festival and to contribute to exhibition and event costs to the end of June 2021.*
- Develop an updated operating model for the house to be Covid secure and more attractive to a wider demographic  
*During 2020 we secured funding from Bloomberg Philanthropies to create a digital app, hosted by Bloomberg Connects, which will replace the traditional guided tour and offer visitors the opportunity for a self-guided experience in the house.*
- Continue to assert regional leadership in leading and delivering a coordinated approach to marketing the cultural offer of the region.  
*During 2020 we continued to fundraise for, and play a lead role in, the Sussex Modern consortium. With a projected growth in domestic tourism as a result of Covid 19, Sussex Modern offers a culture-led approach to promoting tourism across the region.*

## THE CHARLESTON TRUST (BLOOMSBURY IN SUSSEX)

- Deepen our connection with our community and accelerate work to move from a seasonal tourist destination to become a cultural centre for the community.

*In 2020 we offered the garden for free as a resource for our local community and the success and positive response to this initiative led to the decision to remove admission charges for the garden in future.*

### **2021 and beyond objectives**

- Reopen house, galleries and year-round events programme safely for staff, volunteers and visitors, making operational changes as needed.
- Secure revenue funding to protect from reduced footfall.
- Develop a vision for our community outreach and engagement programme.
- Create a site masterplan to allow long lead fundraising for capital improvements.
- Deliver a bold exhibition programme with strong press coverage to offset reduced house visitors and build a loyal audience of repeat visitors from our local region.
- Deliver a new brand identity for Charleston, with a new website and integrated ticketing systems.
- Deliver a new operating model for the house to be both Covid secure and more attractive to a wider demographic.
- Develop a business plan which combines a lower cost base and cautious planning assumptions to build long term financial sustainability and protect against financial risks of further lockdowns and closure periods.
- Recruit a Diversity and Inclusion group.
- Develop plans for a social enterprise, centred around Quentin Bell's pottery.
- Appoint a new front of house team, creating opportunities for a smaller team to fulfill more flexible roles working across all aspects of our visitor welcome.
- Secure funding for the recruitment of young people into training roles through the Government's Kickstart scheme.

## THE CHARLESTON TRUST (BLOOMSBURY IN SUSSEX)

### FINANCE, GOVERNANCE AND ADMINISTRATIVE DETAILS

#### LEGAL AND ADMINISTRATIVE INFORMATION

##### CHARITY DETAILS

###### TRUSTEES/DIRECTORS

Michael Farthing (Chairman)  
Jolyon Brewis  
Mark Burch  
Marion Gibbs  
Pippa Harris  
Simon Martin  
Anne Morrison  
Harriet Otoo (appointed 13 May 2021)  
David Pickard  
Caroline Price  
Sarah Sergeant  
Alex Stitt

###### COMPANY SECRETARY

Louise Zandstra (appointed 13 May 2020)

###### PRESIDENT

Virginia Nicholson

###### PATRON

HRH The Duchess of Cornwall

###### CHIEF EXECUTIVE

Nathaniel Hepburn

###### REGISTERED OFFICE & PRINCIPAL ADDRESS

Charleston  
Firle  
Lewes  
East Sussex  
BN8 6LL

###### REGISTERED CHARITY NUMBER

1107313

###### REGISTERED COMPANY NUMBER

05212725

###### COMMITTEE MEMBERS

*Business & Finance Committee:* Mark Burch (Chair), Anne Morrison, Caroline Price, Sarah Sergeant.

*Nominations Committee:* David Pickard, Michael Farthing, Anne Morrison

*Directors of Charleston Enterprises Limited:* Michael Farthing, Jonathan Prichard, Nathaniel Hepburn

###### ADVISORS

###### AUDITORS

Saffery Champness LLP  
71 Queen Victoria Street  
London  
EC4V 4BE

###### BANKERS

Barclays Bank plc  
The Old Bank  
High Street  
Lewes  
East Sussex  
BN7 2JP

###### SOLICITORS

Mayer Brown International LLP  
201 Bishopsgate  
London  
EC2M 3AF

## STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charleston Trust was founded in 1981 to save and restore Charleston for the public. The Charleston Trust (Bloomsbury in Sussex) is a charitable company limited by guarantee and governed by its Memorandum and Articles of Association. The Trust was incorporated on 23 August 2004 and registered as a charity on 17 December 2004.

Operation of the shop and other commercial activity is carried out through its wholly owned subsidiary, Charleston Enterprises Limited.

## GOVERNANCE

The Charity is governed by the Board of Trustees with members of the Board acting as both its Trustees for the purposes of the Charities Act 2011 and Directors under the Companies Act 2006. The Members of the Charity are the Trustees.

The Board meets at least four times a year and is responsible for strategy and establishing and monitoring the policies for the Trust. The Board approves the Trustees' Report and Accounts, annual budget and forward plan.

Trustees are appointed on the basis that they have a broad and diverse range of expertise in a number of fields relevant to the Trust including fundraising, education, arts and finance. A thorough induction process is followed for all new Trustees. They are given an outline of the various areas of activity that the Charity covers, a full set of current policy and procedure documents and an induction session with the Chief Executive.

The current Trustees and those who served during the year are listed on page 9.

Charleston Enterprises Limited is a wholly owned trading subsidiary and has an independent board of Directors.

## COMMITTEES

In addition to the Board, the Charity operates through the following committees, each with its own terms of reference:

- Business & Finance Committee
- Nominations Committee

The members of each ongoing committee are listed on Page 9.

Day-to-day management of the operations and activities of the Trust is delegated by the Board to the Chief Executive.

## RISK MANAGEMENT

Each year the Trustees undertake a review of the major risks to which the Charity is exposed, putting in place appropriate systems to mitigate and manage those risks. A detailed risk register has been established and is reviewed quarterly by the Business & Finance Committee. Major risks and action points are reviewed and discussed by the Board. The Charity also has separate risk assessment and emergency plans which cover the House, the collection, the site, festivals and events.

The Trustees have identified the most significant risks as continued loss of income due to closure of site or cancellation of major events due to the Covid 19 pandemic, loss of earned income from all activities and failure to retain existing philanthropic support.

## REMUNERATION POLICY

The Trust is committed to paying staff a fair salary that is competitive within the charity sector locally, proportionate to the complexity of each role and in line with the charitable objectives. The Trust meets all national pay standards and provides all staff with at least the National Living Wage, regardless of age but with the exception of apprentices. Apprentices are paid at least the National Minimum Wage for apprentices. The Trustees, with recommendations from the Business and Finance Committee, delegate responsibility for approving any annual pay increases to the Chief Executive. The Trustees consider the key management personnel to be the Chief Executive and senior members of staff listed in note 8. The remuneration of the Chief Executive is considered annually by the Business & Finance Committee and the remuneration of the other senior managers is approved by the Chief Executive within available budgets.

All Trustees give their time on an unremunerated basis.

## INVESTMENT POLICY

The Trust's investments (see note 12 of the accounts) consist of the trading subsidiary, Charleston Enterprises Limited.

## FUNDRAISING POLICY

The Charity takes seriously its responsibilities under the Charities (Protection and Social Investment) Act 2016. The Charity receives donations from a number of different sources including members of the public who visit the house, trusts, foundations and corporate partners. The Charity is registered with the Fundraising Regulator.

The Charity does not work with third party fundraisers. However, during 2020, local artists and other supporters have carried out independent fundraising activities to support Charleston on an unremunerated basis.

No complaints have been received during the year in relation to fundraising.



## FINANCIAL RESULTS

### INCOME AND EXPENDITURE

In 2020, the Charity delivered a surplus on net incoming resources of £782,661 (2019: deficit of £104,133).

The net movement on unrestricted funds was a surplus of £497,864, which included £5,824 of transfers to restricted funds (2019: £67,399 deficit after transfers from restricted funds of £16,015).

Total incoming resources were £2,078,177 (2019: £1,950,900). Closure of Charleston to the public from March resulted in the loss of most of the income from the Charleston Festival and income from admissions and events fell by 83%. Although the café and shop were closed, we continued to successfully operate our online shop throughout the year and achieved significant growth in online sales. Despite this, overall income from shop and café was reduced by 70% in 2020. This substantial loss of earned income was offset by an increase in grants and donations, including £204,878 received under the Coronavirus Job Retention Scheme, included as restricted funds, which was used to meet the costs of staff on furlough leave. Grants from Arts Council Culture Recovery Fund and Wolfson Foundation were received in 2020 to support the organisation during 2021.

Total resources expended were reduced to £1,295,517 (2019: £2,055,033), following the prolonged closure due to Covid 19. We have continued to allocate overheads and staff costs to their related activities, with the proportion of the staff costs incurred during furlough leave included as restricted funds. A significant amount of staff time and resources were expended on the 2020 Charleston Festival prior to cancellation.

Support costs, including Governance costs, have been allocated in direct proportion to the direct costs of each line of expenditure in the SOFA. Depreciation charges amounted to £187,211 due to the depreciation of the Centenary Project assets (2019: £186,878).

### RESERVES

As at 31 December 2020, the Trust had total funds of £8,278,837 (2019: £7,496,177), of which £7,563,007 was general unrestricted funds (2019: £7,095,143), £30,000 was designated funds (2019: nil), £208,177 (2019: £208,177) was endowment funds and £477,654 (2019: £192,857) was restricted funds.

The £7,563,007 of general unrestricted funds consists of £7,126,181 (2019: £7,272,611) tangible fixed assets and £526,826 surplus (2019: £110,468 deficit) on free reserves, excluding creditors falling due in more than one year of £120,000.

At the end of 2020, free reserves included unrestricted grants of £276,498 received in 2020 for running costs during 2021 in the period before we reopen. This leaves £250,328 available to the Trustees to support the Charity after re-opening.

The Reserves Policy as agreed by the Trustees is to build up free reserves to a level equivalent to at least six months' overhead costs including salaries of permanent staff and those on long term contracts, which we estimate is an amount of £450,000. Due to the increased financial risks of the current pandemic and long-term uncertainty in visitor numbers, the Trustees have further increased the amount of required free reserves by £100,000 to £550,000 to provide increased provision against costs incurred in the event of cancellation of programmed activity and sudden loss of admission income.

## DESIGNATED FUNDS

During 2020 grants totalling £30,000 were received from the Chalk Cliff Trust, which were designated by the Trustees for the implementation of a new ticketing and CRM system.

## RESTRICTED FUNDS

Note 17 of the Annual Accounts provides information regarding the £477,654 (2019: £192,857) restricted funds including amounts received and expended during the year.

## ENDOWMENT FUNDS

Endowment funds of £208,177 (2019: £208,177) represent an investment in the fixed assets of the Trust.

## GOING CONCERN AND COVID 19

The Trustees have a reasonable expectation that the Charity has adequate resources to continue its activities for the foreseeable future.

At the end of 2020 the Charity had secured grants from Arts Council Culture Recovery Fund, Wolfson Foundation and the Reopen Charleston campaign to provide sufficient funds to support the Charity until reopening in May 2021 and to mitigate the financial impact of the projected reduction in visitor numbers.

In March 2021, the Charity received a further grant from Arts Council Culture Recovery Fund to offset the reduction in earned income due to the reduced visitor numbers and cancellation of an in-person 2021 Charleston Festival and to provide support for our exhibitions and events programme.

In preparing a reforecast budget for 2021, the Trustees have considered a range of possible scenarios and the risks inherent in each. Our projections indicate that visitor numbers may be reduced to around 30-40% of 2019 numbers throughout 2021 and we have considered the potential impact of further restrictions in autumn and winter 2021.

The Trustees have reviewed the budget for 2022, which projects that visitor numbers and event income will remain below 2019 levels. The Trustees have satisfied themselves that the level of fundraising already secured or projected, alongside projected earned income and available free reserves will allow Charleston to underwrite planned activity in 2022 without incurring an unsustainable operating deficit.

Having considered the period for at least twelve months from the date of approval of this report, the Trustees confirm that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of The Charleston Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 incoming resources and application of resources, including 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 (FRS102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that 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.

In so far as each Trustee is 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 auditor is aware of that information.

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 reparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' Report, which includes the Strategic Report, has been approved by the Board of The Charleston Trust (Bloomsbury in Sussex) on 16 July 2021 and is signed on its behalf by



Michael Farthing

Chair

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

### Opinion

We have audited the financial statements of The Charleston Trust (Bloomsbury in Sussex) (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, consolidated and charity balance sheets, consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 December 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### **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 and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

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

In the light of the 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 Trustees' Report and Strategic Report.

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

- adequate 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.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14, 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 the 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 the 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 group or 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**

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sectors in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include the Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of

management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the 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 parent charitable company's members 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Liz Hazell (Senior Statutory Auditor)  
for and on behalf of Saffery Champness LLP

Chartered Accountants  
Statutory Auditors  
71 Queen Victoria Street  
London EC4V 4BE

Date: 20 July 2021.

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (SOFA)

FOR THE YEAR ENDED 31 DECEMBER 2020 (Incorporating Income and Expenditure Account)

		2020	2019			
		Unrestricted & Designated Funds	Restricted Funds	Endowment Funds	Total Funds	Total Funds
	Notes	£	£	£	£	£
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	2	364,981	109,500	-	474,481	355,588
Charitable activities						
Public open days and learning		87,720	-	-	87,720	510,166
House conservation		8,470	-	-	8,470	-
Festival		14,180	-	-	14,180	282,610
Grants and donations	3	739,095	430,583	-	1,169,678	46,405
		849,465	430,583	-	1,280,048	839,181
Other trading activities						
Friends and Patrons		60,709	-	-	60,709	56,204
Shop and cafe		198,647	-	-	198,647	672,430
Other activities for generating funds		64,119	-	-	64,119	27,042
		323,475	-	-	323,475	755,676
Interest receivable	4	174	-	-	174	455
TOTAL INCOME AND ENDOWMENTS		1,538,095	540,083	-	2,078,178	1,950,900
EXPENDITURE ON:						
Raising Funds						
Fundraising		116,331	21,853	-	138,184	82,135
Friends and patrons		34,775	6,533	-	41,308	44,426
Shop and cafe		338,142	63,520	-	401,662	744,418
Other costs of generating funds		25,967	4,878	-	30,845	14,433
		515,215	96,784	-	611,999	885,412
Charitable activities						
Public open days and learning		283,278	70,753	-	354,031	640,107
House conservation		68,516	62,127	-	130,643	136,721
Festival		167,398	31,446	-	198,844	392,793
		519,192	164,326	-	683,518	1,169,621
TOTAL EXPENDITURE		1,034,407	261,110	-	1,295,517	2,055,033
NET INCOME /(EXPENDITURE) FOR THE YEAR		503,688	278,973	-	782,661	(104,133)
TRANSFERS BETWEEN FUNDS		(5,824)	5,824	-	-	-
NET MOVEMENT IN FUNDS		497,864	284,797	-	782,661	(104,133)
TOTAL FUNDS BROUGHT FORWARD		7,095,143	192,857	208,177	7,496,177	7,600,310
TOTAL FUNDS CARRIED FORWARD		7,593,007	477,654	208,177	8,278,838	7,496,177

The SOFA includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities. The notes on pages 22 to 36 form part of these financial statements. A comparative SOFA is shown in note 22.



## CONSOLIDATED AND CHARITY BALANCE SHEETS

FOR THE YEAR ENDED 31 DECEMBER 2020

Company Registration 05212725

		Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
	Notes				
<b>Fixed Assets</b>					
Tangible Assets	10	6,332,417	6,518,098	6,316,434	6,496,143
Heritage Assets	11	1,001,941	962,691	1,001,941	962,691
Investment in Subsidiary Company	12	-	-	2	2
		<u>7,334,358</u>	<u>7,480,789</u>	<u>7,318,377</u>	<u>7,458,836</u>
<b>Current Assets</b>					
Stock	13	72,218	128,703	-	-
Debtors	14	240,467	69,908	480,729	66,946
Cash at Bank and in Hand		<u>971,962</u>	<u>288,853</u>	<u>705,987</u>	<u>226,667</u>
		1,284,647	487,464	1,186,716	293,613
<b>Liabilities</b>					
Creditors: amounts falling due within one year	15	(220,167)	(405,076)	(175,385)	(377,233)
<b>Net Current Assets/(Liabilities)</b>		<u>1,064,480</u>	<u>82,388</u>	<u>1,011,331</u>	<u>(83,620)</u>
<b>Total Assets less current liabilities</b>		<u>8,398,838</u>	<u>7,563,177</u>	<u>8,329,708</u>	<u>7,375,216</u>
Creditors: amounts falling due after one year	16	(120,000)	(67,000)	(120,000)	(67,000)
<b>Total Net Assets</b>		<u>8,278,838</u>	<u>7,496,177</u>	<u>8,209,708</u>	<u>7,308,216</u>
<b>Funds of the charity</b>					
Endowment Funds		208,177	208,177	208,177	208,177
Restricted Income Funds		477,654	192,857	477,654	192,857
Unrestricted and Designated Funds		7,593,007	7,095,143	7,523,877	6,907,182
<b>Total Funds</b>	17	<u>8,278,838</u>	<u>7,496,177</u>	<u>8,209,708</u>	<u>7,308,216</u>

A separate Statement of Financial Activities for the charity alone has not been produced, as permitted by section 408 of the Companies Act 2006. The Charity's net movement in funds for the year was a surplus of £901,492 (2019 deficit £175,950)

Approved and authorised for issue by the Board of The Charleston Trust (Bloomsbury in Sussex) on 16 July 2021 and signed on its behalf by

Michael Farthing  
Chair

## CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
<b>Cashflows from operating activities</b>		
Net cash provided by or (used in) operating activities	702,465	(729,502)
<b>Cashflows from investing activities</b>		
Dividends and interest received	174	455
Purchase of fixed assets	(19,530)	(21,130)
Net cash (used in)/ provided by investing activities	(19,356)	(20,675)
<b>Cashflows from financing activities</b>		
Cash inflows from new borrowing	-	120,000
Change in cash and cash equivalents	683,109	(630,177)
Cash and cash equivalents at the beginning of the period	288,853	919,030
<b>Cash and cash equivalents at the end of the period</b>	<b>971,962</b>	<b>288,853</b>

## RECONCILIATION OF NET INCOME(EXPENDITURE) TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income (expenditure) for the reporting period	782,661	(104,133)
Adjustments for:		
Depreciation charges	187,211	186,878
Dividends, interest and rents	(174)	(455)
Donation of Heritage Assets	(21,250)	(215,000)
Decrease (Increase) in stock	56,485	(38,070)
(Increase) Decrease in debtors	(366,914)	358,572
Increase (Decrease) in creditors	64,446	(917,294)
<b>Net cash provided by /(used in) operating activities</b>	<b>702,465</b>	<b>(729,502)</b>

## ANALYSIS OF CHANGES IN NET DEBT

	1 January 2020 £	Cashflows £	31 December 2020 £
Cash and Cash Equivalents	288,853	683,109	971,962
Loans: amounts falling due within one year	(53,000)	53,000	-
Loans: amounts falling due after more than one year	(67,000)	(53,000)	(120,000)
<b>Total</b>	<b>168,853</b>	<b>683,109</b>	<b>851,962</b>

The notes on pages 22 to 36 form part of these financial statements.

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

I. ACCOUNTING POLICIES

**BASIS OF PREPARATION**

The financial statements are prepared under the historical cost convention. The charity constitutes a public benefit entity as defined by FRS 102. The financial statements are prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Companies Act 2006 and UK Generally Accepted Practice.

**GOING CONCERN**

The Trustees have a reasonable expectation that the Charity has adequate resources to continue activities for the foreseeable future.

The Trustees have reviewed the projected budgets for 2021 and 2022, which project that visitor numbers and event income will remain below 2019 levels. The Trustees have satisfied themselves that the level of fundraising already secured or projected, alongside projected earned income and available free reserves will allow Charleston to underwrite planned activity in 2022 without incurring an unsustainable operating deficit.

Having considered the period for at least twelve months from the date of approval of this report, the Trustees confirm that it is appropriate to continue to adopt the going concern basis in preparing the financial statements. No capital commitments are made without sufficient funding secured.

**CONSOLIDATION**

The financial statements consolidate the results and the assets and liabilities of the Charity and its wholly owned subsidiary, Charleston Enterprises Limited, on a line-by-line basis. The results for the activities carried out by Charleston Enterprises Limited are set out in note 12.

**FUND ACCOUNTING**

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

Unrestricted designated funds have been set aside by the Trustees for a particular future project or commitment. These funds remain part of the unrestricted funds of the Charity as the designation has an administrative purpose only and does not legally restrict the Trustees' discretion in how to apply the funds.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or by the purpose of an appeal.

Permanent Endowment funds are held as capital. Expendable endowment funds are applied at the discretion of the Trustees unless otherwise instructed by the donor.

**INCOME**

All income is included in the SOFA when the Charity obtains the right to consideration and the amount can be quantified with reasonable accuracy. The following policies apply to particular sources of income:

- i. Donated services and facilities are included at the value to the Charity where this can be quantified. No amounts are included in the financial statements for services donated by volunteers.
- ii. Gifts in kind are included at current market value where their value is ascertainable and material. The estimated valuation of gifts in kind is based on the value of the contribution to the Charity or the value the Charity would have had to pay to acquire the assets.
- iii. Income received by way of grants, donations and gifts is included in the SOFA when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the Charity, are recognised when the Charity becomes unconditionally entitled to the grant. Where grants are related to performance and specific deliverables, these are accounted for as the Charity earns the right to consideration by its performance.

## THE CHARLESTON TRUST (BLOOMSBURY IN SUSSEX)

- iv. Legacy income is recognised at the earlier of the Charity being notified of a distribution and the receipt of the legacy.
- v. Investment income is included when received.
- vi. Other income from trading activities is accounted for when earned.
- vii. Income from annual subscriptions is recognised when received.

Income is included in the SOFA under the following categories:

- i. Donations & legacies: donations to the Charity from individuals and personal trusts and includes associated Gift Aid and income generated from the Omega patrons group.
- ii. Public open days & learning: income from visitors to the House and Garden and to the new exhibition spaces, and income generated through the What's On programme of events.
- iii. House conservation: includes restricted grants received for conservation and maintenance of the House and Garden and donations from individuals to the Annual Fund.
- iv. The Charleston Festival: income generated by the annual Charleston literary festival held in May including ticket income, associated grants and donations and sponsorship income.
- v. Acquisitions: grants and donations made to support acquisition of additions to the Charleston collection.
- vi. Grants and donations: public and government funding and grants and donations from trusts and foundations given either on a restricted or unrestricted basis.
- vii. Friends and Patrons: annual subscriptions to the Friends of Charleston and Patrons of Charleston schemes including the gift aid received thereof.
- viii. Shop & café: income generated by the Charity's trading subsidiary, Charleston Enterprises Limited, through operation of the shop and café.
- ix. Other activities for generating funds: income from fundraising events and activity.

### EXPENDITURE

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates. Expenditure is allocated to categories in accordance with the main activity of the staff concerned or the substance of the costs as set out in note 5. Expenditure includes the costs of generating funds and charitable expenditure including support, management and administration costs.

Support costs are those costs incurred in support of expenditure on the objectives of the Charity and are allocated to the activities set out in note 5 on the basis set out in note 6. Support costs include governance costs which are those expenses incurred in the governance of the Charity and are primarily associated with constitutional and statutory requirements including audit of the Charity's accounts and include an appropriate proportion of senior management time.

Redundancy and other termination costs are calculated in accordance with statutory requirements in the UK and are recognised in full when paid to employees.

### CURRENCY

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these statements are rounded to the nearest £.

### GUARANTEE

The Charity 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 £10 per member of the Charity. At 31 December 2020 the total of such guarantees was £110.

### TANGIBLE FIXED ASSETS

All tangible fixed assets are capitalised, subject to a cost threshold of £1,000. Tangible fixed assets are stated at cost including any incidental expenses of acquisition. Depreciation is provided against all tangible fixed assets on a straight-line basis at rates calculated to write off the cost over their expected useful economic lives as follows:

Freehold land and buildings	See below
Leasehold land and buildings	50 years

## THE CHARLESTON TRUST (BLOOMSBURY IN SUSSEX)

External works	25 years
New water supply	5 years
Portable office cabins	4 years
Fixtures & fittings	10 years
Audio visual and office equipment	4 years

No depreciation is provided on the freehold land & buildings as the Trustees consider the economic life to be indefinite with adequate maintenance.

### HERITAGE ASSETS

The house and garden and items in the collection acquired up to 31 December 2013 are heritage assets which are not capitalised under the provisions of paragraph 18.14 of the SORP (FRS102). Assets acquired from 1 January 2014 onwards are capitalised where cost and valuation information is available.

Depreciation is not charged on heritage assets as they have an indefinite life span.

Expenditure that is required to preserve or prevent further deterioration of individual collection items is recognised in the SOFA when it is incurred.

### FOREIGN CURRENCIES

Transactions in foreign currencies are translated into sterling at the date of the transaction. Any exchange differences are recognised through the SOFA. Foreign exchange monetary assets and liabilities are recognised at the rate of exchange ruling at the balance sheet date.

### STOCK

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

### 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.

### DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

### FINANCIAL INSTRUMENTS

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at the carrying value plus accrued interest less repayments. The financing charge to expenditure is at a constant rate calculated using the effective interest method.

### PENSIONS

The Charity offers a stakeholder pension scheme to eligible employees. Contributions are charged to the SOFA as they fall due.

### LEASING COMMITMENTS

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the lease term.

### TAXATION

No tax provision is included in the financial statements on the basis that all income for the registered charity is derived from wholly charitable activities.

### KEY ESTIMATES AND JUDGEMENTS

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period

## THE CHARLESTON TRUST (BLOOMSBURY IN SUSSEX)

to which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. On transition to FRS102 the Charity took the option to treat the previous valuation of the freehold land and property as deemed cost. Going forward the freehold land and buildings will therefore be held at deemed cost. The Trustees consider the freehold land and buildings to have an indefinite useful economic life with adequate maintenance and therefore no depreciation charge is deemed necessary.

### 2. DONATIONS AND LEGACIES

Included in the SOFA under Donations and Legacies are the following:

	Unrestricted 2020 £	Restricted 2020 £	Total Funds 2020 £	Total Funds 2019 £
Donations and grants of a general nature	344,981	109,500	454,481	344,588
Legacies	20,000	-	20,000	11,000
	<b>364,981</b>	<b>109,500</b>	<b>474,481</b>	<b>355,588</b>

### 3. GRANTS RECEIVED

During the year, the Charity received the following grants which are included in the SOFA under Income from Charitable Activities.

	Public Open Days and Learning 2020 £	House Conservation 2020 £	Emergency and Reopen Charleston 2020 £	Acquisitions 2020 £	Total 2020 £	Total 2019 £
<b>Government Funding</b>						
National Heritage Lottery Fund	-	-	234,100	-	234,100	-
Arts Council England	-	-	224,995	-	224,995	-
Coronavirus Job Retention Scheme	-	-	204,878	-	204,878	-
Lewes District Council Retail Leisure & Hospitality grant	-	-	25,000	-	25,000	-
Historic England	-	-	33,333	-	33,333	-
<b>Trusts and Foundations</b>						
Wolfson Foundation	-	-	145,000	-	145,000	-
Art Fund	-	-	94,464	6,000	100,464	5,625
Bloomberg Philanthropies	50,000	-	10,000	-	60,000	-
Sigrid Rausing Foundation	-	12,500	30,000	-	42,500	-
Chalk Cliff Trust	-	-	30,000	-	30,000	-
Rothschild Foundation	25,000	-	-	-	25,000	-
Paul Mellon Fund	10,000	-	-	-	10,000	-
Rockefeller Foundation	-	-	-	-	-	19,611

**THE CHARLESTON TRUST (BLOOMSBURY IN SUSSEX)**

Artisa Foundation	-	9,000	-	-	9,000	-
Henry Moore Fund	-	-	-	9,000	9,000	-
Royal Oak Foundation	-	6,068	-	-	6,068	-
Victoria and Albert Museum	-	-	-	-	-	6,000
Other grants	-	-	9,465	875	10,340	15,169
	85,000	27,568	1,041,235	15,875	1,169,678	46,405

**4. INVESTMENT INCOME**

	2020 £	2019 £
Interest receivable	174	455

**5. TOTAL EXPENDITURE**

	Direct staff costs	Direct costs	Support costs	Total	Total
	2020	2020	2020	2020	2019
	£	£	£	£	£
<b>Raising funds</b>					
Fundraising	80,620	9,008	48,557	138,185	82,136
Friends & Patrons	22,569	4,223	14,515	41,307	44,427
Shop & café	198,170	62,350	141,141	401,661	744,418
Other costs of generating funds	19,893	114	10,839	30,846	14,431
<b>Charitable activities</b>					
Public open days & learning	182,683	46,944	124,403	354,030	640,107
The Charleston Festival	104,034	24,938	69,872	198,844	392,792
House conservation	65,477	19,260	45,907	130,644	136,722
<b>Total expenditure</b>	<b>673,446</b>	<b>166,837</b>	<b>455,234</b>	<b>1,295,517</b>	<b>2,055,033</b>

The Charleston Festival has been reclassified from raising funds to charitable activities to more accurately reflect the nature of the activity.

Staff costs of £688,430 are set out at note 8 and comprise direct staff costs of £598,590 and allocated staff costs of £89,840 within 'Support costs' set out in note 6.

	Direct staff costs	Direct costs	Support costs	Total
	2019	2019	2019	2019
	£	£	£	£
<b>Raising funds</b>				
Fundraising	48,136	12,220	21,779	82,135
Friends & Patrons	24,890	7,756	11,781	44,427
Shop & café	211,790	335,234	197,394	744,418
Other costs of generating funds	9,756	849	3,826	14,431
<b>Charitable activities</b>				
Public open days & learning	298,801	171,729	169,577	640,107
House conservation	79,465	21,003	36,254	136,722
The Charleston Festival	112,210	176,427	104,155	392,792



## THE CHARLESTON TRUST (BLOOMSBURY IN SUSSEX)

<b>Total expenditure</b>	<b>785,048</b>	<b>725,218</b>	<b>544,766</b>	<b>2,055,032</b>
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### 6. ANALYSIS OF SUPPORT COSTS

	2020	2019
	£	£
Staff costs	89,840	127,158
Other costs	365,394	417,608
	<u>455,234</u>	<u>544,766</u>

Support costs, included in the expenditure reported in the SOFA, consist of governance costs, information technology, premises, finance, general marketing and human resources. They are allocated in proportion to the direct costs of each line of expenditure in the SOFA.

Support costs include £27,716 of governance costs (2019: £29,393).

### 7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year is stated after charging:

	2020	2019
	£	£
Auditors' remuneration:		
Audit of the Charity (current year)	11,650	11,100
Audit of the Charity (re previous year)	1,552	-
Audit of subsidiary (current year)	2,750	2,750
Non-audit fees (current year)	5,996	3,685
Non-audit fees re previous year	116	1,940
Depreciation of fixed assets	187,211	186,878
Operating lease rentals in respect of equipment	4,106	4,106

### 8. STAFF COSTS

	2020	2019
	£	£
Salaries and wages	626,101	845,758
Social security costs	47,714	50,120
Pension costs	14,615	16,328
Redundancy costs	16,645	-
	<u>705,075</u>	<u>912,206</u>

The average number of staff employed during the year, including part-time and temporary contracts, was 53 (2019 - 84). Please note this does not include volunteers.



## THE CHARLESTON TRUST (BLOOMSBURY IN SUSSEX)

The number of employees receiving a salary over £60,000 in the year was:

	2020 No.	2019 No.
£60,001 - £70,000	1	1
	<hr/> 1 <hr/>	<hr/> 1 <hr/>

Contributions totalling £3,283 were made to a stakeholder pension for the above employee (2019: £3,046).

Key management personnel are considered to be the Chief Executive, the Director of Finance, the Director of Development (post vacant from October 2020), Head of Enterprises (post vacant from March 2020), Head of Communications and Marketing, Head of Operations and Visitor Experience, the Head of Programme and Events and the Head of Exhibitions, Collections and Research. The total amount paid to key management personnel in the year was £307,143 (2019: £318,491). This amount includes stakeholder pension contributions of £8,570 (2019: £8,956).

### 9. TRUSTEES

None of the Trustees received any remuneration during the year for their services nor were reimbursed any expenses (2019: £Nil).

### 10. TANGIBLE FIXED ASSETS

#### GROUP

	Freehold Land and Buildings	Leasehold Land and Buildings	Portable office cabins	Fixtures, fittings and equipment	Total
Cost or Valuation					
1 January 2020	225,000	6,478,748	10,888	227,390	6,942,026
Additions	-	-	-	1,530	1,530
31 December 2020	225,000	6,478,748	10,888	228,920	6,943,556
Depreciation					
1 January 2020	-	300,790	10,888	112,250	423,928
Charge for the year	-	150,395	-	36,816	187,211
31 December 2020	-	451,185	10,888	149,066	611,139
Net Book Value					
31 December 2020	225,000	6,027,563	-	79,854	6,332,417
31 December 2019	225,000	6,177,958	-	115,140	6,518,098

## THE CHARLESTON TRUST (BLOOMSBURY IN SUSSEX)

### CHARITY

	Freehold Land and Buildings	Leasehold Land and Buildings	Portable office cabins	Fixtures, fittings and equipment	Total
Cost or Valuation					
1 January 2020	225,000	6,478,748	10,888	190,991	6,905,627
Additions	-	-	-	1,530	1,530
31 December 2020	225,000	6,478,748	10,888	192,521	6,907,157
Depreciation					
1 January 2020	-	300,790	10,888	97,806	409,484
Charge for the year	-	150,395	-	30,844	181,239
31 December 2020	-	451,185	10,888	128,650	590,723
Net Book Value					
31 December 2020	225,000	6,027,563	-	63,871	6,316,434
31 December 2019	225,000	6,177,958	-	93,185	6,496,143

The value of the freehold building at 31 December 2020 was based on an external valuation carried out in February 2012 by RH and RW Clutton. The Trustees are not aware of any material change in value.

### II. HERITAGE ASSETS

	Group and charity 2020 £	Group and charity 2019 £	Group and charity 2018 £	Group and charity 2017 £	Group and charity 2016 £
Cost or valuation					
Brought forward	962,691	735,411	138,365	138,365	5,365
Additions donated	21,250	227,280	-	-	89,000
Additions purchased	18,000	-	597,046	-	44,000
Carried forward	1,001,941	962,691	735,411	138,365	138,365

Heritage assets consist of items acquired for the collection from 1 January 2014 onwards. Heritage assets are capitalised at the point of acquisition where cost or valuation information is available. Heritage assets include items donated to and purchased for the collection. Heritage assets are not depreciated or re-valued as a matter of routine.

## THE CHARLESTON TRUST (BLOOMSBURY IN SUSSEX)

The house and garden and items in the collection acquired up to 31 December 2013 are heritage assets which are not capitalised under the provisions of paragraph 8.14 of the SORP as the Trustees believe that the cost of obtaining an accurate valuation for these assets outweighs the benefit of doing so. The insured value of these assets is £11 million (2019 £11 million).

### 12. FIXED ASSET INVESTMENTS

#### Subsidiary undertaking

The Charity owns 100% of the issued share capital of £2 of Charleston Enterprises Limited (company number 02203968) which is incorporated in the UK. The main activities of the subsidiary are merchandising through the shop and the operation of the café. Taxable net profits are donated to the parent charity annually.

Charleston Enterprises Limited trading results for the year are summarised below:

	2020	2019
	£	£
Sales	200,800	687,374
Cost of sales	(108,959)	(290,450)
Gross Profit	91,841	396,924
Administrative expenses	(48,951)	(240,807)
Net profit for the year before donation	42,890	156,117
Gift Aid donation to the Charity	(161,722)	(84,298)
Profit (loss) on ordinary activities before and after taxation	(118,832)	71,819

At 31 December 2020 the aggregate amount of Charleston Enterprises Limited's assets, liabilities and share capital and reserves was:

	2020	2019
	£	£
Tangible Fixed Assets	15,983	21,955
Current Assets	347,651	247,214
Creditors: amounts falling due within one year	(294,503)	(81,207)
Total assets less current liabilities	69,131	187,962
Represented by		
Share capital and reserves	69,131	187,962

THE CHARLESTON TRUST (BLOOMSBURY IN SUSSEX)

13. STOCK

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Goods for resale	72,218	128,704	-	-

14. DEBTORS

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade debtors	9,728	1,668	780	274
Amounts due from subsidiary company	-	-	249,720	-
Other debtors	23,418	10,203	23,418	8,635
Taxation and social security	35,318	10,759	35,319	10,759
Prepayments and accrued income	172,003	47,278	171,492	47,278
	240,467	69,908	480,729	66,946

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade creditors	93,397	147,487	85,372	100,429
Amounts due to subsidiary companies	-	-	-	53,364
Taxation and social security	31,699	31,325	15,174	14,710
Other creditors	33,913	9,761	24,827	7,270
Loans repayments due	-	53,000	-	53,000
Accruals and deferred income	61,158	163,503	50,011	148,460
	220,167	405,076	175,384	377,233

The movement on deferred income included within creditors amounts falling due within one year is analysed below

	Group and Charity 2020 £	Group and Charity 2019 £
Deferred income:		
Balance at 1 January 2020	19,292	7,717
Amounts released from previous years	(19,292)	(7,717)
Incoming resources deferred	26,190	19,292
Balance at 31 December 2020	26,190	19,292

Deferred income consists mainly of advance tickets for events and admission to the house and galleries.

## THE CHARLESTON TRUST (BLOOMSBURY IN SUSSEX)

### 16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Loan repayments due within one to two years	20,000	36,000	20,000	36,000
Loan repayments due within three to five years	100,000	31,000	100,000	31,000
	<u>120,000</u>	<u>67,000</u>	<u>120,000</u>	<u>67,000</u>

During 2019, the charity secured a loan of £120,000, repayable over 3 years from 2020, with a discounted interest rate equivalent to 0%. The loan was made by the South East Local Enterprise Partnership Growing Places Fund to facilitate the completion of the capital project. Following the closure of Charleston due to COVID19 the Trustees negotiated an extended repayment plan over five years with the first repayment due by March 2022.

### 17. FUNDS

	1 January 2020 £	Income £	Expenditure £	Transfers £	31 December 2020 £
<b>Unrestricted Funds</b>					
General	7,095,143	1,508,095	(1,034,407)	(5,824)	7,563,007
	<u>7,095,143</u>	<u>1,508,095</u>	<u>(1,034,407)</u>	<u>(5,824)</u>	<u>7,563,007</u>
<b>Designated Funds</b>					
Chalk Cliff	-	30,000	-	-	30,000
	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
<b>Restricted Funds</b>					
House Conservation	1,594	-	(594)	-	1,000
Acquisition Fund	13,163	15,875	(2,454)	(18,000)	8,584
Coronavirus Job Retention Fund	-	204,878	(204,878)	-	-
Reopen Charleston	-	203,964	-	-	203,964
Charleston Festival	-	-	-	-	-
Asham Literary Fund	135,828	-	-	-	135,828
Other restricted funds	42,272	115,366	(53,184)	23,824	128,278
	<u>192,857</u>	<u>540,083</u>	<u>(261,110)</u>	<u>5,824</u>	<u>477,654</u>
<b>Endowment Funds</b>					
Permanent	133,000	-	-	-	133,000
Expendable	75,177	-	-	-	75,177
	<u>208,177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>208,177</u>
<b>Total Funds</b>	<u>7,496,177</u>	<u>2,078,178</u>	<u>(1,295,517)</u>	<u>-</u>	<u>8,278,838</u>

## THE CHARLESTON TRUST (BLOOMSBURY IN SUSSEX)

	1 January 2019	Income	Expenditure	Transfers	31 December 2019
	£	£	£	£	£
<b>Unrestricted Funds</b>					
General	7,162,542	1,862,237	(1,945,651)	16,015	7,095,143
	7,162,542	1,862,237	(1,945,651)	16,015	7,095,143
<b>Restricted Funds</b>					
House Conservation	1,309	7,846	(21,844)	14,283	1,594
Acquisition Fund	6,678	23,500	-	(17,015)	13,163
Education	30,719	1,010	(31,729)	-	-
Charleston Festival	-	15,758	(45,758)	30,000	-
Asham Literary Fund	165,828	-	-	(30,000)	135,828
Other restricted funds	25,057	40,549	(10,051)	(13,283)	42,272
	229,591	88,663	(109,382)	(16,015)	192,857
<b>Endowment Funds</b>					
Permanent	133,000	-	-	-	133,000
Expendable	75,177	-	-	-	75,177
	208,177	-	-	-	208,177
<b>Total Funds</b>	<b>7,600,310</b>	<b>1,950,900</b>	<b>(2,055,033)</b>	<b>-</b>	<b>7,496,177</b>

### Restricted Funds and Endowment Funds

- I. House Conservation: represents grants and donations received to maintain and conserve the house, garden and collection and related expenditure. The fund includes donations from individuals to the Annual Fund.
- II. Acquisition Fund: represents a fund to be used for acquisitions for the Charleston collection.
- III. Coronavirus Job Retention Fund represents amounts claimed from HMRC to pay staff who were unable to work due to Covid 19. All amounts received were used to cover payroll costs.
- IV. Reopen Charleston Fund represents a grant from the Art Fund's Art Happens campaign and match funding secured from individual donors. All funds will be used in 2021 to allow the Trust to reopen and deliver a programme of exhibitions and events despite a projected reduction in visitors.
- V. Education: represents grants and donations received to further the Trust's educational objectives.
- VI. The Charleston Festival: represents grants and donations received to support the annual Charleston Festival and related expenditure. Any restricted income was spent on the Festival in the year it was received.
- VII. Asham Literary Fund: represents a transfer of assets from the Asham Literary Trust to Charleston in support of literary activities.
- VIII. Other restricted funds represent grants and donations received for various purposes, which are held until spent in accordance with the donors wishes. In 2020 grants were received to support the Trust during our closure due to Covid 19 and for recovery projects to help us reopen in 2021.
- IX. Permanent: arising from endowment gifts where the Trustees do not have the power to convert the capital into income.
- X. Expendable: where the Trustees do have the power to convert all or part of the capital into income.

### Designated Funds

- I. Grants received from Chalk Cliff Trust, which were designated by the Trustees for the purchase of a new ticketing and CRM system. This fund will be spent within 2021.

## THE CHARLESTON TRUST (BLOOMSBURY IN SUSSEX)

### Transfers between funds

In 2020 the following transfers between funds were made:

- I. £18,000 was released from the Acquisition Fund and transferred to fixed assets to purchase the Stephen Tomlin bust of Duncan Grant.
- II. £23,824 was transferred to restricted funds, representing the unspent portion of funding from National Heritage Lottery Fund's Heritage Emergency grant which will be held until required to meet the conditions for which it was given.

In 2019 the following transfers between funds were made:

- I. £30,000 was released from the Asham Literary Fund to support the 2019 Charleston Literary Festival.
- II. £17,105 was released from the Acquisition Fund to purchase heritage assets and for conservation of painted surfaces in the house.
- III. £13,283 was released from grants received to support the employment of a garden apprentice during 2019.

### 18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets	Net Current Assets	Liabilities falling due in more than one year	Total	Tangible Fixed Assets	Net Current Assets	Liabilities falling due in more than one year	Total
	2020	2020	2020	2020	2019	2019	2019	2019
	£	£	£	£	£	£	£	£
<b>Unrestricted Funds</b>								
General	7,126,181	556,826	(120,000)	7,563,007	7,272,611	(110,468)	(67,000)	7,095,143
Designated	-	30,000	-	30,000	-	-	-	-
	7,126,181	586,826	(120,000)	7,593,007	7,272,611	(110,468)	(67,000)	7,095,143
<b>Restricted Funds</b>								
Endowment Funds	-	477,654	-	477,654	-	192,857	-	192,857
	208,177	-	-	208,177	208,177	-	-	208,177
<b>Total Funds</b>	<b>7,334,358</b>	<b>1,064,480</b>	<b>(120,000)</b>	<b>8,278,838</b>	<b>7,480,788</b>	<b>82,388</b>	<b>(67,000)</b>	<b>7,496,177</b>

## 19. LEASE COMMITMENTS

At 31 December 2020 the Charity had the following commitments payable relating to non-cancellable leases:

	2020	2019
	£	£
Operating leases in respect of equipment		
Payable in one year	4,106	4,106
Payable in the second to fifth year	4,106	8,213
Rent payable under long lease of land and buildings		
Payable in one year	330	330
Payable in the second to fifth year	1,320	1,320
Payable after five years	28,380	28,710
	<u>38,242</u>	<u>42,679</u>

The above amounts include an estimate for irrecoverable VAT where applicable. They do not include an estimate for the annual indexation allowance on ground rent as it cannot be predicted with certainty.

## 20. PENSION COMMITMENTS

The Charity operates a stakeholder pension scheme for eligible employees. The assets of the scheme are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions payable by the Charity to the funds and amounts to £14,615 (2019 £16,328).

## 21. RELATED PARTIES

During the year no speaker fees were paid to related parties, (2019 £450).

At the year-end £249,720 was due to the Charity from Charleston Enterprises Limited (2019 £53,364).

During the year eight trustees made unrestricted donations to the charity totalling £53,775 (2019 £5,626).



THE CHARLESTON TRUST (BLOOMSBURY IN SUSSEX)

22. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	2019 Restricted Funds £	Endowment Funds £	Total Funds £
<b>INCOME AND ENDOWMENTS FROM:</b>				
Donations and legacies	329,088	26,500	-	355,588
Charitable activities				
Public open days and learning	510,166	26,059	-	536,225
House conservation	-	7,846	-	7,846
Small Wonder	-	-	-	-
Charleston Centenary Project	-	-	-	-
Acquisitions	-	12,500	-	12,500
	510,166	46,405	-	556,571
Other trading activities				
Friends and Patrons	56,204	-	-	56,204
Festival	266,852	15,758	-	282,610
Shop and cafe	672,430	-	-	672,430
Other activities for generating funds	27,042	-	-	27,042
	1,022,528	15,758	-	1,038,286
Investments	455	-	-	455
<b>TOTAL INCOME AND ENDOWMENTS</b>	<b>1,862,237</b>	<b>88,663</b>	<b>-</b>	<b>1,950,900</b>
<b>EXPENDITURE ON:</b>				
Raising Funds				
Fundraising	82,135	-	-	82,135
Friends and patrons	44,426	-	-	44,426
Festival	347,035	45,758	-	392,793
Shop and cafe	744,418	-	-	744,418
Other costs of generating funds	14,433	-	-	14,433
	1,232,447	45,758	-	1,278,205
Charitable activities				
Public open days and learning	597,733	41,780	-	639,513
House conservation	114,877	21,844	-	136,721
Small Wonder	594	-	-	594
Charleston Centenary Project	-	-	-	-
	713,204	63,624	-	776,828
<b>TOTAL EXPENDITURE</b>	<b>1,945,651</b>	<b>109,382</b>	<b>-</b>	<b>2,055,033</b>
	-	-	-	-
NET (EXPENDITURE)/INCOME FOR THE YEAR	(83,414)	(20,719)	-	(104,133)
TRANSFERS BETWEEN FUNDS	16,015	(16,015)	-	-
<b>NET MOVEMENT IN FUNDS</b>	<b>(67,399)</b>	<b>(36,734)</b>	<b>-</b>	<b>(104,133)</b>
	7,162,542	229,591	208,177	7,600,310
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>7,095,143</b>	<b>192,857</b>	<b>208,177</b>	<b>7,496,177</b>