

THE SOUTH WEST HERITAGE TRUST

England & Wales · Charity number 1158791

Details

Status Registered

Legal form Charitable company

Company number [09053532](#)

Registered 2014-10-06

Register [View on the Charity Commission register](#)

Contact

Address Somerset Heritage Centre
Brunel Way
Norton Fitzwarren
Taunton
TA2 6SF

Phone 01823278805

Email info@swheritage.org.uk

Website www.swheritage.org.uk

Activities

Objects: THE OBJECTS OF THE CHARITY ARE FOR THE PUBLIC BENEFIT, NAMELY:8.1.1 THE ADVANCEMENT OF EDUCATION;8.1.2 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 8.1.3 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.

Activities: Museum and curatorial services in Somerset, caring for over 3 million museum objects and operating 3 county museums.Statutory Archives and Local Studies services in Somerset and Devon, providing access to public records.Historic Environment conservation advice to local authorities and partners in Somerset. 400 acres of landscape sites managed.Heritage Education provision across all services.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- Devon
- Somerset

Finances

Period end	Income	Expenditure	Assets	Employees
2024-10-31	£8,652,683	£8,474,068	£1,322,089	73
2023-10-31	£4,135,856	£4,090,905	£1,289,243	73
2022-10-31	£3,648,374	£4,097,959	£3,155,382	69
2021-10-31	£3,808,565	£3,955,290	£-5,715,351	67
2020-10-31	£3,805,154	£3,845,675	£-6,662,002	71

Trustees

Name	Role	Appointed
Amy Carrillo		2025-10-23
Anne Rosalinde Wyke		2022-07-21
David Hugh Gwyther		2014-11-01
Dr Stuart Andrew Windsor		2022-04-28
Gloria Linda Craig		2019-08-09
Ivor Thomas		2025-10-23
Jill Loader		2022-04-28
MICHAEL JOHN RICHARD MOTUM		2014-05-22
Peter Beacham		2017-01-01
Professor Ania Zalewska		2022-04-28
Professor Henry French		2017-04-20
SANDRA VIVIEN MABERLEY		2014-11-01
Simon Clist Cllr		2025-07-17

THE SOUTH WEST HERITAGE TRUST

England & Wales - Charity number 1158791

Accounts

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

Annual Report and Financial Statements

For the Year Ended 31 October 2024

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

The South West Heritage Trust
Contents
For the Year Ended 31 October 2024

	<u>Page</u>
Reference and Administrative Details	1
Trustee Directors' Report	2 – 15
Independent Auditors' Report	16 – 19
Consolidated Statement of Financial Activities	20
Balance Sheet and Consolidated Balance Sheet	21 – 22
Statement of Cash Flows and Consolidated Statement of Cash Flows	23
Notes to Financial Statements	24 – 53

Trustee Directors

Rev. P M Beacham
G L Craig
Cllr A Davis
Prof. H R French
D H Gwyther
J Loader
S V Maberley
Lt Col. M J R Motum (Chair)
A M D Smallwood
Dr S A Windsor
Cllr A R Wyke
Prof. A Zalewska

Senior Leadership Team

Chief Executive Officer	T W Mayberry (until 31/12/2023) & S Astill (from 01/01/2024)
Head of Finance & Governance	P Gardner- Harper
Head of Archives, Learning & Development	J Tall (until 24/03/2024)
Head of Somerset Archives & Local Studies	E Hoyle (from 01/03/2024)
Head of Devon Archives & Local Studies	S Pettitt (from 01/03/2024)
Head of Museums	S Astill (until 31/12/2023) & E Gilbert (from 01/02/2024)
Head of Historic Environment Services	B Croft

Charity Number

1158791

Company Number

09053532

Principal Address and Registered Office

Somerset Heritage Centre
Brunel Way
Taunton
Somerset
TA2 6SF

Auditors

Albert Goodman LLP
Goodwood House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

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 2024, 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 2019).

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:

- Rev. P M Beacham
- G L Craig
- Cllr A Davis
- Prof H R French
- D H Gwyther
- J Loader
- S V Maberley
- Lt Col. M J R Motum (Chair)
- A M D Smallwood
- Dr S A Windsor
- A R Wyke
- Prof. A Zalewska

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 as Patrons 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, CVO

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and Formation of the South West Heritage Trust

The South West Heritage 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 objectives 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 Council (formerly 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.

The legal agreements which underpin the operation of the Trust are the Transfer Agreements, Grant Agreements and Collections Management Agreements between Somerset Council and the Trust and Devon County Council 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 agree strategic direction. A Chief Executive Officer is appointed by the Trustees to manage the day-to-day operation of the Trust and to provide leadership and direction for the implementation of the Business Plan.

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 Audience Engagement 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 Board of Trustees 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. Further extensions can be agreed by the Board under the terms of Article 26.12 of the Articles of Association.

The Annual Retirement Meeting for Trustees of the Trust took place on 27 April 2023. It was agreed that Michael Motum, Peter Beacham and David Gwyther should be elected to serve a third term. Lt Col. Michael Motum was reappointed as Chair.

The induction process for all new Trustees includes:

- Sharing key documents about the Charity, governance arrangements and expectations 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 of 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 key risks are being actively and appropriately managed.

OBJECTIVES, STRATEGY AND ACTIVITIES OF THE TRUST

Objectives

Our Vision and Mission in fulfilling our objectives are as follows:

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.

Strategy

The Trust's five-year strategy, 2020-2025, focuses on three major outcomes:

- **Supporting People and Communities:** We will support, empower and enrich people and communities.
- **Protecting Our Heritage:** We will preserve, protect and enhance our heritage, keeping it safe and accessible now and in the future.
- **Making an Impact:** We will be enterprising, innovative and influential, and stand up for the heritage of Devon and Somerset.

The strategy is supported by the following documents:

- Business Delivery Plan
- Audience Development Strategy
- Equalities Strategy and Action Plan

Service Areas

Through our **Museums Service** we run three Accredited Museums – the Museum of Somerset and Somerset Military Museum in Taunton and Somerset Rural Life Museum in Glastonbury. We manage the Brick and Tile Museum in Bridgwater, Avalon Archaeology at the Avalon Marshes site near Shapwick, and provide curatorial support to Weston-Super-Mare Museum. Three million museum objects, ranging from outstanding geological, Iron Age and Roman collections to textiles and fine art, tell the story of Somerset and the South West.

We are the major custodians of written evidence about Devon and Somerset. Our Accredited **Archive and Local Studies Services** have centres in Taunton, Exeter and Barnstaple where we care for over 10 million archives dating from the 8th century to the present day. 200,000 printed reference works about the South West are held in the Local Studies collections. We also run the archive services on behalf of the unitary authorities of North Somerset and Torbay. Online access is provided through catalogues and indexes, and thousands of people use our digitised resources. We are working to preserve and make available digital archives.

Our **Historic Environment and Estates Service** supports local authorities, partners and the public by offering planning-related advice and information about Somerset's archaeology and built heritage. We also provide services to Bath & North East Somerset Council. We are a Registered Archaeological Organisation and are responsible for over 400 acres of historic landscapes, including Cothelstone Hill in the Quantock Hills, Deer Leap in the Mendip Hills and Norton Fitzwarren Hillfort.

Our **Learning Service** provides opportunities for people of all ages, including those with learning disabilities or affected by dementia. Nearly 15,000 children participate each year in workshops for Key Stages 1 and 2. We make authentic heritage objects available to schools for use in the classroom. Partnership projects to enhance learning take place with secondary schools and further and higher education institutions.

Our organisational culture is one of working together as a single Trust to provide diverse heritage services. To achieve this we rely on our staff and volunteers, our Friends organisations, our Supporters and partners, and all those who champion our work. Our services are funded by core grants from Devon County Council and Somerset Council, by a wide range of contracts and by commercial activity. We also raise new income and attract grant investment from generous funders.

ACTIVITY REPORT

Highlights and Achievements

Context

The Trust continues to build on its post-pandemic recovery, with visitor numbers surpassing pre-2020 levels across its sites. This momentum reflects growing public engagement and the success of initiatives designed to broaden access to heritage and cultural programming.

Financial sustainability remains a priority, as the Trust navigates ongoing economic pressures, including the effects of inflation. Careful management of resources, targeted income generation, and strong partnerships—particularly with Somerset Council and Devon County Council—have been instrumental in maintaining stability.

The Trust's status as a National Portfolio Organisation (NPO), supported by Arts Council England (ACE), remains a cornerstone of its commitment to engaging underserved communities. This strategic focus addresses rural isolation and socio-economic inequality, ensuring heritage programming reaches diverse audiences.

In 2023/24, the Trust continued to strengthen its partnerships with local and national organisations, expanding opportunities for collaboration and innovation. Events held in a range of venues and community settings, alongside digital initiatives, further enhance public participation and visibility.

Following leadership transition, with Sam Astill taking over as Chief Executive Officer in January 2024, the Trust is focused on long-term financial and the further development of the Trust's joint identity as a charity and heritage business. In October 2025, Dylan Edgar was recruited as Head of Development and Partnerships. Dylan has extensive experience of working in the public sector in museums and libraries and was most recently employed as a senior manager in the Global Development Team at Price, Waterhouse, Cooper (PWC). Dylan will bring new and important skills to the Trust at an important moment in the development of the organisation.

Through these efforts, the Trust reaffirms its role as a vital steward of regional heritage.

Archives and Local Studies

- Completed the creation of new digitisation capacity at Somerset Heritage Centre, supported by a Resilience Fund grant from The National Archives, enhancing long-term digital access.
- Successfully concluded the *Unlocking the Archives* project, cataloguing significant collections from the Quantock area and engaging volunteers in in-person and remote transcription work.
- Delivered strong community engagement through the Cary of Torquay Estate Archive project, including theatre workshops, multilingual resources, and a short film, now being developed as a best practice case study for The National Archives.
- Acquired and began initial work on the *Isca Photographic Archive*, documenting Exeter's 20th-century transformation, with support from the National Lottery Heritage Fund.
- Secured and catalogued important historic collections, including diaries of William Robert Warry, estate records of the Seale family of Dartmouth, and archives from J. Whippell & Co., an Exeter-based ecclesiastical textile firm.
- Celebrated the launch of Volume XII of the *Victoria County History of Somerset* (Minehead and Dunster area).
- Delivered school-based workshops, resource packs and careers outreach across both counties, including events aligned with the *Museums and Schools* programme and primary career initiatives.
- Hosted highly successful events such as the ROF 37 film screening and update at Somerset Heritage Centre, attracting wide local attendance and industry interest.
- Completed cataloguing of large accessions including the Somerset and Dorset Railway Trust deposit, Debenhams Collection and Taunton Deane Borough Council records.
- Contributed to wider public programming in North Devon, including plans for an exhibition on politics and protest at the Museum of Barnstaple and North Devon as part of the *Speaking Out* initiative.
- Supported a new careers-focussed learning initiative, engaging students in archive-related roles during immersive visits and work experience at both heritage centres.
- Advanced environmental and infrastructure planning for collections, including the preparation of large-scale cataloguing and preservation of the Wessex Water Archive.
- Expanded remote and in-person volunteering opportunities, strengthening relationships with groups such as the Friends of Quantock and Friends of Devon's Archives.
- Maintained momentum across public-facing programming, cataloguing, acquisitions and community participation, reinforcing the Trust's role as a key regional centre for archive-based learning, heritage, and engagement.

Learning

- Delivered 521 workshops and 194 loans across the academic year, engaging a total of 14,413 pupils across Somerset through onsite, in-school and remote learning services.
- Maintained strong demand for learning activities across museum sites, with a 6% rise in engagement at Somerset Rural Life Museum and steady performance at the Museum of Somerset.
- Recruited a new Heritage Learning Outreach Freelancer to increase delivery capacity for in-school workshops in response to continued high demand.
- All 54 available school subscription slots for the 2024/25 academic year were fully taken up, reflecting the popularity and value of the Trust's education offer.
- Continued development of the 'Pay As You Go' schools offer at Avalon Archaeology, with three successful sessions delivered to 83 pupils, and more bookings already confirmed for the autumn term.
- Delivered highly successful curriculum-linked sessions at both key museums, with excellent feedback from schools, including for SEND-inclusive workshops and new 'Story Walk' trails.
- Supported pupils' transitions from primary to secondary through a new 'Discover in a Day' Arts Award workshop based on the *Adventures in Time and Space* exhibition, linking heritage with storytelling and creativity.
- Sustained engagement through the Museums and Schools programme, including projects with Musgrove Park Hospital's Acorn Ward and a local artist, enhancing cultural access for children in hospital.
- Enabled Arts Award participation at multiple levels, exceeding ACE targets for engagement and supporting creative activities linked to exhibitions such as FLOW and the work of Alexander Hollweg.
- Empowered pupils from Oaklands Community Primary School to co-curate an exhibition on Somerset festivals using archival research, culminating in a public display at the Somerset Heritage Centre.
- Partnered with Somerset Libraries to support reminiscence sessions for older people and those living with dementia, with plans to expand links with the Somerset Dementia and Wellbeing Service.
- Maintained strong inclusive access by targeting travel bursaries and the Golden Apple offer at schools with high pupil premium that hadn't previously engaged with the Trust.
- Built new partnerships and knowledge exchange opportunities, including an exploratory meeting with Tate St Ives through the Museums in Schools network.
- Continued to adapt and review Loans for Learning resources to ensure relevance and usability, supporting schools with classroom-ready heritage materials.

Historic Environment and Estates

- Secured planning consent for a new education building and all-ability access paths at the St Brigid's Chapel and Fields site, funded through the Glastonbury Town Deal, with interpretation and ecological works now in development.
- Hosted a public open day and supported community engagement around the Glastonbury Town Deal projects, with over 100 attendees at a consultation event in Glastonbury Town Hall.
- Developed and delivered new programming at Avalon Archaeology, including quarterly live interpretation events, weekend openings, and future integration with social prescribing initiatives.
- Continued delivery of the Somerset Local Heritage List, recommending 20 new non-designated heritage assets for listing, including Burnham-on-Sea Pier and the Templecombe signal box.
- Monitored and advised on archaeological excavations at the Gravity site, where significant Roman remains were discovered, including a road, a stone structure, and more than 20 burials.

- Contributed to community archaeology and conservation projects across Somerset, including a training day at Black Hill barrow, surveys at Wills Neck, and new reconstruction drawings of Norton Fitzwarren Hillfort.
- Delivered educational interpretation and school resources at Norton Fitzwarren Hillfort, with Historic England funding enabling curriculum-aligned outputs and a guided walk of the site.
- Supported publication of the Hinkley Point C archaeological reports, with the Head of HES presenting to a local forum and attending the launch at Cannington Court.
- Investigated and assessed heritage value of historic drainage pumping stations in Somerset, adding multiple 19th and 20th century sites to the Historic Environment Record.
- Coordinated local advocacy in response to the proposed demolition of Nautilus Works in Yeovil, ensuring heritage concerns were considered and a full photographic record funded by the developer.
- Completed a small-scale evaluation excavation at Upton parish, uncovering evidence of early Roman occupation through coin finds and associated archaeology.
- Hosted a student placement from the University of Exeter, supporting work on heritage assets in Wellington and reinforcing links between academic learning and public heritage.
- Played a lead role in Heritage at Risk surveys and management across the Quantock Landscape, including barrow erosion studies and future conservation planning.
- Contributed to ongoing management of the Historic Environment Records (HERs) for both Somerset and BANES, completing an audit with Historic England and continuing statutory responsibilities.
- Represented the sector on the Portable Antiquities Advisory Group to address the growing impact of metal detecting rallies on archaeological heritage in Somerset.

Museums

- The Trust's museum sites experienced sustained growth in visitor numbers across the year, supported by ACE investment, inclusive programming, and successful family-friendly events.
- Somerset Rural Life Museum and the Museum of Somerset delivered exceptional Santa experiences, fully booked at both sites and boosting winter footfall.
- The Cheddar Brooch was launched in autumn 2023 at the Museum of Somerset, supported by high-profile events, family activities, and academic engagement.
- The Trust's NPO Programme, 'The Stories That Make Us' has continued to provide engagement opportunities for underserved audiences through reminiscence sessions, family activities, touring exhibitions and social prescribing initiatives.
- Avalon Archaeology entered its first full year of programming, including reenactments, family workshops, theatrical performances, and guided tours, with new audience development strategies.
- Somerset Brick and Tile Museum saw increased engagement through family events, SEND-focused partnerships, and preparations for museum accreditation.
- The Museum of Somerset's early years programming expanded through 'Toddler Storytime' and 'Toddler Explorers' sessions, with strong participation and positive audience feedback.
- The Trust role in supporting the management of the South Somerset Heritage Collection began on 1 December 2024 in partnership with Yeovil Town Council.
- 'The Good Fairy' statue was unveiled in partnership with Taunton Town Council, drawing significant public interest and celebrating Taunton's international links.
- The Chew Valley Hoard was formally acquired and entered the museum collections; a major exhibition and fundraising campaign are in development, supported by national funders.
- Collections care and documentation were strengthened through significant projects, including a security audit, collections redisplay, and review of offsite social history collections.
- The Somerset Military Museum volunteer team completed a decade-long cataloguing project, marking a major achievement in long-term collections care.

- Partnerships with organisations including Taunton Town Council, Glastonbury Town Council, Somerset Art Works, Somerset Rivers Authority and Bridgwater Town Council helped embed museums and heritage in cultural life.
- The Trust collaborated with the University of Exeter on digital innovation projects, including photogrammetry, RTI of the Cheddar Brooch, and a digital skills training programme.
- Work on the Somerset Pottery Fabric Type Series progressed, with data now being prepared for upload to a national online collections database delivered in partnership with Historic England.
- New acquisitions enriched the collections, including Rachel Reckitt artworks, a painting by June Mendoza of Michael Eavis, and a 1946 watercolour by James McIntosh Patrick.
- The Museum of Somerset joined the Bloomberg Connects app, enhancing the digital accessibility of collections and site information to global audiences.

Exhibitions

Museum of Somerset

- 'Alexander Hollweg: Journeys in Art'
A major retrospective showcasing six decades of Hollweg's work, including paintings, sculpture, and woodcuts inspired by his life in Somerset and London.
- 'John Martin: The Destruction of Pompeii and Herculaneum'
Spotlight loan from Tate featuring Martin's vivid 1822 painting, explored alongside Somerset links through poet Edwin Atherstone.
- 'Adventures in Time and Space: 60 Years of Doctor Who Art'
The largest collection of Doctor Who art ever shown, accompanied by a themed family activity programme and sci-fi-inspired trails.
- '25 Years of the Portable Antiquities Scheme'
A display curated by the Finds Liaison Officer celebrating a quarter century of the PAS in Somerset.

Somerset Rural Life Museum

- 'Finding Solace and Joy' – Jill Davies
A solo show of prints, botanical studies and eco-artworks inspired by the Somerset countryside.
- 'Under the Surface – Somerset Floods'
Photography exhibition by Matilda Temperley marking 10 years since the Somerset Levels floods of 2013–14.
- 'Somerset Printmakers'
Group exhibition of 13 Somerset-based printmakers, showcasing original print works inspired by rural life and landscape.
- 'Spinning a Yarn'
A Somerset Art Works partnership exploring wool's place in Somerset's cultural and economic history through artwork, film and community creativity.

Weston Museum

- 'Adventures in Time and Space – 60 Years of Doctor Who Art'
A high-performing exhibition extended by popular demand, highlighting Doctor Who's cultural impact and Somerset filming locations.
- 'Royal Photographic Society Summer Exhibition'
Featuring 80 photographs from RPS members around the world, continuing the museum's tradition of hosting high-profile photography.

- 'Axel Scheffler: A Life in Illustration'
A colourful, family-focused exhibition celebrating the work of the beloved illustrator of *The Gruffalo*, including original artworks from 15 books.

Partnerships and Sector Support

We have continued to provide support to a wide range of organisations.

We are an active participant in the South West Museum Development Programme and employ a full-time Museums Development Officer. The Programme supports over 30 community museums in Somerset, offering advice and guidance about funding, training and cooperative projects.

In partnership with the British Museum and Local Authorities in Devon, Dorset and Somerset, the Trust provides the Portable Antiquities Scheme in the three counties. The number of finds reported continues to remain largely consistent throughout the year.

The Trust works closely with Weston Town Council to provide curatorial support and a temporary exhibitions programme for Weston Museum.

We look after the Archives of North Somerset Council and Torbay Council and are the designated repository for the Diocese of Bath and Wells and Diocese of Exeter. The Archives and Local Studies Services in Somerset and Devon are engaged with many partnership projects involving many community groups, societies and larger organisations including Barnstaple Town Council and North Devon Athenaeum.

The Historic Environment Service advises the Bath and Wells Diocesan Advisory Committee and provides heritage-related planning advice to Somerset Council and to Bath and North East Somerset Council. It publishes the Somerset Archaeological Handbook which is the central reference point for developers, advisors and Local Authorities.

FINANCIAL REVIEW AND RESERVES POLICY

Unrestricted income in the year totalled £3,525,631 (2023: £3,592,519) and restricted income £5,217,052 (2023: £543,337).

Total expenditure was £8,474,068 (2023: £4,090,905), of which £8,401,456 (99.1%) was for charitable purposes (2023: £4,022,927 (98.3%)). The remainder was for raising funds.

Pension schemes

The Trust operates defined benefit (final salary) schemes for employees who were transferred from the Local Government Pension Schemes (LGPS) of either Devon or Somerset County Councils. Details are given in notes 1.14, 1.15 and 17 of the accounts.

The LGPS schemes are reviewed triennially to set the Trust's pension contribution rates for the following three years. Both schemes are subject to an annual actuarial valuation which features in the Statement of Financial Activities and the Balance Sheet. This valuation experiences significant annual volatility. In 2024 and 2023 a nil balance was forecast, due to higher assumed mortality rates and a fall in life expectancy. Any actual deficit will only become payable when the final member leaves the relevant scheme, a date currently expected to be more than 25 years away. The deficit would then be likely to be repayable over a long period of years. The total pension fund value is indemnified against the possibility of the Trust's dissolution.

Staff who have entered the Trust's employment since it vested in 2014 have the right to be enrolled in a defined contribution scheme (NEST). The Trust pays a fixed monthly contribution into the scheme but has no further or future obligations.

Reserves

The Board of Trustees agreed a Reserves Policy in September 2015. It states that 'the target provision of reserves should meet operational costs for three months' and should be achieved by 2025. The target is equivalent to unrestricted reserves of approximately £700k.

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

	£'000
Unrestricted general funds	507
Designated funds	579
Restricted funds	387

Most of the Trust's reserves are cash or other current assets. Only £204,042 of fixed assets are recognised on the Balance Sheet.

Major Income Sources

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 Council and Devon County Council is fundamental to the Trust's success and allows 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 continued support. In the Trust year ending 31 October 2024, the core grants from the two Councils accounted for £2,094,500 of the Trust's total income (59% of the unrestricted income, 24% of the total income).

The Trustees are also grateful to other major funders, including Arts Council England, the National Lottery Heritage Fund and the British Museum. Further income is received for heritage services provided to North Somerset Council, Weston-Super-Mare Town Council, Torbay Council and others. The Trustees also acknowledge individual donors. Their generosity and support are greatly appreciated.

Traded Income and Fundraising

The Trust's income derives mainly from grants and from contracts for the provision of services. Traded activities are undertaken across all service areas and contribute significantly to Trust turnover. We encourage donations, and admission fees are charged at some sites and for some events.

Traded activity is managed through South West Heritage Trust Trading Limited, a wholly-owned subsidiary of the Trust. It generated a profit of £151,165 during the financial year. Details of trading performance are contained in Note 10 of the accounts, and a separate set of accounts is produced annually. Four Trustees are the registered Directors of the trading company.

The Trust is obliged to comply with the Charities (Protection and Social Investment) Act 2016 and to provide statements on specific areas of fundraising in the annual report. The Trust has facilities to accept digital and cash donations on its public sites and through carefully monitored activities such as its Supporters' Scheme. It does not engage in large-scale public fundraising campaigns or undertake door-to-door or private site fundraising. The Trust does not engage third-party membership or donation solicitation agencies. As a result, it has not been necessary to monitor the behaviour of, or investigate a complaint involving, a third-party acting on the Trust's behalf. The Trust has not bound itself to any voluntary scheme for regulating fundraising and has received no complaints about any fundraising activity it has undertaken.

Looking Forward

The Trust has set a balanced budget for the financial year to 31 October 2025. The Trustees are aware of a number of longer-term budgetary risks that will need to be carefully managed in future years, including:

- the renewal of the core grant with Devon County Council at the end of the current grant period;
- the need to maximise traded income;
- the financial pressures affecting local authorities and the impact of Local Government Reorganisation;
- an uncertain economic environment;
- increased inflation affecting many key supplies and services;
- the need to continue to win grants to carry out our charitable objectives, our vision and our mission.

The Trust's priorities for future years are set out in its three-year rolling Business Plan. They reflect the outcomes around which the Trust's five-year strategy is structured.

PUBLIC BENEFIT

Social Benefits

Our services are major contributors to personal wellbeing and a sense of place. We aim for our services to be accessible, to address issues of diversity and to promote and enable equality of opportunity for everyone.

Our large community of knowledgeable and dedicated volunteers are crucial to what we do. Volunteering also contributes directly to people's physical, emotional and mental wellbeing. We seek to ensure that volunteering takes place in an environment which is inclusive and supports and respects the needs of individuals.

Experiencing heritage enhances wellbeing and brings people together, whether through learning activities for children, access to inspirational art and exhibitions, the discovery of family or community history, dementia-friendly reminiscence sessions or visiting a landscape site.

Economic Benefits

We are significant contributors to the local economy, fostering tourism, research, and the cultural and creative industries.

- Our museums are major tourist destinations in Somerset, attracting new visitors and actively promoting the county. The Museum of Somerset alone is estimated to provide £2.3 million of economic benefit to Somerset from 90,000 visits in a typical year.

- The heritage centres in Exeter, Barnstaple and Taunton attract researchers from the local area and around the world.
- Our heritage landscape sites have many tens of thousands of visitors each year and actively contribute to individual wellbeing and the local economy.

We prioritise local services and employment where possible to ensure that we support our local economy. We are always seeking new sources of income through the provision of commercial services and traded activities. The profits we generate are reinvested to increase the public benefit we provide.

Environmental Sustainability

The Trust adopted an Environmental Statement and Action Plan in the past year and is working towards a more complete policy. Our sites, including two Grade I listed buildings and a Victorian farmhouse, are managed carefully to ensure that their environmental footprint is minimised. We are working to make the strongrooms at Somerset Heritage Centre more energy efficient. We are committed to local procurement wherever possible to support the economy and livelihoods of people in Devon and Somerset. This helps us to reduce our carbon footprint.

The Historic Environment Service works to ensure that developers in Somerset operate ethically in relation to the county's built heritage and archaeology. The Service seeks to protect and promote the historic environment as an essential component in making communities economically and environmentally sustainable.

The Trust manages over 400 acres of heritage landscape sites across Somerset which provide open-access enjoyment to the public. The sites also offset more than 25% of the total carbon emissions produced by the Trust.

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.

Lt Col. M J R Motum
Trustee
The South West Heritage Trust

Date: 24 April 2025

The South West Heritage Trust

Independent Auditors' Report to the Trustees and Members

For the Year Ended 31 October 2024

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 2024, 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 2024 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

In auditing the financial statements, we have concluded that the trustee's 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 entity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors 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 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 matter 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 prepared 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 the knowledge and understanding of the group and 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.

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 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.

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charity Act 2011, anti-bribery, employment, data protection and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation, claims and breaches of relevant legislation; and
- reviewing correspondence with the Charity Commission and other relevant regulators including the group's legal advisors and insurers.

The South West Heritage Trust

Independent Auditors' Report to the Trustees and Members
For the Year Ended 31 October 2024

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Michelle Ferris BSC (Hons) FCA DChA (Senior Statutory Auditor)
For and on behalf of Albert Goodman LLP, Statutory Auditor

Goodwood House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Date: 9 May 2025

The South West Heritage Trust

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

For the Year Ended 31 October 2024

				2024			2023
		Unres-	Res-	Total	Unres-	Res-	Total
	Notes	tricted	tricted		tricted	tricted	
		£	£	£	£	£	£
Income from:							
Donations and legacies	2	71,219	58,229	129,448	162,368	23,830	186,198
Charitable activities	3	2,736,053	5,044,248	7,780,301	3,048,846	513,401	3,562,247
Other trading activities	4	685,768	23,836	709,604	369,333	5,538	374,871
Investments	5	32,591	739	33,330	11,972	568	12,540
Total income		3,525,631	5,127,052	8,652,683	3,592,519	543,337	4,135,856
Expenditure on:							
Raising funds	6	72,612	-	72,612	67,564	414	67,978
Charitable activities	6	3,376,629	5,024,827	8,401,456	3,375,836	647,091	4,022,927
Total expenditure		3,449,241	5,024,827	8,474,068	3,443,400	647,505	4,090,905
Net (expenditure)/income		76,390	102,225	178,615	149,119	(104,168)	44,951
Transfer between funds		31,581	(31,581)	-	(101,860)	101,860	-
Other recognised gains							
Actuarial (losses)/gains on defined benefit pension schemes		(103,000)	-	(103,000)	(1,876,000)	-	(1,876,000)
Net movement in funds for the year		4,971	70,644	75,615	(1,828,741)	(2,308)	(1,831,049)
Reconciliation of funds							
Total funds brought forward		1,081,589	316,050	1,397,639	2,910,330	318,358	3,228,688
Total funds carried forward		1,086,560	386,694	1,473,254	1,081,589	316,050	1,397,639

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

All income and expenditure derive from continuing activities.

The South West Heritage Trust – Company Registration Number: 09053532
Balance Sheet and Consolidated Balance Sheet
As at 31 October 2024

		2024 £ Group	2024 £ Charity	2023 £ Group	2023 £ Charity
	Notes				
Fixed assets					
Tangible fixed assets	9	204,042	204,042	143,359	143,359
Investments	10	-	1	-	1
		<u>204,042</u>	<u>204,043</u>	<u>143,359</u>	<u>143,360</u>
Current assets					
Stock	11	20,059	-	20,940	-
Debtors	12	939,220	1,140,381	1,313,731	1,417,972
Cash at bank and in hand		1,211,471	858,314	1,080,338	864,186
		<u>2,170,750</u>	<u>1,998,695</u>	<u>2,415,009</u>	<u>2,282,158</u>
Liabilities:					
Creditors: amounts falling due within one year	13	(901,538)	(880,649)	(1,160,729)	(1,136,275)
		<u>1,269,212</u>	<u>1,118,046</u>	<u>1,254,280</u>	<u>1,145,883</u>
Net current assets					
		<u>1,473,254</u>	<u>1,322,089</u>	<u>1,397,639</u>	<u>1,289,243</u>
Net assets excluding pension liabilities					
Defined benefit pension scheme asset/(liabilities)	17	-	-	-	-
		<u>1,473,254</u>	<u>1,322,089</u>	<u>1,397,639</u>	<u>1,289,243</u>
Total net assets including pension liabilities					
		<u><u>1,473,254</u></u>	<u><u>1,322,089</u></u>	<u><u>1,397,639</u></u>	<u><u>1,289,243</u></u>
The funds of the charity:					
Unrestricted funds:					
General funds		507,104	355,939	517,956	409,560
Designated funds		579,456	579,456	563,633	563,633
		<u>1,086,560</u>	<u>935,395</u>	<u>1,081,589</u>	<u>973,193</u>
Unrestricted funds excluding pension reserve		1,086,560	935,395	1,081,589	973,193
Pension reserve		-	-	-	-
		<u>1,086,560</u>	<u>935,395</u>	<u>1,081,589</u>	<u>973,193</u>
Total unrestricted funds	14	1,086,560	935,395	1,081,589	973,193
Restricted funds	14	386,694	386,694	316,050	316,050
		<u>1,473,254</u>	<u>1,322,089</u>	<u>1,397,639</u>	<u>1,289,243</u>
Total charity funds		<u><u>1,473,254</u></u>	<u><u>1,322,089</u></u>	<u><u>1,397,639</u></u>	<u><u>1,289,243</u></u>

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 24 - 53 form part of these accounts.

Approved by the Board for issue on 24 April 2025 and signed on their behalf by:

Lt Col. M J R Motum
Trustee

The South West Heritage Trust
Statement of Cash Flows and Consolidated Statement of Cash Flows
For the Year Ended 31 October 2024

		2024	2024	2023	2023
		£	£	£	£
	Notes	Group	Charity	Group	Charity
Cash flows from operating activities					
Net income for the year		178,615	135,846	44,951	9,861
Adjustments to cash flows from non-cash items:					
Depreciation and amortisation	9	72,430	72,430	48,783	48,783
Interest receivable	5	(33,330)	(33,330)	(12,540)	(12,540)
Defined benefit pension scheme cost less contributions payable		(92,000)	(92,000)	(90,000)	(90,000)
Defined benefit pension scheme finance cost		(11,000)	(11,000)	25,000	25,000
		<u>114,715</u>	<u>71,946</u>	<u>16,194</u>	<u>(18,896)</u>
Working capital adjustments					
Decrease / (increase) in stocks	11	881	-	(5,495)	-
Decrease / (increase) in debtors	12	374,511	277,591	(791,248)	(801,195)
(Decrease) / increase in creditors	13	(259,191)	(255,626)	38,140	28,137
		<u>230,916</u>	<u>93,911</u>	<u>(742,409)</u>	<u>(791,954)</u>
Net cash flow from operations					
Cash flows from investing activities					
Purchase of tangible fixed assets	9	(133,113)	(133,113)	(42,539)	(42,539)
Interest received	5	33,330	33,330	12,540	12,540
		<u>(99,783)</u>	<u>(99,783)</u>	<u>(29,999)</u>	<u>(29,999)</u>
Net increase in cash and cash equivalents		<u>131,133</u>	<u>(5,872)</u>	<u>(772,408)</u>	<u>(821,953)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>1,080,338</u>	<u>864,186</u>	<u>1,852,746</u>	<u>1,686,139</u>
Cash and cash equivalents at the end of the reporting period		<u>1,211,471</u>	<u>858,314</u>	<u>1,080,338</u>	<u>864,186</u>
Cash & Cash equivalents reconciliation:					
Cash at bank		<u>1,211,471</u>	<u>858,314</u>	<u>1,080,338</u>	<u>864,186</u>
Total cash & cash equivalents at the end of the reporting period		<u>1,211,471</u>	<u>858,314</u>	<u>1,080,338</u>	<u>864,186</u>

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 2019) - (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 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 this is recognised upon physical receipt.

The charity notes the requirement of the SORP that large charities must report their results on an activities basis. The charity considers that they produce one activity – the deliverance of heritage services – and therefore reports on that basis.

1.5 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.

1.6 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.

1.7 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.

1.8 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.

1.9 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

1.10 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.

1.11 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.

1.12 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.

1.13 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.

1.14 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.

1.15 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.

1.16 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 2022 has been used by the actuary in valuing the pensions liability at 31 October 2024. Any differences between the figures derived from the roll forward approach and a full valuation would impact on the carrying amount of the pension liability.

The present value of the Local Government Pension Scheme as calculated by the actuary is an asset of £2,334,000. The asset has been limited to a £0 as the trustees believe that the criteria for recognition of an asset have not been met.

1.17 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.

1.18 Financial Instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and liabilities of the charity and their measurements are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank and deposit accounts– is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security and the LGPS are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2 Donations and legacies

	Unres- tricted funds £	Res- tricted funds £	2024 Total £	Unres- tricted funds £	Res- tricted funds £	2023 Total £
Donations and bequests	71,219	58,229	129,448	162,368	23,830	186,198
	<u>71,219</u>	<u>58,229</u>	<u>129,448</u>	<u>162,368</u>	<u>23,830</u>	<u>186,198</u>

As at the year end, the charity had been notified of a legacy totalling approximately £40,000, which has not been included in the Statement of Financial Activities due to the conditions of recognition not being met.

3 Income from charitable activities

	Unres- tricted funds £	Res- tricted funds £	2024 Total £	Unres- tricted funds £	Res- tricted funds £	2023 Total £
Fees for services and grants						
<u>Heritage services</u>						
Somerset County Council*	1,675,969	-	1,675,969	1,762,016	-	1,762,016
Devon County Council*	418,531	-	418,531	416,786	-	416,786
North Somerset Council*	81,642	-	81,642	179,926	-	179,926
Weston-Super-Mare Town Council*	86,208	-	86,208	84,252	-	84,252
Torbay Council*	117,032	-	117,032	109,168	-	109,168
<u>Other services</u>						
SCC - Records*	59,500	-	59,500	55,057	-	55,057
<u>Grant income</u>						
North Devon Athemaeum	-	41,613	41,613	-	39,838	39,838
Mendip District Council*	-	-	-	-	-	-
Heritage Lottery Fund	14,962	4,135,706	4,150,668	43,782	-	43,782
The British Museum	-	134,958	134,958	-	87,013	87,013
Somerset County Council*	3,219	132,048	135,267	90,705	25,080	115,785
Arts Council England*	-	327,808	327,808	26,000	169,849	195,849
Barnstaple Town Council*	-	12,916	12,916	-	-	-
DEFRA*	10,560	-	10,560	10,479	-	10,479
Devon County Council*	-	25,550	25,550	-	58,001	58,001
Art Fund	-	150,000	150,000	-	-	-
Taunton Town Council*	-	30,500	30,500	-	-	-
Museum of Policing in Devon & Cornwall	-	27,039	27,039	-	25,875	25,875
Under £10k	227,059	26,110	253,169	233,179	107,745	340,924
	2,694,682	5,044,248	7,738,930	3,011,350	513,401	3,524,751
Memberships and subscriptions	41,371	-	41,371	37,496	-	37,496
	2,736,053	5,044,248	7,780,301	3,048,846	513,401	3,562,247

*Denotes government grants

Government grants

Income from government grants comprises grants made by local authorities to fund the principal activities and objectives of the charity via core funding and funding for specific projects. See above and note 2 for more information, including the amount and source of these grants. There are no unfulfilled conditions or other contingencies attached to these grants.

4 Other trading activities

	Unres- tricted funds £	Res- tricted funds £	2024 Total £	Unres- tricted funds £	Res- tricted funds £	2023 Total £
Merchandising income						
Shop sales	53,563	-	53,563	44,185	-	44,185
Café concession	40,196	-	40,196	34,118	-	34,118
	93,759	-	93,759	78,303	-	78,303
Events and other sales						
Digital images, publications and research income	301,478	10,727	312,205	96,342	-	96,342
Room hire	12,324	-	12,324	6,772	-	6,772
Education income	34,966	12,999	47,965	92,918	1,186	94,104
Rental income	32,878	-	32,878	27,705	-	27,705
Other income	210,363	110	210,473	67,293	4,352	71,645
	592,009	23,836	615,845	291,030	5,538	296,568
	685,768	23,836	709,604	369,333	5,538	374,871

5 Investment income

	Unres- tricted funds £	Res- tricted funds £	2024 Total £	Unres- tricted funds £	Res- tricted funds £	2023 Total £
Bank interest	32,591	739	33,330	11,972	568	12,540

6 Expenditure

Split by fund:

	Unres- tricted £	Res- tricted £	2024 Total £	Unres- tricted £	Res- tricted £	2023 Total £
Cost of raising funds						
Trading costs	72,612	-	72,612	67,564	414	67,978
Charitable activities						
Archives and local studies	774,028	153,414	927,442	992,852	216,359	1,209,211
Museums	1,058,237	4,734,548	5,792,785	1,096,071	215,959	1,312,030
Historic environment and estates services	374,104	85,123	459,227	334,004	141,488	475,492
Heritage services	1,018,791	-	1,018,791	829,223	-	829,223
Closed projects	151,469	51,742	203,211	123,686	73,285	196,971
	<u>3,449,241</u>	<u>5,024,827</u>	<u>8,474,068</u>	<u>3,443,400</u>	<u>647,505</u>	<u>4,090,905</u>

Split by cost:

	Staff costs £	Other Direct costs £	2024 Total £	Staff costs £	Other Direct costs £	2023 Total £
Cost of raising funds						
Trading costs	-	72,612	72,612	-	67,978	67,978
Charitable activities						
Archives and local studies	816,874	110,568	927,442	977,262	231,949	1,209,211
Museums	922,546	4,870,240	5,792,786	869,238	442,792	1,312,030
Historic environment and estates services	395,505	63,723	459,228	408,785	66,707	475,492
Heritage services	440,219	578,570	1,018,789	257,488	571,735	829,223
Closed projects	174,355	28,856	203,211	149,645	47,326	196,971
	<u>2,749,499</u>	<u>5,724,569</u>	<u>8,474,068</u>	<u>2,662,418</u>	<u>1,428,487</u>	<u>4,090,905</u>

6 Expenditure (continued)

	Charity		Subsidiary		Total	Total
	2024	2023	2024	2023	2024	2023
	£	£	£	£	£	£
Depreciation of owned assets	72,430	48,783	-	-	72,430	48,783
Operating lease expenses	38,586	33,401	-	-	38,586	33,401
Auditors' remuneration for:						
Current auditors						
- Audit services	7,950	7,580	1,580	1,520	9,530	9,100
- Other services	3,400	3,220	700	650	4,100	3,870

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 (2023: £nil).

Two charity trustees were reimbursed £327 for travel expenses during the year (2023: three trustees - £998).

No charity trustee received payment for professional or other services supplied to the charity (2023: £nil).

8 Employees

Number of employees

The average monthly head count was 103 staff (2023: 107 staff) and the average number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

	2024	2023
Management	6.4	5.8
Finance and admin	4.4	4.5
Service provision	62.3	62.4
	<u>73.1</u>	<u>72.7</u>

Employment costs	2024 £	2023 £
Wages and salaries	2,343,133	2,247,651
Social security costs	200,328	192,485
Redundancy pay	24,202	2,575
Pension costs	181,836	219,707
	<u>2,749,499</u>	<u>2,662,418</u>

During the year, costs totalling £24,202 were paid to two employees in respect of redundancies. The amounts are full and final, and no amounts have been accrued at the balance sheet date (2023: one redundancy totalling £2,575).

The number of employees whose annual emoluments were £60,000 (excluding employer pension costs) or more were:

	2024 number	2023 number
£70,000 - £80,000	<u>1</u>	<u>1</u>

This employee is a member of the defined benefit pension scheme, into which contributions of £4,263 (2023: £15,276) 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 comprise of the Senior Leadership Team as on page 1 (2023: 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 £388,831 (2023: £99,275).

Employees (continued)

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 £30,355 (2023 - £32,167) 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 2023	571,663	332,777	37,000	106,325	1,047,765
Additions	29,962	98,849	-	4,302	133,113
At 31 October 2024	601,625	431,626	37,000	110,627	1,180,878
Depreciation					
At 1 November 2023	532,094	272,405	37,000	62,907	904,406
Charge for the year	18,069	39,339	-	15,022	72,430
At 31 October 2024	550,163	311,744	37,000	77,929	976,836
Net book value					
At 31 October 2024	51,462	119,882	-	32,698	204,042
At 31 October 2023	39,569	60,372	-	43,418	143,359

The above assets are all held by the charity.

10 Investments

	Charity	
	Total 2024 £	Total 2023 £
South West Heritage Trust Trading Limited Ordinary shares of £1 each	1	1

Investments (continued)

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:

	2024	2023
	£	£
Turnover	385,678	323,031
Cost of sales	(72,612)	(67,564)
Gross profit	313,066	255,467
Administrative expenses	(161,901)	(147,072)
Operating profit	151,165	108,395
Investment income	-	-
Profit before tax & profit for the financial year	151,165	108,395
Retained earnings brought forward in subsidiary	108,395	73,306
Gift aid to The South West Heritage Trust	(108,395)	(73,306)
Retained earnings carried forward in subsidiary	151,165	108,395
The assets and liabilities were:		
Current assets	416,295	266,923
Current liabilities	(265,129)	(158,527)
Total net assets	151,166	108,396
Called up share capital	1	1
Profit and loss reserve	151,165	108,395
	151,166	108,396

11 Stocks

	Group £	2024 Charity £	Group £	2023 Charity £
Goods for resale	20,059	-	20,940	-

Stock recognised in the Statement of Financial Activities as an expense is £41,740 (2023: £37,784).

12 Debtors

	Group £	2024 Charity £	Group £	2023 Charity £
Trade debtors	499,049	482,308	941,869	927,825
Prepayments and accrued income	410,387	385,910	371,711	356,074
Other debtors	29,784	27,923	151	-
Amounts owed by group undertakings	-	244,240	-	134,073
	<u>939,220</u>	<u>1,140,381</u>	<u>1,313,731</u>	<u>1,417,972</u>

13 Creditors: Amounts falling due within one year

	2024		2023	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	58,559	54,678	102,783	94,213
Other creditors	39,515	39,515	43,733	43,733
Accruals and deferred income	745,786	741,442	854,688	852,300
Taxation and social security	57,678	45,014	159,525	146,029
	<u>901,538</u>	<u>880,649</u>	<u>1,160,729</u>	<u>1,136,275</u>

Deferred Income

	2024		2023	
	Group	Charity	Group	Charity
	£	£	£	£
Deferred income at 1 November 2023	718,771	718,771	704,466	704,466
Released from previous years	(718,771)	(718,771)	(704,466)	(704,466)
Resources deferred in the year	601,572	601,572	718,771	718,771
	<u>601,572</u>	<u>601,572</u>	<u>718,771</u>	<u>718,771</u>
Deferred Income at 31 October 2024	<u>601,572</u>	<u>601,572</u>	<u>718,771</u>	<u>718,771</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 & gains £	Closing balance £
Unrestricted funds - Group					
General	517,956	3,448,650	(3,180,932)	(278,570)	507,104
Designated funds - Group and Charity					
National Archives	19,664	9,823	(6,299)	-	23,188
Capital reserve	69,670	-	-	30,330	100,000
Museum priorities	70,699	-	(1,462)	(12,912)	56,325
Archive & learning priorities	5,829	-	128	(1,960)	3,997
IT & resources priorities	144,714	-	(68,934)	39,362	115,142
Historic environment priorities	37,063	-	(7,814)	25,621	54,870
Invest to Save	33,476	-	(8,216)	(1,290)	23,970
Cheddar Brooch	55,000	7,367	(58,096)	-	4,271
Museum, Gallery and Exhibition					
Tax Relief	127,518	59,791	(14,616)	-	172,693
Trust Strategic	-	-	-	25,000	25,000
Total designated funds	563,633	76,981	(165,309)	104,151	579,456
Pension fund	-	-	(103,000)	103,000	-
	1,081,589	3,525,631	(3,449,241)	(71,419)	1,086,560

14 Summary of movement in funds- Group (continued)

	Opening balance £	Income £	Expenditure £	Transfers & gains £	Closing balance £
Restricted funds - Group and Charity					
Archive and museum donations	49,540	7,739	(24,587)	-	32,692
Castle House Project	40,116	-	(2,971)	-	37,145
Historic Environment and Estates	40,242	83,662	(46,132)	(5,120)	72,652
Somerset Levels	9,030	327	(3)	-	9,354
Portable Antiques	-	133,978	(121,306)	(12,672)	-
North Devon Record Office	8,597	55,563	(53,061)	-	11,099
Devon Rural Archive	-	300	(300)	-	-
Devon Railway Plans Conservation	-	13,000	(17)	-	12,983
Museum Development Officer	-	23,500	(33,761)	10,261	-
North Somerset Collections	639	-	(514)	(125)	-
Museums and Schools 23-24	9,357	62,058	(56,409)	-	15,006
Charthouse/Blackmoor Land Holding	2,350	-	(400)	(1,950)	-
Avalon Archaeology Park	-	4,266	(4,266)	-	-
West Country Studies	51,148	-	(9,897)	(16,212)	25,039
Gravity project	11,278	-	(120)	(11,158)	-
North Devon Athenaeum	-	41,613	(41,613)	-	-
Somerset Pottery Fabric Type Series	11,441	6,000	(1,724)	-	15,717
Cary of Torquay Archive	-	6,841	(6,841)	-	-
Debenhams Archive	3,000	1,989	(4,989)	-	-
Quantock Landscape Partnership	2,890	1,060	(3,950)	-	-
Somerset VCH	16,111	15,199	(7,386)	-	23,924
Glastonbury Town Investment Plan	-	33,853	(37,070)	3,217	-
Local Heritage List	12,550	-	(37)	(12,513)	-
Police Museums Archive	19,427	27,039	(28,791)	-	17,675
Resilience Project	253	-	17	(270)	-
National Portfolio Organisation	28,081	265,750	(232,298)	-	61,533
Wessex Water Cataloguing	-	21,375	-	-	21,375
Museum of Somerset	-	30,500	-	-	30,500
Chew Valley Hoard	-	4,291,440	(4,306,401)	14,961	-
	316,050	5,127,052	(5,024,827)	(31,581)	386,694
	1,397,639	8,652,683	(8,474,068)	(103,000)	1,473,254

Summary of movement in funds- Charity

	Opening balance £	Income £	Expenditure £	Transfers & gains £	Closing balance £
Unrestricted funds - Charity					
General	409,560	3,171,368	(2,946,419)	(278,570)	355,939
Designated funds - Charity	563,633	76,981	(165,309)	104,151	579,456
Pension fund	-	-	(103,000)	103,000	-
	973,193	3,248,349	(3,214,728)	(71,419)	935,395
Restricted funds - Charity	316,050	5,127,052	(5,024,827)	(31,581)	386,694
	1,289,243	8,375,401	(8,239,555)	(103,000)	1,322,089

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

Summary of movement in funds – Group (2023)

	Opening balance £	Income £	Expenditure £	Transfers & gains £	Closing balance £
Unrestricted funds - Group					
General	572,170	3,528,890	(3,315,552)	(267,552)	517,956
Designated funds - Group and Charity					
National Archives	27,114	553	(8,003)	-	19,664
Capital reserve	200,000	-	-	(130,330)	69,670
Museum priorities	104,910	-	(34,211)	-	70,699
Archive & learning priorities	25,316	-	(16,907)	(2,580)	5,829
IT & resources priorities	129,820	-	(115,436)	130,330	144,714
Historic environment priorities	40,000	-	(2,937)	-	37,063
Invest to Save	-	13,076	(9,600)	30,000	33,476
Cheddar Brooch	-	50,000	-	5,000	55,000
Museum, Gallery and Exhibition Tax Relief	-	-	(5,754)	133,272	127,518
Total designated funds	527,160	63,629	(192,848)	165,692	563,633
Pension fund	1,811,000	-	65,000	(1,876,000)	-
	2,910,330	3,592,519	(3,443,400)	(1,977,860)	1,081,589

14 Summary of movement in funds – Group (2023) (continued)

	Opening balance £	Income £	Expenditure £	Transfers & gains £	Closing balance £
Restricted funds - Group and Charity					
Archive and museum donations	53,972	568	(5,000)	-	49,540
Castle House Project	40,116	-	-	-	40,116
Historic Environment and Estates	35,841	63,204	(58,803)	-	40,242
Somerset Levels	11,725	-	(2,695)	-	9,030
Portable Antiques	-	83,618	(89,616)	5,998	-
North Devon Record Office	9,287	49,525	(50,215)	-	8,597
Museum Development Officer	-	29,583	(39,289)	9,706	-
North Somerset Collections	698	-	(59)	-	639
Museums and Schools	17,612	9,174	(40,749)	13,963	-
Museums and Schools 23-24	-	41,892	(32,535)	-	9,357
Charthouse/Blackmoor					
Land Holding	2,350	-	-	-	2,350
Avalon Archaeology Park	4,020	68	(47,870)	43,782	-
West Country Studies	39,461	24,371	(12,684)	-	51,148
Gravity project	11,278	-	-	-	11,278
North Devon Athenaeum	3,200	39,838	(43,038)	-	-
Somerset Pottery Fabric					
Type Series	7,454	12,000	(8,013)	-	11,441
Cary of Torquay Archive	21,400	2,000	(35,059)	11,659	-
Debenhams Archive	5,000	1,988	(2,100)	(1,888)	3,000
Quantock Landscape Partnership	9,105	24,188	(30,403)	-	2,890
Somerset VCH	25,717	839	(10,445)	-	16,111
Together Again	1,797	1,485	(3,282)	-	-
Glastonbury Town Investment Plan	5,775	8,314	(32,119)	18,030	-
Local Heritage List	12,550	-	-	-	12,550
Police Museums Archive	-	25,875	(6,448)	-	19,427
Resilience Project	-	15,607	(15,354)	-	253
National Portfolio Organisation	-	106,300	(78,219)	-	28,081
FLOW	-	2,900	(3,510)	610	-
	318,358	543,337	(647,505)	101,860	316,050
	3,228,688	4,135,856	(4,090,905)	(1,876,000)	1,397,639

Summary of movement in funds – Charity- 2023

	Opening balance £	Income £	Expenditure £	Transfers & gains £	Closing balance £
Unrestricted funds - Charity					
General	498,864	3,372,960	(3,194,712)	(267,552)	409,560
Designated funds - Charity	527,160	63,629	(192,848)	165,692	563,633
Pension fund	1,811,000	-	65,000	(1,876,000)	-
	<u>2,837,024</u>	<u>3,436,589</u>	<u>(3,322,560)</u>	<u>(1,977,860)</u>	<u>973,193</u>
Restricted funds - Charity	<u>318,358</u>	<u>543,337</u>	<u>(647,505)</u>	<u>101,860</u>	<u>316,050</u>
	<u>3,155,382</u>	<u>3,979,926</u>	<u>(3,970,065)</u>	<u>(1,876,000)</u>	<u>1,289,243</u>

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

Purpose of material funds:

- Designated Funds –Capital Reserve - A fund held to enable cash-flow for the purchase or renewal of capital items.
- Designated Funds - Museum priorities - To fund specific projects within the Museum service to renew, repair and maintain the presentation of our collections in order to enhance the visitor experience.
- Designated Funds – Archive & Learning Priorities - To fund specific projects to improve the accessibility and storage of archive material and to continue the digitisation of the collection.
- Designated Funds – IT & Resource Priorities - To fund a number of core initiatives across the Trust, including improving our effectiveness in the use of IT equipment, a project to improve the efficient use of our financial systems and to seek alternative sources of potential income to improve financial resilience.
- Designated Funds – Historic Environment priorities - To fund a fixed-term conservation post, plus a joint management plan in conjunction with other bodies and site interpretation and promotional activities for our Heritage Landscape Sites.
- Designated funds – Museum, Gallery and Exhibition Tax Relief is used to support the operations of the museums across the county of Somerset.
- Pension fund – This fund represents the pension deficit for the Local Government Pension Scheme for both Somerset and Devon and its associated costs for the period.
- The Archive and Museum donations – Accumulated funds comprising of donations and bequests for acquisitions for the Somerset Archives and Museum services.
- 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.

14 Summary of movement in funds (continued)

Purpose of material funds (continued):

- 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.
- 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.
- Museums and Schools / Museums and Schools 23-24 - 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.
- North Devon Athenaeum - The Trust provides archive services for the North Devon Athenaeum, which includes purchasing materials on their behalf for conservation and preservation. The Trust also operates a payroll service on behalf of the North Devon Athenaeum for their staff.
- 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.
- West Country Studies - A capital project to rehouse the WCSL in a more appropriate space within Great Moor House, with new mobile shelving, and a range of outreach and engagement to open up and celebrate the collections.
- Cary of Torquay Archive - Cataloguing the Cary of Torquay estate archive.
- Quantock Landscape Partnership - Cataloguing agreed archive collections relating to the Quantock area. Engagement work with groups relating to Quantock themes and working with volunteers.
- Police Museums Archive - Cataloguing, enquiry and engagement work relating to the Devon and Cornwall Police Archive, held at Devon Heritage Centre.
- National Portfolio Organisation - Arts Council England funding for a three-year programme of audience engagement in Somerset.
- Glastonbury Town Investment Plan - A partnership between the Friends of St Bride's Mound, South West Heritage Trust and Somerset Wildlife Trust will create a new visitor destination there, protecting, interpreting and making accessible the heritage and natural environment of the St Brigid's Chapel and Field sites.
- Wessex Water Cataloguing - Funding provided by Wessex Water to catalogue and care for the Wessex Water archive deposited at the Somerset Heritage Centre.
- Museum of Somerset - Funding from Taunton Town Council to support the continued running of the Museum of Somerset.
- Chew Valley Hoard - To acquire the Chew Valley Hoard through this project and save it for the nation so that its research potential is realised and it can be made available for the public to enjoy. An extensive engagement programme will reveal the stories behind the hoard and inspire audiences in new and innovative ways to connect with their heritage in museums, in the community and online.

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	204,042	359,741	(56,679)	-	507,104
Designated funds	-	579,456	-	-	579,456
Restricted funds	-	272,274	114,420	-	386,694
Pension reserve	-	-	-	-	-
As at 31 October 2024	204,042	1,211,471	57,741	-	1,473,254

Analysis of assets between funds – Charity

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Debtors more than one year £	Total £
Unrestricted funds	204,043	6,584	145,312	-	355,939
Designated funds	-	579,456	-	-	579,456
Restricted funds	-	272,274	114,420	-	386,694
Pension reserve	-	-	-	-	-
As at 31 October 2024	204,043	858,314	259,732	-	1,322,089

Analysis of assets between funds – Group - 2023

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Creditors more than one year £	Total £
Unrestricted funds	143,359	294,340	80,257	-	517,956
Designated funds	-	563,633	-	-	563,633
Restricted funds	-	222,365	93,685	-	316,050
Pension reserve	-	-	-	-	-
As at 31 October 2023	143,359	1,080,338	173,942	-	1,397,639

Analysis of assets between funds – Charity – 2023

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Creditors more than one year £	Total £
Unrestricted funds	143,360	78,188	188,012	-	409,560
Designated funds	-	563,633	-	-	563,633
Restricted funds	-	222,365	93,685	-	316,050
Pension reserve	-	-	-	-	-
As at 31 October 2023	143,360	864,186	281,697	-	1,289,243

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 income for the year of £32,846 (2023 - expenditure £187,574) based on income of £8,375,401 (2023 - £3,812,819). Gift aid distributions from trading subsidiary of £108,395 (2023: £73,306) 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 2022.

At the year end there were outstanding contributions due to the schemes totalling £30,355 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 2024 were £247,000 of which employer's contributions totalled £188,000 and employees' contributions totalled £59,000. The current employer contribution rates for future years are:

- Somerset County Council 19.1% (April 2023 to March 2026)
- Devon County Council 25.5% (April 2023 to March 2026).

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 2024:

	SCC £'000	DCC £'000	Total £'000
Present value of defined benefit obligations	(7,815)	(3,439)	(11,254)
Fair value of share of scheme assets	9,673	3,915	13,588
Impact of asset ceiling	(1,858)	(476)	(2,334)
(Deficit)/surplus in the schemes	-	-	-

Summary of net pension liability as at 31 October 2023:

	SCC £'000	DCC £'000	Total £'000
Present value of defined benefit obligations	(6,991)	(3,227)	(10,218)
Fair value of share of scheme assets	8,283	3,455	11,738
Impact of asset ceiling	(1,292)	(228)	(1,520)
(Deficit)/surplus in the schemes	-	-	-

Somerset County Council Pension Scheme

Principal Actuarial Assumptions

	At 31 October 2024	At 31 October 2023
Salary increases	3.95%	3.90%
Pension increases	2.95%	2.90%
Discount rate	5.40%	5.75%

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 2024	At 31 October 2023
<i>Retiring today</i>		
Males	21.0	21.1
Females	23.0	22.9
<i>Retiring in 20 years</i>		
Males	22.3	22.3
Females	24.4	24.3

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

Pension Commitments - Assets/liabs in SCC Pension Fund

	As at 31 October 2024		As at 31 October 2023	
	Fair value £'000	% of total scheme assets	Fair value £'000	% of total scheme assets
Equities	7,207	75%	6,218	75%
Gilts	387	4%	254	3%
Other bonds	1,164	12%	873	11%
Property	649	7%	672	8%
Cash	266	3%	266	3%
Total market value of assets	9,673	100%	8,283	100%
Present value of scheme liabilities - funded	(7,815)		(6,991)	
Impact of asset ceiling	(1,858)		(1,292)	
Deficit in the scheme	-		-	

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

	2024 £'000	2023 £'000
Current service cost	(133)	(181)
Net interest cost	78	70
Administration expenses	(6)	(8)
Total	(61)	(119)

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

	At 31 October 2024 £'000	At 31 October 2023 £'000
At 1 November 2023	(6,991)	(6,676)
Current service cost	(133)	(181)
Interest cost	(398)	(316)
Past service costs	-	-
Estimated benefits paid	206	120
Employee contributions	(49)	(56)
Actuarial gains/(losses)	(450)	118
At 31 October 2024	(7,815)	(6,991)

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

	At 31 October 2024 £'000	At 31 October 2023 £'000
At 1 November 2023	8,283	8,083
Interest income	476	386
Expected return on Fund assets less interest	929	(149)
Other actuarial gains/(losses)	-	(132)
Employer contributions	148	167
Employee contributions	49	56
Estimated benefits paid	(206)	(120)
Administrative expenses	(6)	(8)
At 31 October 2024	9,673	8,283

Devon County Council Pension Scheme

Principal Actuarial Assumptions

	2024	2023
Salary increases	4.00%	3.95%
Pension increases	3.00%	2.95%
Discount rate	5.35%	5.70%

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 2024	At 31 October 2023
<i>Retiring today</i>		
Males	21.4	21.4
Females	22.7	22.6
<i>Retiring in 20 years</i>		
Males	22.7	22.7
Females	24.1	24.0

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

Pension Commitments - Assets/liabs in DCC Pension Fund

	As at 31 October 2024		As at 31 October 2023	
	Fair value £'000	% of total scheme assets	Fair value £'000	% of total scheme assets
UK equities	69	2%	49	1%
Overseas equities	2,024	52%	1,736	50%
Property	307	8%	311	9%
Infrastructure	394	10%	356	10%
Target return portfolio	89	2%	105	3%
Cash	130	3%	85	2%
Other bonds	902	23%	814	24%
Alternative assets	-	0%	(1)	n/a
Total market of assets	3,915	100%	3,455	100%
Present value of scheme liabilities - funded	(3,439)		(3,227)	
Impact of asset ceiling	(476)		(228)	
Deficit in the scheme	-		-	

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

	At 31 October 2024 £'000	At 31 October 2023 £'000
Current service cost	(35)	(48)
Net interest cost	14	20
Administration expenses	(3)	(2)
Total	(24)	(30)

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

	At 31 October 2024 £'000	At 31 October 2023 £'000
At 1 November 2023	(3,227)	(3,060)
Current service cost	(35)	(48)
Past service costs	-	-
Interest cost	(180)	(145)
Estimated benefits paid	161	96
Employee contributions	(10)	(14)
Actuarial gains/(losses)	(148)	(56)
At 31 October 2024	(3,439)	(3,227)

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

	At 31 October 2024 £'000	At 31 October 2023 £'000
At 1 November 2023	3,455	3,464
Interest income	194	165
Expected return on Fund assets	380	(84)
Other actuarial gains	-	(53)
Employer contributions	40	47
Employee contributions	10	14
Estimated benefits paid	(161)	(96)
Administrative expenses	(3)	(2)
At 31 October 2024	3,915	3,455

18 Obligations under leases

Operating leases-

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

	2024	2023
	£	£
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	500,946	531,263
Other		
Expiry date:		
Within one year	8,258	8,258
Within two and five years	7,474	15,732
	668,318	706,893

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.

18 Capital commitments

At the year end, the trust had capital commitments which were contracted for, but have not provided for in the financial statements totalling £nil (2023: £72,000).

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 (2023: none).

Accounts

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

Annual Report and Financial Statements

For the Year Ended 31 October 2023

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

The South West Heritage Trust
Contents
For the Year Ended 31 October 2023

	<u>Page</u>
Reference and Administrative Details	1
Trustee Directors' Report	2 – 14
Independent Auditors' Report	15 – 18
Consolidated Statement of Financial Activities	19
Balance Sheet and Consolidated Balance Sheet	20 – 21
Statement of Cash Flows and Consolidated Statement of Cash Flows	22
Notes to Financial Statements	23 – 52

Trustee Directors

Rev. P M Beacham
G L Craig
Cllr A Davis
Prof. H R French
D H Gwyther
J Loader
S V Maberley
Lt Col. M J R Motum (Chair)
A M D Smallwood
Dr S A Windsor
Cllr A R Wyke
Prof. A Zalewska

Chief Executive Officer

T W Mayberry (until 31/12/2023)
S Astill (from 01/01/2024)

Charity Number

1158791

Company Number

09053532

Principal Address and Registered Office

Somerset Heritage Centre
Brunel Way
Taunton
Somerset
TA2 6SF

Auditors

Albert Goodman LLP
Goodwood House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

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 2023, 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 2019).

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:

- Rev. P M Beacham
- G L Craig
- Cllr A Davis
- Prof H R French
- D H Gwyther
- J Loader
- S V Maberley
- Lt Col. M J R Motum (Chair)
- A M D Smallwood
- Dr S A Windsor
- A R Wyke
- Prof. A Zalewska

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 as Patrons 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, CVO

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and Formation of the South West Heritage Trust

The South West Heritage 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 objectives 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 Council (formerly 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.

The legal agreements which underpin the operation of the Trust are the Transfer Agreements, Grant Agreements and Collections Management Agreements between Somerset Council and the Trust and Devon County Council and the Trust. The Trust demonstrates its independence in line with Charity Commission guidance as set out in RR7. The current funding terms are in place until 31 October 2024.

Organisational Management

The Board of Trustees meets on a quarterly basis to discuss the progress of the organisation and to agree strategic direction. A Chief Executive Officer is appointed by the Trustees to manage the day-to-day operation of the Trust and to provide leadership and direction for the implementation of the Business Plan.

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 Audience Engagement 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 Board of Trustees 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. Further extensions can be agreed by the Board under the terms of Article 26.12 of the Articles of Association.

The Annual Retirement Meeting for Trustees of the Trust took place on 27 April 2023. It was agreed that Michael Motum, Peter Beacham and David Gwyther should be elected to serve a third term. Lt Col. Michael Motum was reappointed as Chair.

The induction process for all new Trustees includes:

- Sharing key documents about the Charity, governance arrangements and expectations 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 of 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 key risks are being actively and appropriately managed.

OBJECTIVES, STRATEGY AND ACTIVITIES OF THE TRUST

Objectives

Our Vision and Mission in fulfilling our objectives are as follows:

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.

Strategy

The Trust's five-year strategy, 2020-2025, focuses on three major outcomes:

- **Supporting People and Communities:** We will support, empower and enrich people and communities.
- **Protecting Our Heritage:** We will preserve, protect and enhance our heritage, keeping it safe and accessible now and in the future.
- **Making an Impact:** We will be enterprising, innovative and influential, and stand up for the heritage of Devon and Somerset.

The strategy is supported by the following documents:

- Business Delivery Plan
- Audience Development Strategy
- Equalities Strategy and Action Plan

Service Areas

Through our **Museums Service** we run three Accredited Museums – the Museum of Somerset and Somerset Military Museum in Taunton and Somerset Rural Life Museum in Glastonbury. We manage the Brick and Tile Museum in Bridgwater and provide curatorial support to Weston-Super-Mare Museum. Three million museum objects, ranging from outstanding geological, Iron Age and Roman collections to textiles and fine art, tell the story of Somerset and the South West.

We are the major custodians of written evidence about Devon and Somerset. Our Accredited **Archive and Local Studies Services** have centres in Taunton, Exeter and Barnstaple where we care for over 10 million archives dating from the 8th century to the present day. 200,000 printed reference works about the South West are held in the Local Studies collections. We also run the archive services on behalf of the unitary authorities of North Somerset and Torbay. Online access is provided through catalogues and indexes, and thousands of people use our digitised resources. We are working to preserve and make available digital archives.

Our **Historic Environment and Estates Service** supports local authorities, partners and the public by offering planning-related advice and information about Somerset's archaeology and built heritage. We also provide services to Bath & North East Somerset Council. We are a Registered Archaeological Organisation and are responsible for over 400 acres of historic landscapes, including Cothelstone Hill in the Quantock Hills, Deer Leap in the Mendip Hills and Norton Fitzwarren Hillfort.

Our **Learning Service** provides opportunities for people of all ages, including those with learning disabilities or affected by dementia. Over 15,000 children participate each year in workshops for Key Stages 1 and 2. We make authentic heritage objects available to schools for use in the classroom. Partnership projects to enhance learning take place with secondary schools and further and higher education institutions.

Our organisational culture is one of working together as a single trust to provide diverse heritage services. To achieve this aim we rely on our staff and volunteers, our Friends organisations, our Supporters and partners, and all those who champion our work. Our services are funded by core grants from Devon County Council and Somerset Council, by a wide range of contracts and by commercial activity. We also raise new income and attract grant investment from generous funders.

ACTIVITY REPORT

Highlights and Achievements

Context

The Trust's level of engagement with the public have continued to recover. At year end, annual visitor numbers to Trust's sites had exceeded pre-pandemic totals.

The effects of inflation, and measures to mitigate them, have been a major preoccupation. Though the challenges are great, careful management of savings and income generation targets have helped to keep Trust finances stable. In these times of particular financial pressure the Trust greatly appreciates the continuing strength of its partnerships and especially the support of Somerset Council and Devon County Council.

The Trust was very pleased that its bid to Arts Council England (ACE) for funding as a National Portfolio Organisation (NPO) was successful. The bid proposals focus on increasing the engagement of underserved communities, and specifically on issues of rural isolation and low socio-economic status. The Trust welcomed senior staff of Arts Council England, including its Chief Executive, Darren Henley, for a tour of the Museum of Somerset.

We were able to make our own contribution to the celebrations for the King's Coronation in May, including through content shared online and exhibitions and events in Barnstaple and Taunton.

A rigorous, competitive and open recruitment process for appointing a new Chief Executive Officer was undertaken following the announcement by Tom Mayberry of his intention to retire on 31 December 2023. Trustees appointed Sam Astill, the Trust's current Head of Museums and Engagement. His appointment takes effect from 1 January 2024.

Archives and Local Studies

- The Somerset and Devon Archives Services were successfully reaccredited following a rigorous process including on-site assessments. Both services passed every criteria under the broad headings of governance, collections and engagement.
- A new digital preservation system was introduced to ensure the long-term accessibility of extensive digitally-based collections and a major project is underway to ingest digital archives into the system.
- The Trust is working with specialist consultants on a Passivhaus project to reduce the environmental impact of the strongrooms at the Somerset Heritage Centre.
- The rehousing of the West Country Studies Library was completed and collections development and profile-raising work is now underway.
- A partnership project is underway to catalogue and publicise the Devon and Cornwall Police archive, held at the Devon Heritage Centre. Cataloguing also continued on the Cary of Torquay estate collection project.
- An exhibition to celebrate the coronation of King Charles III was held at the Museum of Barnstaple and North Devon. It drew extensively on archives relating to 20th-century coronations.
- An online exhibition was created in partnership with the Met Office Archive, exploring themes of horticulture, the weather and climate change in Devon and Somerset.
- Indexes to Somerset poor law papers were published online, providing access to over 73,000 entries.
- The Quantock archive project was completed, resulting in improved access to collections through cataloguing and engagement work.
- The estate collection of the Huyshe family of Sand near Sidmouth was permanently allocated to Devon County Council under the government's Acceptance in Lieu process.
- After successful fundraising, the Isca photographic collection was acquired. This remarkable collection charts a century of change in Exeter from 1920 to 2020.
- A 1793 volume created by the watercolourist the Revd John Swete was acquired. This was previously unknown and is a very significant addition to the Devon collections.
- An oral history project captured the memories of former Debenhams employees who worked at the company's headquarters in Taunton.

Historic Environment and Estates

- The project to provide visitor access to the Avalon Archaeology site near Shapwick was completed. Landscaping works were undertaken and a range of engagement at the site was piloted, enabling a business plan to be developed. This project was funded by the National Lottery Heritage Fund.
- In partnership with Somerset Council work is continuing to evaluate a range of heritage assets for inclusion on the Local Heritage List. Further sites have now been added to the Somerset Historic Environment Record.
- A project at the Beckery Chapel site, Glastonbury, and associated building works linked to the proposed Brides Mound Centre, were taken forward. This included relevant agreements, a planning application and scheduled monument consent.
- As part of a Heritage at Risk scheme, funded by Historic England, the Trust investigated sites on the Quantock Hills and western Somerset. This has helped to identify where detailed conservation repairs are needed. Work included fieldwalking and a geophysical survey of a Roman fort at Wiveliscombe.

- The Trust has worked with Emily Estates to manage and better understand the archaeology of Castle Cary castle, originally a Norman structure of which nothing remains above ground.
- The Trust is collaborating with Somerset Council to support activity at Tone Works, Wellington, part of the former Fox Brothers textile manufacturing site.
- There has been further liaison and engagement with the Gravity Project, Puriton relating to the site's former identity as Royal Ordnance Factory 37.

Learning

- The Trust's exceptionally strong performance in its engagement with schools continued, reaching over 15,000 students. Plans were put in place to maximise capacity to meet demand.
- The Together Again Project, funded by Arts Council England, was completed. The Trust learned a great deal about the value of social prescribing by undertaking this project and it has provided a strong foundation for further action.
- The Trust was awarded further funding by DfE/Arts Council England under the Museums and Schools Programme for the period April 2023 to March 2024. The programme connects museums with local schoolchildren, especially targeting schools with high premium levels and low cultural engagement.
- An extensive review of the Trust's safeguarding policy and procedures were completed. Related training for trustees, staff and volunteers was also undertaken.
- Reminiscence sessions continued to be popular. Audiences included care homes and dementia units, friendship, lunch and over 50s groups. The sessions are also designed for those living with dementia and have worked well in acute care settings.
- Sessions in partnership with Somerset Recovery College were held at the Brick and Tile Museum for people recovering from mental illness. Sessions sought to tackle loneliness and to provide them with achievable creative tasks.
- Demand for the Loans Service to schools remained in high and work was done to renew learning resources. A project was completed to ensure Christianity-themed loans boxes are appropriate and inclusive. A consultant from Somerset's Christian faith community redeveloped the boxes.
- A project with Eastover Community Primary School, Bridgwater, helped them celebrate their 150th anniversary with creative sessions at the Somerset Brick & Tile Museum. The resulting mural has now been installed at the school.

Museums

- A varied exhibitions programme took place at the two principal museums:

Museum of Somerset

- *In Fashion: How a changing world shaped what we wear*, focused on elements of the Museum Service's rich costume collections.
- *Sentimental Journeys: The Art and Life of Ivy Millicent James*, celebrated an artist who was born in Somerset in 1879 and became part of the first generation of women to benefit from equal access to arts education.

- *Axel Scheffler: A Life in Illustration* brought together the most wide-ranging public display of his art ever to take place in Great Britain. The family-friendly show coincided with the 30th anniversary of the remarkable creative partnership between Scheffler and the author Julia Donaldson.

Somerset Rural Life Museum

- *Gathering the Past* displayed objects acquired by the Trust since 2014, including archaeology, historic documents, paintings and sculpture.
- *Mud, Music and Mayhem* brought together images from 20 years of the Glastonbury Festival as captured by the Somerset-based photographer Jason Bryant.
- *Parallels: Sculpture + Drawing* by Simon Hitchins was the first public display of artworks created by this Somerset-based sculptor. It included a large concrete sculpture, *Bearing Witness to Things Unseen*, which was displayed in the Abbey Barn.

- Visitor numbers at the museums exceeded pre-pandemic levels, with school holiday periods being especially busy. The family-friendly Axel Scheffler exhibition alone attracted nearly 30,000 visitors.
- The Trust was able to acquire the Anglo-Saxon Cheddar Brooch, a high-status silver gilt brooch dating from AD 800-900. It is both nationally significant and unique in the South West and was found near Cheddar by a metal detectorist in 2019.
- A project funded by Historic England to create a Somerset Pottery Fabric Type Series for the medieval and post-medieval periods was completed.
- Funding from the British Museum for the Portable Antiquities Scheme was confirmed until March 2025.
- The Trust contributed to a pilot digitisation project with the Natural History Museum and South West Museum Development. Seaweed specimens collected in the 1800s were photographed and will be featured on a national database.
- In 2019 a nationally significant hoard of Saxon and Norman coins was found in the Chew Valley, Somerset. Consideration is being given to whether the Trust should take on the responsibility of providing a permanent home for this nationally exceptional group of coins.
- The Trust acquired a rare self portrait of the Somerset artist Sarah Biffin (1784-1850), a key item in the history of disability.

Partnerships and Sector Support

We continued to provide support to a wide range of organisations.

We are an active participant in the South West Museum Development Programme and employ a full-time Museum Development Officer. The Programme supports more than 34 community museums in Somerset, offering advice and guidance about funding, training and cooperative projects.

In partnership with the British Museum and local authorities in Devon, Dorset and Somerset, the Trust provides the Portable Antiquities Scheme in the three counties. The number of finds reported continues to remain largely consistent throughout the year.

The Trust works closely with Weston Town Council to provide curatorial support and a temporary exhibitions programme for Weston Museum.

We look after the Archives of North Somerset Council and Torbay Council and are the designated repository for the Diocese of Bath and Wells and Diocese of Exeter. The Archives and Local Studies Services in Somerset and Devon are engaged with many partnership projects involving many community groups, societies and larger organisations including Barnstaple Town Council and North Devon Athenaeum.

The Historic Environment Service advises the Bath and Wells Diocesan Advisory Committee and provides heritage-related planning advice to Somerset Council and to Bath and North East Somerset Council. It publishes the Somerset Archaeological Handbook which is the central reference point for developers, advisors and Local Authorities.

FINANCIAL REVIEW AND RESERVES POLICY

Unrestricted income in the year totalled £3,592,519 (2022: £3,131,966) and restricted income £543,337 (2022: £516,408).

Total expenditure was £4,090,905 (2022: £4,097,959), of which £4,022,927 (98.3%) was for charitable purposes (2022: £4,038,940 (98.6%)). The remainder was for raising funds.

Pension schemes

The Trust operates defined benefit (final salary) schemes for employees who were transferred from the Local Government Pension Schemes (LGPS) of either Devon or Somerset County Councils. Details are given in notes 1.14, 1.15 and 17 of the accounts.

The LGPS schemes are reviewed triennially to set the Trust's pension contribution rates for the following three years. Both schemes are subject to an annual actuarial valuation which features in the Statement of Financial Activities and the Balance Sheet. This valuation experiences significant annual volatility. In 2023 a nil balance was forecast, due to higher assumed mortality rates and a fall in life expectancy. Any actual deficit will only become payable when the final member leaves the relevant scheme, a date currently expected to be more than 25 years away. The deficit would then be likely to be repayable over a long period of years. The total pension fund value is indemnified against the possibility of the Trust's dissolution.

Staff who have entered the Trust's employment since it vested in 2014 have the right to be enrolled in a defined contribution scheme (NEST). The Trust pays a fixed monthly contribution into the scheme but has no further or future obligations.

Reserves

The Board of Trustees agreed a Reserves Policy in September 2015. It states that 'the target provision of reserves should meet operational costs for three months' and should be achieved by 2025. The target is equivalent to unrestricted reserves of approximately £700k.

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

	£'000
Unrestricted general funds	518
Designated funds	564
Restricted funds	316

Most of the Trust's reserves are cash or other current assets. Only £143,359 of fixed assets are recognised on the Balance Sheet.

Major Income Sources

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 Council and Devon County Council is fundamental to the Trust's success and allows 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 continued support. In the Trust year ending 31 October 2023, the core grants from the two Councils accounted for £2,178,802 of the Trust's total income (61% of the unrestricted income, 53% of the total income).

The Trustees are also grateful to other major funders, including Arts Council England, the National Lottery Heritage Fund and the British Museum. Further income is received for heritage services provided to North Somerset Council, Weston-super-Mare Town Council, Torbay Council and others. The Trustees also acknowledge individual donors and the Trust's Founder Members and Supporters. Their generosity and support are greatly appreciated.

Traded Income and Fundraising

The Trust's income derives mainly from grants and from contracts for the provision of services. Traded activities are also undertaken across all service areas and contribute significantly to Trust turnover. We encourage users of our services to make donations and admission fees are charged at some sites and for some events.

Traded activity is managed through South West Heritage Trust Trading Limited, a wholly-owned subsidiary of the Trust. It generated a profit of £108,395 during the financial year. Details of trading performance are contained in Note 10 of the accounts, and a separate set of accounts is produced annually. Two trustees and the Trust's Chief Executive are the registered directors of the trading company.

The Trust is obliged to comply with the Charities (Protection and Social Investment) Act 2016 and to provide statements on specific areas of fundraising in the annual report. The Trust has facilities to accept digital and cash donations at its public sites and through carefully monitored activities such as its Supporters' Scheme. It does not engage in large-scale public fundraising campaigns or undertake door-to-door or private site fundraising. The Trust does not engage third-party membership or donation solicitation agencies. As a result, it has not been necessary to monitor the behaviour of, or investigate a complaint involving, a third-party acting on the Trust's behalf. The Trust has not bound itself to any voluntary scheme for regulating fundraising and has received no complaints about any fundraising activity it has undertaken.

Looking Forward

The Trust has set a balanced budget for the financial year to 31 October 2024. The Trustees are aware of a number of longer-term budgetary risks that will need to be carefully managed in future years, including:

- the renewal of the core grant with Somerset and Devon at the end of the current grant period;
- the need to maximise traded income;
- the financial impacts Somerset Council having declared a financial emergency;

- increased inflation affecting many key supplies and services;
the need to continue to win grants to carry out our charitable objectives, our vision and our mission.

The Trust's priorities for future years are set out in its three-year rolling Business Plan. They reflect the outcomes around which the Trust's five-year strategy is structured.

PUBLIC BENEFIT

Social Benefits

Our services are major contributors to personal wellbeing and a sense of place. We want our services to be accessible, to address issues of diversity and to promote and enable equality of opportunity for everyone.

Our large community of knowledgeable and dedicated volunteers are crucial to what we do. Volunteering also contributes directly to people's physical, emotional and mental wellbeing. We seek to ensure that volunteering takes place in an environment which is inclusive and supports and respects the needs of individuals.

Experiencing heritage enhances wellbeing and brings people together, whether through learning activities for children, access to inspirational art and exhibitions, the discovery of family or community history, dementia-friendly reminiscence sessions or visiting a landscape site.

Economic Benefits

We are significant contributors to the local economy, fostering tourism, research, and the cultural and creative industries.

- Our museums are major tourist destinations in Somerset, attracting new visitors and actively promoting the county. The Museum of Somerset alone is estimated to provide £2.3 million of economic benefit to Somerset from 72,000 visits in a typical year.
- The heritage centres in Exeter, Barnstaple and Taunton attract researchers from around the world.
- Our heritage landscape sites have many tens of thousands of visitors each year and actively contribute to individual wellbeing and the local economy.

We prioritise local services and employment to ensure that we support our local economy. We are always seeking new sources of income through the provision of commercial services and traded activities. The profits we generate are reinvested to increase the public benefit we provide.

Environmental Sustainability

The Trust adopted an Environmental Statement and Action Plan in the past year and is working towards a more complete policy. Our sites, including two Grade I listed buildings and a Victorian farmhouse, are managed carefully to ensure that their environmental footprint is minimised. We are working to make the strongrooms at Somerset Heritage Centre more energy efficient. We are committed to local procurement wherever possible to support the economy and livelihoods of people in Devon and Somerset. This helps us to reduce our carbon footprint.

The Historic Environment Service works to ensure that developers in Somerset operate ethically in relation to the county's built heritage and archaeology. The Service seeks to protect and promote the historic environment as an essential component in making communities economically and environmentally sustainable.

The Trust manages over 400 acres of heritage landscape sites across Somerset which provide open-access enjoyment to the public. The sites also offset more than 25% of the total carbon emissions produced by the Trust.

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.


.....
Lt Col. M J R Motum
Trustee
The South West Heritage Trust

Date: 25 April 2024

The South West Heritage Trust

Independent Auditors' Report to the Trustees and Members
For the Year Ended 31 October 2023

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 2023, 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 2023 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

In auditing the financial statements, we have concluded that the trustee's 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 entity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors 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 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 matter 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 prepared 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 the knowledge and understanding of the group and 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 13], 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.

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charity Act 2011, anti-bribery, employment, data protection and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation, claims and breaches of relevant legislation; and
- reviewing correspondence with the Charity Commission and other relevant regulators including the group's legal advisors and insurers.

The South West Heritage Trust

Independent Auditors' Report to the Trustees and Members
For the Year Ended 31 October 2023

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.



Michelle Ferris BSC (Hons) FCA DChA (Senior Statutory Auditor)
For and on behalf of Albert Goodman LLP, Statutory Auditor

Goodwood House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Date: 26/04/2024

The South West Heritage Trust

Consolidated Statement of Financial Activities (including an Income & Expenditure account)
For the Year Ended 31 October 2023

				2023			2022
		Unres-	Res-	Total	Unres-	Res-	Total
	Notes	tricted	tricted		tricted	tricted	
		£	£	£	£	£	£
Income from:							
Donations and legacies	2	162,368	23,830	186,198	114,888	24,504	139,392
Charitable activities	3	3,048,846	513,401	3,562,247	2,723,420	469,745	3,193,165
Other trading activities	4	369,333	5,538	374,871	293,606	22,159	315,765
Investments	5	11,972	568	12,540	52	-	52
Total income		3,592,519	543,337	4,135,856	3,131,966	516,408	3,648,374
Expenditure on:							
Raising funds	6	67,564	414	67,978	59,019	-	59,019
Charitable activities	6	3,375,836	647,091	4,022,927	3,515,335	523,605	4,038,940
Total expenditure		3,443,400	647,505	4,090,905	3,574,354	523,605	4,097,959
Net (expenditure)/income		149,119	(104,168)	44,951	(442,388)	(7,197)	(449,585)
Transfer between funds		(101,860)	101,860	-	(77,613)	77,613	-
Other recognised gains							
Actuarial (losses)/gains on defined benefit pension schemes		(1,876,000)	-	(1,876,000)	9,330,000	-	9,330,000
Net movement in funds for the year		(1,828,741)	(2,308)	(1,831,049)	8,809,999	70,416	8,880,415
Reconciliation of funds							
Total funds brought forward		2,910,330	318,358	3,228,688	(5,899,669)	247,942	(5,651,727)
Total funds carried forward		1,081,589	316,050	1,397,639	2,910,330	318,358	3,228,688

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

All income and expenditure derive from continuing activities.

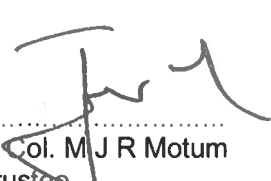
The South West Heritage Trust – Company Registration Number: 09053532
Balance Sheet and Consolidated Balance Sheet
As at 31 October 2023

	Notes	2023 £ Group	2023 £ Charity	2022 £ Group	2022 £ Charity
Fixed assets					
Tangible fixed assets	9	143,359	143,359	149,603	149,603
Investments	10	-	1	-	1
		<u>143,359</u>	<u>143,360</u>	<u>149,603</u>	<u>149,604</u>
Current assets					
Stock	11	20,940	-	15,445	-
Debtors	12	1,313,731	1,417,972	522,483	616,777
Cash at bank and in hand		1,080,338	864,186	1,852,746	1,686,139
		<u>2,415,009</u>	<u>2,282,158</u>	<u>2,390,674</u>	<u>2,302,916</u>
Liabilities:					
Creditors: amounts falling due within one year	13	(1,160,729)	(1,136,275)	(1,122,589)	(1,108,138)
		<u>1,254,280</u>	<u>1,145,883</u>	<u>1,268,085</u>	<u>1,194,778</u>
Net current assets					
		<u>1,397,639</u>	<u>1,289,243</u>	<u>1,417,688</u>	<u>1,344,382</u>
Net assets excluding pension liabilities					
Defined benefit pension scheme asset/(liabilities)	17	-	-	1,811,000	1,811,000
		<u>1,397,639</u>	<u>1,289,243</u>	<u>3,228,688</u>	<u>3,155,382</u>
Total net liabilities including pension liabilities					
		<u>1,397,639</u>	<u>1,289,243</u>	<u>3,228,688</u>	<u>3,155,382</u>
The funds of the charity:					
Unrestricted funds:					
General funds		517,956	409,560	572,170	498,864
Designated funds		563,633	563,633	527,160	527,160
		<u>1,081,589</u>	<u>973,193</u>	<u>1,099,330</u>	<u>1,026,024</u>
Unrestricted funds excluding pension reserve		1,081,589	973,193	1,099,330	1,026,024
Pension reserve		-	-	1,811,000	1,811,000
		<u>1,081,589</u>	<u>973,193</u>	<u>2,910,330</u>	<u>2,837,024</u>
Total unrestricted funds	14	1,081,589	973,193	2,910,330	2,837,024
Restricted funds	14	316,050	316,050	318,358	318,358
		<u>1,397,639</u>	<u>1,289,243</u>	<u>3,228,688</u>	<u>3,155,382</u>
Total charity funds					
		<u>1,397,639</u>	<u>1,289,243</u>	<u>3,228,688</u>	<u>3,155,382</u>

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 23 - 52 form part of these accounts.

Approved by the Board for issue on 25 April 2024 and signed on their behalf by:


.....
Lt Col. M J R Motum
Trustee

M. Motum

The South West Heritage Trust
Statement of Cash Flows and Consolidated Statement of Cash Flows
For the Year Ended 31 October 2023

		2023 £	2023 £	2022 £	2022 £
	Notes	Group	Charity	Group	Charity
Cash flows from operating activities					
Net expenditure for the year		44,951	9,861	(449,585)	(459,267)
Adjustments to cash flows from non-cash items:					
Depreciation and amortisation	9	48,783	48,783	47,419	47,419
Interest receivable	5	(12,540)	(12,540)	(52)	(52)
Defined benefit pension scheme cost less contributions payable		(90,000)	(90,000)	122,000	122,000
Defined benefit pension scheme finance cost		25,000	25,000	332,000	332,000
		16,194	(18,896)	51,782	42,100
Working capital adjustments					
Decrease / (increase) in stocks	11	(5,495)	-	1,997	-
(Increase) / decrease in debtors	12	(791,248)	(801,195)	341,832	321,475
Increase / (decrease) in creditors	13	38,140	28,137	(60,444)	(60,981)
Net cash flow from operations		(742,409)	(791,954)	335,167	302,594
Cash flows from investing activities					
Purchase of tangible fixed assets	9	(42,539)	(42,539)	(173,640)	(173,640)
Interest received	5	12,540	12,540	52	52
		(29,999)	(29,999)	(173,588)	(173,588)
Net increase in cash and cash equivalents		(772,408)	(821,953)	161,579	129,006
Cash and cash equivalents at the beginning of the reporting period		1,852,746	1,686,139	1,691,167	1,557,133
Cash and cash equivalents at the end of the reporting period		1,080,338	864,186	1,852,746	1,686,139
Cash & Cash equivalents reconciliation:					
Cash at bank		1,080,338	864,186	1,852,746	1,686,139
Total cash & cash equivalents at the end of the reporting period		1,080,338	864,186	1,852,746	1,686,139

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 2019) - (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 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 this is recognised upon physical receipt.

The charity notes the requirement of the SORP that large charities must report their results on an activities basis. The charity considers that they produce one activity – the deliverance of heritage services – and therefore reports on that basis.

1.5 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.

1.6 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.

1.7 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.

1.8 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.

1.9 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

1.10 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.

1.11 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.

1.12 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.

1.13 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.

1.14 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.

1.15 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.

1.16 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 2019 has been used by the actuary in valuing the pensions liability at 31 October 2023. Any differences between the figures derived from the roll forward approach and a full valuation would impact on the carrying amount of the pension liability.

The present value of the Local Government Pension Scheme as calculated by the actuary is an asset of £1,520,000. The asset has been limited to a £0 as the trustees believe that the criteria for recognition of an asset have not been met.

1.17 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.

1.18 Financial Instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and liabilities of the charity and their measurements are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank and deposit accounts– is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security and the LGPS are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2 Donations and legacies

	Unres- tricted funds £	Res- tricted funds £	2023 Total £	Unres- tricted funds £	Res- tricted funds £	2022 Total £
Donations and bequests	162,368	23,830	186,198	91,720	24,504	116,224
Exceptional government funding						
Other Covid grants*	-	-	-	23,168	-	23,168
	<u>162,368</u>	<u>23,830</u>	<u>186,198</u>	<u>114,888</u>	<u>24,504</u>	<u>139,392</u>

The charity has been eligible to claim additional funding in the prior year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

*Denotes government grants

As at the year end, the charity had been notified of a legacy totalling approximately £40,000, which has not been included in the Statement of Financial Activities due to the conditions of recognition not being met.

3 Income from charitable activities

	Unres- tricted funds £	Res- tricted funds £	2023 Total £	Unres- tricted funds £	Res- tricted funds £	2022 Total £
Fees for services and grants						
<u>Heritage services</u>						
Somerset County						
Council*	1,762,016	-	1,762,016	1,626,688	-	1,626,688
Devon County Council*	416,786	-	416,786	415,041	-	415,041
North Somerset Council*	179,926	-	179,926	159,792	-	159,792
Weston-Super-Mare						
Town Council*	84,252	-	84,252	74,540	-	74,540
Torbay Council*	109,168	-	109,168	97,988	-	97,988
						-
<u>Other services</u>						
SCC - Records*	55,057	-	55,057	59,733	-	59,733
						-
<u>Grant income</u>						
Bath & North East						-
Somerset Council*	-	-	-	64,911	-	64,911
South Somerset						-
District Council*	-	-	-	12,489	-	12,489
Somerset County History						-
Trust*	-	-	-	-	26,676	26,676
Ministry of Housing,						-
Communities & Local						-
Government*	-	-	-	-	34,962	34,962
North Devon Athemaeum	-	39,838	39,838	-	37,417	37,417
Mendip District Council*	-	-	-	-	15,567	15,567
Heritage Lottery Fund	43,782	-	43,782	-	48,048	48,048
The British Museum	-	87,013	87,013	-	57,951	57,951
Somerset County						
Council*	90,705	25,080	115,785	45,742	62,335	108,077
Arts Council England*	26,000	169,849	195,849	-	94,397	94,397
Bideford Town Council*	-	-	-	-	12,000	12,000
DEFRA*	10,479	-	10,479	14,627	-	14,627
Devon County Council*	-	58,001	58,001	-	32,521	32,521
Emily Estate	-	-	-	42,441	-	42,441
Museum of Policing in						
Devon & Cornwall	-	25,875	25,875	-	-	-
Under £10k	233,179	107,745	340,924	76,397	47,871	124,268
	3,011,350	513,401	3,524,751	2,690,389	469,745	3,160,134
Memberships and	37,496	-	37,496	33,031	-	33,031
and subscriptions						
	3,048,846	513,401	3,562,247	2,723,420	469,745	3,193,165

*Denotes government grants

Government grants

Income from government grants comprises grants made by local authorities to fund the principal activities and objectives of the charity via core funding and funding for specific projects. See above and note 2 for more information, including the amount and source of these grants. There are no unfulfilled conditions or other contingencies attached to these grants.

4 Other trading activities

	Unres- tricted funds £	Res- tricted funds £	2023 Total £	Unres- tricted funds £	Res- tricted funds £	2022 Total £
Merchandising income						
Shop sales	44,185	-	44,185	57,568	-	57,568
Café concession	34,118	-	34,118	16,966	-	16,966
	78,303	-	78,303	74,534	-	74,534
Events and other sales						
Digital images, publications and research income	96,342	-	96,199	81,070	10,449	91,519
Room hire	6,772	-	6,772	5,434	-	5,434
Education income	92,918	1,186	94,104	15,935	11,650	27,585
Rental income	27,705	-	27,705	29,893	-	29,893
Other income	67,293	4,352	71,788	86,740	60	86,800
	291,030	5,538	296,568	219,072	22,159	241,231
	369,333	5,538	374,871	293,606	22,159	315,765

5 Investment income

	Unres- tricted funds £	Res- tricted funds £	2023 Total £	Unres- tricted funds £	Res- tricted funds £	2022 Total £
Bank interest	11,972	568	12,540	52	-	52

6 Expenditure

Split by fund:

	Unres- tricted £	Res- tricted £	2023 Total £	Unres- tricted £	Res- tricted £	2022 Total £
Cost of raising funds						
Trading costs	67,564	414	67,978	59,019	-	59,019
Charitable activities						
Archives and local studies	992,852	216,359	1,209,211	1,000,798	182,772	1,183,570
Museums	1,096,071	215,959	1,312,030	1,179,591	173,598	1,353,189
Historic environment and estates services	334,004	141,488	475,492	436,793	82,827	519,620
Heritage services	829,223	-	829,223	898,153	67,397	965,550
Closed projects	123,686	73,285	196,971	-	17,011	17,011
	<u>3,443,400</u>	<u>647,505</u>	<u>4,090,905</u>	<u>3,574,354</u>	<u>523,605</u>	<u>4,097,959</u>

Split by cost:

	Staff costs £	Other Direct costs £	2023 Total £	Staff costs £	Other Direct costs £	2022 Total £
Cost of raising funds						
Trading costs	-	67,978	67,978	-	59,019	59,019
Charitable activities						
Archives and local studies	977,262	231,949	1,209,211	1,035,524	148,046	1,183,570
Museums	869,238	442,792	1,312,030	957,008	396,181	1,353,189
Historic environment and estates services	408,785	66,707	475,492	439,447	80,173	519,620
Heritage services	257,488	571,735	829,223	489,652	475,898	965,550
Closed projects	149,645	47,326	196,971	-	17,011	17,011
	<u>2,662,418</u>	<u>1,428,487</u>	<u>4,090,905</u>	<u>2,921,631</u>	<u>1,176,328</u>	<u>4,097,959</u>

6 Expenditure (continued)

	Charity		Subsidiary		Total	Total
	2023	2022	2023	2022	2023	2022
	£	£	£	£	£	£
Depreciation of owned assets	48,783	47,419	-	-	48,783	47,419
Operating lease expenses	33,401	32,889	-	-	33,401	32,889
Auditors' remuneration for:						
Current auditors						
- Audit services	7,580	6,950	1,520	1,250	9,100	8,200
- Other services	3,220	4,714	650	750	3,870	5,464

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 (2022: £nil).

Three charity trustees were reimbursed £998 for travel expenses during the year (2022: three trustees - £421).

No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

8 Employees

Number of employees

The average monthly head count was 107 staff (2022: 103 staff) and the average number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

	2023	2022
Management	5.8	6.0
Finance and admin	4.5	7.0
Service provision	62.4	56.0
	<u>72.7</u>	<u>69.0</u>

Employment costs	2023 £	2022 £
Wages and salaries	2,247,651	2,011,672
Social security costs	192,485	179,915
Redundancy pay	2,575	-
Pension costs	219,707	730,044
	<u>2,662,418</u>	<u>2,921,631</u>

During the year, costs totalling £2,575 were paid to one employee in respect of a redundancy. The amounts are full and final, and no amounts have been accrued at the balance sheet date (2022: £nil).

The number of employees whose annual emoluments were £60,000 (excluding employer pension costs) or more were:

	2023 number	2022 number
£70,000 - £80,000	<u>1</u>	<u>1</u>

This employee is a member of the defined benefit pension scheme, into which contributions of £15,276 (2022: £15,631) 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 £99,275 (2022: £96,824).

Employees (continued)

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 £32,167 (2022 - £31,377) 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 2022	554,978	311,589	37,000	101,659	1,005,226
Additions	16,685	21,188	-	4,666	42,539
At 31 October 2023	571,663	332,777	37,000	106,325	1,047,765
Depreciation					
At 1 November 2022	520,016	249,860	37,000	48,747	855,623
Charge for the year	12,078	22,545	-	14,160	48,783
At 31 October 2023	532,094	272,405	37,000	62,907	904,406
Net book value					
At 31 October 2023	39,569	60,372	-	43,418	143,359
At 31 October 2022	34,962	61,729	-	52,912	149,603

The above assets are all held by the charity.

10 Investments

	Charity	
	Total 2023 £	Total 2022 £
South West Heritage Trust Trading Limited Ordinary shares of £1 each	1	1

Investments (continued)

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:

	2023	2022
	£	£
Turnover	323,031	270,813
Cost of sales	(67,564)	(59,019)
Gross profit	255,467	211,794
Administrative expenses	(147,072)	(138,488)
Operating profit	108,395	73,306
Investment income	-	-
Profit before tax & profit for the financial year	108,395	73,306
Retained earnings brought forward in subsidiary	73,306	63,624
Gift aid to The South West Heritage Trust	(73,306)	(63,624)
Retained earnings carried forward in subsidiary	108,395	73,306
The assets and liabilities were:		
Current assets	266,923	206,592
Current liabilities	(158,527)	(133,285)
Total net assets	108,396	73,307
Called up share capital	1	1
Profit and loss reserve	108,395	73,306
	108,396	73,307

11 Stocks

	Group	2023	Group	2022
	£	Charity	£	Charity
		£		£
Goods for resale	20,940	-	15,445	-

Stock recognised in the Statement of Financial Activities as an expense is £37,784 (2022: £43,157).

12 Debtors

	Group	2023	Group	2022
	£	Charity	£	Charity
		£		£
Trade debtors	941,869	927,825	361,421	355,242
Prepayments and accrued income	371,711	356,074	159,201	142,701
Other debtors	151	-	1,861	-
Amounts owed by group undertakings	-	134,073	-	118,834
	<u>1,313,731</u>	<u>1,417,972</u>	<u>522,483</u>	<u>616,777</u>

13 Creditors: Amounts falling due within one year

	2023		2022	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	102,783	94,213	91,791	88,397
Other creditors	43,733	43,733	33,564	33,564
Accruals and deferred income	854,688	852,300	809,302	807,302
Taxation and social security	159,525	146,029	187,932	178,875
	<u>1,160,729</u>	<u>1,136,275</u>	<u>1,122,589</u>	<u>1,108,138</u>

Deferred Income

	2023		2022	
	Group	Charity	Group	Charity
	£	£	£	£
Deferred income at 1 November 2022	704,466	704,466	697,683	697,683
Released from previous years	(704,466)	(704,466)	(697,683)	(697,683)
Resources deferred in the year	718,771	718,771	704,466	704,466
	<u>718,771</u>	<u>718,771</u>	<u>704,466</u>	<u>704,466</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 & gains £	Closing balance £
Unrestricted funds - Group					
General	572,170	3,528,890	(3,315,552)	(267,552)	517,966
Designated funds - Group and Charity					
Somerset Rural Life Museum (Leasehold improvements fund)	-	-	-	-	-
National Archives	27,114	553	(8,003)	-	19,664
Capital reserve	200,000	-	-	(130,330)	69,670
Museum priorities	104,910	-	(34,211)	-	70,699
Archive & learning priorities	25,316	-	(16,907)	(2,580)	5,829
IT & resources priorities	129,820	-	(115,436)	130,330	144,714
Historic environment priorities	40,000	-	(2,937)	-	37,063
Invest to Save	-	13,076	(9,600)	30,000	33,476
Cheddar Brooch	-	50,000	-	5,000	55,000
Museum, Gallery and Exhibition Tax Relief	-	-	(5,754)	133,272	127,518
Total designated funds	527,160	63,629	(192,848)	165,692	563,633
Pension fund	1,811,000	-	65,000	(1,876,000)	-
	2,910,330	3,592,519	(3,443,400)	(1,977,860)	1,081,589

14 Summary of movement in funds- Group (continued)

	Opening balance £	Income £	Expenditure £	Transfers & gains £	Closing balance £
Restricted funds - Group and Charity					
Somerset Rural Life Museum (Leasehold improvements fund)	-	-	-	-	-
Archive and museum donations	53,972	568	(5,000)	-	49,540
Castle House Project	40,116	-	-	-	40,116
Historic Environment and Estates	35,841	63,204	(58,803)	-	40,242
Somerset Levels	11,725	-	(2,695)	-	9,030
HES Hinkley	-	-	-	-	-
Portable Antiques	-	83,618	(89,616)	5,998	-
North Devon Record Office	9,287	49,525	(50,215)	-	8,597
Museum Development Officer	-	29,583	(39,289)	9,706	-
North Somerset Collections	698	-	(59)	-	639
Museums and Schools	17,612	9,174	(40,749)	13,963	-
Museums and Schools 23-24	-	41,892	(32,535)	-	9,357
Charthouse/Blackmoor Land Holding	2,350	-	-	-	2,350
Avalon Archaeology Park	4,020	68	(47,870)	43,782	-
West Country Studies	39,461	24,371	(12,684)	-	51,148
Gravity project	11,278	-	-	-	11,278
North Devon Athenaeum	3,200	39,838	(43,038)	-	-
Somerset Pottery Fabric Type Series	7,454	12,000	(8,013)	-	11,441
Cary of Torquay Archive	21,400	2,000	(35,059)	11,659	-
Debenhams Archive	5,000	1,988	(2,100)	(1,888)	3,000
Quantock Landscape Partnership	9,105	24,188	(30,403)	-	2,890
Somerset VCH	25,717	839	(10,445)	-	16,111
Together Again	1,797	1,485	(3,282)	-	-
Glastonbury Town Investment Plan	5,775	8,314	(32,119)	18,030	-
Local Heritage List	12,550	-	-	-	12,550
Police Museums Archive	-	25,875	(6,448)	-	19,427
Resilience Project	-	15,607	(15,354)	-	253
National Portfolio Organisation	-	106,300	(78,219)	-	28,081
FLOW	-	2,900	(3,510)	610	-
	318,358	543,337	(647,505)	101,860	316,050
	3,228,688	4,135,856	(4,090,905)	(1,876,000)	1,397,639

Summary of movement in funds- Charity

	Opening balance £	Income £	Expenditure £	Transfers & gains £	Closing balance £
Unrestricted funds - Charity					
General	498,864	3,372,960	(3,194,712)	(267,552)	409,560
Designated funds - Charity	527,160	63,629	(192,848)	165,692	563,633
Pension fund	1,811,000	-	65,000	(1,876,000)	-
	<u>2,837,024</u>	<u>3,436,589</u>	<u>(3,322,560)</u>	<u>(1,977,860)</u>	<u>973,193</u>
Restricted funds - Charity	318,358	543,337	(647,505)	101,860	316,050
	<u>3,155,382</u>	<u>3,979,926</u>	<u>(3,970,065)</u>	<u>(1,876,000)</u>	<u>1,289,243</u>

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

Summary of movement in funds – Group (2022)

	Opening balance £	Income £	Expenditure £	Transfers & gains £	Closing balance £
Unrestricted funds - Group					
General	538,859	3,128,205	(3,051,864)	(43,030)	572,170
Designated funds - Group and Charity					
Somerset Rural Life Museum (Leasehold improvements fund)	3,959	-	-	(3,959)	-
National Archives	27,313	3,761	-	(3,960)	27,114
Capital reserve	200,000	-	-	-	200,000
Museum priorities	115,200	-	(304)	(9,986)	104,910
Archive & learning priorities	110,000	-	(13,186)	(71,498)	25,316
IT & resources priorities	75,000	-	-	54,820	129,820
Historic environment priorities	40,000	-	-	-	40,000
Covid income support fund	55,000	-	(55,000)	-	-
Total designated funds	<u>626,472</u>	<u>3,761</u>	<u>(68,490)</u>	<u>(34,583)</u>	<u>527,160</u>
Pension fund	<u>(7,065,000)</u>	<u>-</u>	<u>(454,000)</u>	<u>9,330,000</u>	<u>1,811,000</u>
	<u>(5,899,669)</u>	<u>3,131,966</u>	<u>(3,574,354)</u>	<u>9,252,387</u>	<u>2,910,330</u>

14 Summary of movement in funds – Group (2022) (continued)

	Opening balance £	Income £	Expenditure £	Transfers & gains £	Closing balance £
Restricted funds - Group and Charity					
Somerset Rural Life Museum					
(Leasehold improvements fund)	-	-	(3,959)	3,959	-
Archive and museum donations	53,920	52	-	-	53,972
Castle House Project	40,116	-	-	-	40,116
Historic Environment and Estates	28,478	46,479	(36,189)	(2,927)	35,841
Somerset Levels	6,929	6,438	(1,642)	-	11,725
HES Hinkley	(1,845)	431	-	1,414	-
Portable Antiques	20,266	57,951	(78,217)	-	-
North Devon Record Office	2,258	64,300	(57,271)	-	9,287
Exeter Cathedral	2,678	2,778	(5,456)	-	-
Museum Development Officer	-	28,000	(37,482)	9,482	-
North Somerset Collections	698	-	-	-	698
Museums and Schools	5,687	76,023	(64,098)	-	17,612
Charthouse/Blackmoor					-
Land Holding	2,350	-	-	-	2,350
Avalon Archaeology Park	-	48,048	(44,028)	-	4,020
West Country Studies	8,881	1,273	(28,710)	58,017	39,461
Gravity project	11,278	-	-	-	11,278
Norman Garden	(461)	-	-	461	-
Culture Recovery Fund-Round 2	-	5,013	(5,013)	-	-
North Devon Athenaeum	5,000	37,417	(39,217)	-	3,200
Type Series	12,259	6,000	(10,805)	-	7,454
Shop Window Graphics	2,502	-	(2,582)	80	-
Torbay Schools	4,185	-	-	(4,185)	-
Digital Preservation Shared					-
Services	(1,371)	3,450	(2,079)	-	-
Diocese of Bath & Wells					-
Probate accounts conservation	23,028	5,626	(32,614)	3,960	-
Cary of Torquay Archive	-	18,500	(1,285)	4,185	21,400
Debenhams Archive	-	5,000	-	-	5,000
Quantock Landscape Partnership	-	9,563	(458)	-	9,105
Somerset VCH	-	26,676	(959)	-	25,717
Together Again	-	13,361	(11,564)	-	1,797
Lark Trust	-	3,500	(3,740)	240	-
Glastonbury Town Investment Plan	-	15,567	(9,792)	-	5,775
Local Heritage List	21,106	34,962	(46,445)	2,927	12,550
	247,942	516,408	(523,605)	77,613	318,358
	(5,651,727)	3,648,374	(4,097,959)	9,330,000	3,228,688

Summary of movement in funds – Charity- 2022

	Opening balance £	Income £	Expenditure £	Transfers & gains £	Closing balance £
Unrestricted funds - Charity					
General	475,235	3,034,238	(2,967,579)	(43,030)	498,864
Designated funds - Charity					
Pension fund	626,472	3,761	(68,490)	(34,583)	527,160
	(7,065,000)	-	(454,000)	9,330,000	1,811,000
	(5,963,293)	3,037,999	(3,490,069)	9,252,387	2,837,024
Restricted funds - Charity					
	247,942	516,408	(523,605)	77,613	318,358
	(5,715,351)	3,554,407	(4,013,674)	9,330,000	3,155,382

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

Purpose of material funds:

- Designated Funds –Capital Fund - A fund held to enable cash-flow for the purchase or renewal of capital items.
- Designated Funds - Museum priorities - To fund specific projects within the Museum service to renew, repair and maintain the presentation of our collections in order to enhance the visitor experience.
- Designated Funds – Archive & Learning Priorities - To fund specific projects to improve the accessibility and storage of archive material and to continue the digitisation of the collection.
- Designated Funds – IT & Resource Priorities - To fund a number of core initiatives across the Trust, including improving our effectiveness in the use of IT equipment, a project to improve the efficient use of our financial systems and to seek alternative sources of potential income to improve financial resilience.
- Designated Funds – Historic Environment priorities - To fund a fixed-term conservation post, plus a joint management plan in conjunction with other bodies and site interpretation and promotional activities for our Heritage Landscape Sites.
- Designated Funds – Covid Income Support Fund - To set aside funding that was originally received as part of government grants to aid with the recovery from the pandemic. This will support the Trust's income generation budgets whilst visitor number recover during the 2021-2022 Trust year.
- 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.
- The Archive and Museum donations – Accumulated funds comprising of donations and bequests for acquisitions for the Somerset Archives and Museum services.
- 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.

14 Summary of movement in funds (continued)

Purpose of material funds (continued):

- 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 balances held in designated funds and restricted funds represent the Net Book Value of the Fixed Asset.
- 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.
- 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.
- Museums and Schools / Museums and Schools 23-24 - 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.
- North Devon Athenaeum - The Trust provides archive services for the North Devon Athenaeum, which includes purchasing materials on their behalf for conservation and preservation. The Trust also operates a payroll service on behalf of the North Devon Athenaeum for their staff.
- 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.
- West Country Studies - A capital project to rehouse the WCSL in a more appropriate space within Great Moor House, with new mobile shelving, and a range of outreach and engagement to open up and celebrate the collections.
- Designated funds – Museum, Gallery and Exhibition Tax Relief is used to support the operations of the museums across the county of Somerset.
- Cary of Torquay Archive - Cataloguing the Cary of Torquay estate archive.
- Quantock Landscape Partnership - Cataloguing agreed archive collections relating to the Quantock area. Engagement work with groups relating to Quantock themes and working with volunteers.
- Police Museums Archive - Cataloguing, enquiry and engagement work relating to the Devon and Cornwall Police Archive, held at Devon Heritage Centre.
- National Portfolio Organisation - Arts Council England funding for a three-year programme of audience engagement in Somerset.

15 Analysis of assets between funds – Group

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Debtors more than one year £	Total £
Unrestricted funds	143,359	294,340	80,257	-	517,956
Designated funds	-	563,633	-	-	563,633
Restricted funds	-	222,365	93,685	-	316,050
Pension reserve	-	-	-	-	-
As at 31 October 2023	143,359	1,080,338	173,942	-	1,397,639

Analysis of assets between funds – Charity

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Debtors more than one year £	Total £
Unrestricted funds	143,360	78,188	188,012	-	409,560
Designated funds	-	563,633	-	-	563,633
Restricted funds	-	222,365	93,685	-	316,050
Pension reserve	-	-	-	-	-
As at 31 October 2023	143,360	864,186	281,697	-	1,289,243

Analysis of assets between funds – Group - 2022

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Creditors more than one year £	Total £
Unrestricted funds	149,603	1,026,244	(603,677)	-	572,170
Designated funds	-	527,160	-	-	527,160
Restricted funds	-	299,342	19,016	-	318,358
Pension reserve	-	-	-	1,811,000	1,811,000
As at 31 October 2022	149,603	1,852,746	(584,661)	1,811,000	3,228,688

Analysis of assets between funds – Charity – 2022

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Creditors more than one year £	Total £
Unrestricted funds	149,604	859,637	(510,377)	-	498,864
Designated funds	-	527,160	-	-	527,160
Restricted funds	-	299,342	19,016	-	318,358
Pension reserve	-	-	-	1,811,000	1,811,000
As at 31 October 2022	149,604	1,686,139	(491,361)	1,811,000	3,155,382

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 £187,574 (2022 - expenditure £522,891) based on income of £3,812,819 (2022 - £3,490,783). Gift aid distributions from trading subsidiary of £73,307 (2022: £63,624) 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 2022.

At the year end there were outstanding contributions due to the schemes totalling £22,586 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 2023 were £284,000 of which employer's contributions totalled £214,000 and employees' contributions totalled £70,000. The current employer contribution rates for future years are:

- Somerset County Council 19.1% (April 2023 to March 2026)
- Devon County Council 25.5% (April 2023 to March 2026).

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 2023:

	SCC £'000	DCC £'000	Total £'000
Present value of defined benefit obligations	(6,991)	(3,227)	(10,218)
Fair value of share of scheme assets	8,283	3,455	11,738
Impact of asset ceiling	(1,292)	(228)	(1,520)
(Deficit)/surplus in the schemes	-	-	-

Summary of net pension liability as at 31 October 2022:

	SCC £'000	DCC £'000	Total £'000
Present value of defined benefit obligations	(6,676)	(3,060)	(9,736)
Fair value of share of scheme assets	8,083	3,464	11,547
(Deficit)/surplus in the schemes	1,407	404	1,811

Somerset County Council Pension Scheme

Principal Actuarial Assumptions

	At 31 October 2023	At 31 October 2022
Salary increases	3.90%	3.70%
Pension increases	2.90%	2.70%
Discount rate	5.75%	4.75%

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 2023	At 31 October 2022
<i>Retiring today</i>		
Males	21.1	21.4
Females	22.9	23.2
<i>Retiring in 20 years</i>		
Males	22.3	22.7
Females	24.3	24.6

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

Pension Commitments - Assets/liabs in SCC Pension Fund

	As at 31 October 2023		As at 31 October 2022	
	Fair value £'000	% of total scheme assets	Fair value £'000	% of total scheme assets
Equities	6,218	74%	5,942	70%
Gilts	254	4%	323	7%
Other bonds	873	9%	725	10%
Property	672	9%	734	7%
Cash	266	4%	359	6%
Total market value of assets	8,283	100%	8,083	100%
Present value of scheme liabilities - funded	(6,991)		(6,676)	
Impact of asset ceiling	(1,292)		-	
Deficit in the scheme	-		1,407	

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

	2023 £'000	2022 £'000
Current service cost	(181)	(438)
Net interest cost	70	(93)
Administration expenses	(8)	(5)
Total	(119)	(536)

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

	At 31 October 2023 £'000	At 31 October 2022 £'000
At 1 November 2022	(6,676)	(14,062)
Current service cost	(181)	(438)
Interest cost	(316)	(246)
Past service costs	-	-
Estimated benefits paid	120	67
Employee contributions	(56)	(53)
Actuarial gains/(losses)	118	8,056
At 31 October 2023	(6,991)	(6,676)

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

	At 31 October 2023 £'000	At 31 October 2022 £'000
At 1 November 2022	8,083	8,688
Interest income	386	153
Expected return on Fund assets less interest	(149)	(909)
Other actuarial gains/(losses)	(132)	-
Employer contributions	167	170
Employee contributions	56	53
Estimated benefits paid	(120)	(67)
Administrative expenses	(8)	(5)
At 31 October 2023	8,283	8,083

Devon County Council Pension Scheme

Principal Actuarial Assumptions

	2023	2022
Salary increases	3.95%	3.80%
Pension increases	2.95%	2.80%
Discount rate	5.70%	4.80%

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 2023	At 31 October 2022
<i>Retiring today</i>		
Males	21.4	21.7
Females	22.6	22.9
<i>Retiring in 20 years</i>		
Males	22.7	23.0
Females	24.0	24.3

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

Pension Commitments - Assets/liabs in DCC Pension Fund

	As at 31 October 2023		As at 31 October 2022	
	Fair value £'000	% of total scheme assets	Fair value £'000	% of total scheme assets
Gilts	-	0%	-	13%
UK equities	49	8%	274	8%
Overseas equities	1,736	45%	1,551	55%
Property	311	10%	345	8%
Infrastructure	356	8%	294	4%
Target return portfolio	105	9%	295	8%
Cash	85	1%	27	1%
Other bonds	814	20%	681	2%
Alternative assets	(1)	0%	(3)	n/a
Private equity	-	0%	-	0%
Total market of assets	3,455	100%	3,464	100%
Present value of scheme liabilities - funded	(3,227)		(3,060)	
Impact of asset ceiling	(228)		-	
Deficit in the scheme	-		404	

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

	At 31 October 2023 £'000	At 31 October 2022 £'000
Current service cost	(48)	(102)
Net interest cost	20	(29)
Administration expenses	(2)	(2)
Total	(30)	(133)

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

	At 31 October 2023 £'000	At 31 October 2022 £'000
At 1 November 2022	(3,060)	(5,508)
Current service cost	(48)	(102)
Past service costs	-	-
Interest cost	(145)	(95)
Estimated benefits paid	96	180
Employee contributions	(14)	(14)
Actuarial gains/(losses)	(56)	2,479
At 31 October 2023	(3,227)	(3,060)

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

	At 31 October 2023 £'000	At 31 October 2022 £'000
At 1 November 2022	3,464	3,817
Interest income	165	66
Expected return on Fund assets	(84)	(296)
Other actuarial gains	(53)	-
Employer contributions	47	45
Employee contributions	14	14
Estimated benefits paid	(96)	(180)
Administrative expenses	(2)	(2)
At 31 October 2023	3,455	3,464

18 Obligations under leases

Operating leases-

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

	2023	2022
	£	£
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	531,263	561,580
Other		
Expiry date:		
Within one year	8,258	3,073
Within two and five years	15,732	9,732
	<u>706,893</u>	<u>726,025</u>

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.

18 Capital commitments

Capital commitments contracted for, but not provided for in the financial statements totalling £72,000 (2022: £nil)

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 (2022: none).

THE SOUTH WEST HERITAGE TRUST

England & Wales - Charity number 1158791

Accounts

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

Annual Report and Financial Statements

For the Year Ended 31 October 2022

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

The South West Heritage Trust
Contents
For the Year Ended 31 October 2022

	<u>Page</u>
Reference and Administrative Details	1
Trustee Directors' Report	2 – 14
Independent Auditors' Report	15 – 18
Consolidated Statement of Financial Activities	19
Balance Sheet and Consolidated Balance Sheet	20 – 21
Statement of Cash Flows and Consolidated Statement of Cash Flows	22
Notes to Financial Statements	23 – 52

Trustee Directors	Rev. P M Beacham G L Craig Cllr A Davis Prof. H R French D H Gwyther J Loader S V Maberley Lt Col. M J R Motum (Chair) A M D Smallwood Dr S A Windsor Cllr A R Wyke Prof. A Zalewska
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 Goodwood House Blackbrook Park Avenue Taunton Somerset TA1 2PX
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 2022, 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 2019).

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:

- Rev. P M Beacham
- G L Craig
- Cllr A Davis
- Prof H R French
- P J Gunner (resigned 28 April 2022)
- D H Gwyther
- Cllr. D Hall (resigned 25 May 2022)
- S H D'A Hunt (resigned 28 April 2022)
- J Loader (appointed 28 April 2022)
- S V Maberley
- Lt Col. M J R Motum (Chair)
- A M D Smallwood
- Dr S A Windsor (appointed 28 April 2022)
- A R Wyke (appointed 21 July 2022)
- Prof. A Zalewska (appointed 28 April 2022)

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 as Patrons three people who are prominent in the communities of Somerset and Devon:

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and Formation of the South West Heritage Trust

The South West Heritage 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 objectives 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 heritage service responsibilities previously carried out by Somerset Council (formerly Somerset County Council) comprising the Archives and Local Studies, Museums and Historic Environment Services, and by 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.

The legal agreements which underpin the operation of the Trust are the Transfer Agreements, Grant Agreements and Collections Management Agreements between Somerset Council and the Trust and Devon County Council and the Trust. The Trust demonstrates its independence in line with Charity Commission guidance as set out in RR7. The current funding terms are in place until 31 October 2024.

Organisational Management

The Board of Trustees meets on a quarterly basis to discuss the progress of the organisation and to agree strategic direction. A Chief Executive Officer is appointed by the Trustees to manage the day-to-day operation of the Trust and to provide leadership and direction for the implementation of the Business Plan.

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 Audience Engagement 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 ten 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 Board of Trustees 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 28 April 2022. Michael Motum was appointed as Chair. Sam Hunt, Peter Gunner retired from the board. Sandy Maberley was appointed to a third term under the provisions of Article 26.12. Jill Loader, Dr Stuart Windsor and Professor Ania Zalewska were appointed to the board.

The induction process for all new Trustees includes:

- Sharing key documents about the charity, its governance arrangements and the 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 of 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 key risks are being actively and appropriately managed.

OBJECTIVES, STRATEGY AND ACTIVITIES OF THE TRUST

Objectives

Our Vision and Mission in fulfilling our objectives are as follows:

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.

Strategy

The Trust's five-year strategy, 2020-2025, focuses on three major outcomes:

- **Supporting People and Communities:** We will support, empower and enrich people and communities.
- **Protecting Our Heritage:** We will preserve, protect and enhance our heritage, keeping it safe and accessible now and in the future.
- **Making an Impact:** We will be enterprising, innovative and influential, and stand up for the heritage of Devon and Somerset.

The strategy is supported by the following documents:

- Business Delivery Plan
- Audience Development Strategy
- Equalities Strategy and Action Plan

Service Areas

Through our **Museums Service** we run three Accredited Museums – the Museum of Somerset and Somerset Military Museum in Taunton and Somerset Rural Life Museum in Glastonbury. We manage the Brick and Tile Museum in Bridgwater and provide curatorial support to Weston-Super-Mare Museum. Three million museum objects, ranging from outstanding geological, Iron Age and Roman collections to textiles and fine art, tell the story of Somerset and the South West.

We are the major custodians of written evidence about Devon and Somerset. Our Accredited **Archive and Local Studies Services** have centres in Taunton, Exeter and Barnstaple where we care for over 10 million archives dating from the 8th century to the present day. 200,000 printed reference works about the South West are held in the Local Studies collections. We also run the archive services on behalf of the unitary authorities of North Somerset and Torbay. Online access is provided through catalogues and indexes, and thousands of people use our digitised resources. We are working to preserve and make available digital archives.

Our **Historic Environment and Estates Service** supports local authorities, partners and the public by offering planning-related advice and information about Somerset's archaeology and built heritage. We also provide services to Bath & North East Somerset Council. We are a Registered Archaeological Organisation and are responsible for over 400 acres of historic landscapes, including Cothelstone Hill in the Quantock Hills, Deer Leap in the Mendip Hills and Norton Fitzwarren Hillfort.

Our Learning Service provides opportunities for people of all ages, including those with learning disabilities or affected by dementia. Over 14,000 children participate each year in workshops for Key Stages 1 and 2. We make authentic heritage objects available to schools for use in the classroom. Partnership projects to enhance learning take place with secondary schools and further and higher education institutions.

Our organisational culture is one of working together as a single trust to provide diverse heritage services. To achieve this aim we rely on our staff and volunteers, our Friends organisations, our Supporters and partners, and all those who champion our work. Our services are funded by core grants from Devon County Council and Somerset Council, by a wide range of contracts and by commercial activity. We also raise new income and attract grant investment from generous funders.

ACTIVITY REPORT

Highlights and Achievements

Context

The Covid-19 pandemic continued to have an impact during the early part of the year, not least because of the emergence of the Omicron Variant. Limits on visitor numbers at Trust sites continued until the lifting of pandemic restrictions in spring 2022, though the Trust continued to ensure that sites operated in a Covid-safe way. There was a strong appetite from audiences to engage with the Trust's live events, including workshops, talks and learning opportunities. At the same time, the Trust continued to increase its digital reach and to develop its online presence.

Following a reconfiguration of business activities, a wide-ranging review of HR and finance procedures and policies commenced. Hybrid working was embedded in Trust activity, with work patterns reflecting the needs of individual roles.

By the autumn of 2022 there was a major focus on managing the implications of inflationary pressures and on planning the steps necessary to maintain the Trust's resilience and effectiveness. A Budget Strategy for Recovery and Development was implemented and a Decarbonisation Working Group was formed to identify measures for addressing levels of energy use at Trust sites.

The Trust joined people across Devon and Somerset in expressing sympathy to the Royal Family on the death of Her Majesty Queen Elizabeth II. Flags were flown at half-mast at the Somerset Heritage Centre and the Museum of Somerset. The Trust responded to a wide range of media enquiries about the longstanding links of Queen Elizabeth, and of the new King Charles III, with the West Country and its heritage.

Archives and Local Studies

- A major project was undertaken to move the West Country Studies Library to greatly improved accommodation at the Devon Heritage Centre.
- Staff supported the work of the national Infected Blood Inquiry, providing access to large volumes of closed hospital records relevant to the investigation.
- An exhibition celebrating creativity in North Devon and the Arts and Crafts movement was held at the Museum of Barnstaple and North Devon from 2 April to 21 May. The exhibition was one outcome of the Creative North Devon project which was undertaken as a partnership between the North Devon Athenaeum, the Trust and the museum.
- A successful bid was made to the Records at Risk Fund of The National Archives to support the future of the Debenham's business archive, which has been held in emergency accommodation at the Somerset Heritage Centre since the closure of Debenhams plc in 2021.
- A new monthly 'Coffee Time Talks' series was launched online. The talks, delivered by Trust staff and invited speakers, showcased archive stories from Somerset and Devon.
- A new digital preservation system was commissioned.
- A successful bid was made to the 'Archives Revealed' funding stream managed by The National Archives for the Cary of Torquay Archive Project. A project archivist started work in October 2022 to catalogue and promote the collection, including partnership work with the local community in Torquay.
- Fresh ways to reach audiences have been developed post-pandemic, with an emphasis on community engagement, pop-up exhibitions and training in the use of archives for groups. Employer enrichment sessions were held with a local secondary school.
- Cataloguing of collections relating to the Quantock Hills area and engagement work took place as part of the Quantock Landscape Partnership Scheme.
- After 15 months, the Bath and Wells Probate Accounts Conservation Project ended in October 2022. Funded by the National Manuscripts Conservation Trust, the project conserved almost 1,000 probate administrator's accounts for the period 1577-1748.

Historic Environment and Estates

- A successful bid was made to the National Lottery Heritage Fund to complete landscaping works at the Avalon Archaeology Park and to support the creation of a Business Plan for the future operation of the site.
- Partnership work took place with a range of organisations to develop a Local Heritage List for Somerset and Exmoor. The Trust's project was chosen by government as one of about 20 pilot projects.
- Research and management projects took place on wetland archaeological sites within the Somerset Levels and Moors in partnership with Historic England. The projects included work on the Sweet Track and Glastonbury Lake Village.
- As part of the Quantock Landscape Partnership Scheme the Trust submitted reports on archaeological excavations in 2021 at Cothelstone Hill and Dowsborough Hillfort and supported community heritage events, including at Crowcombe Court.
- Work continued on managing the Trust's landscape heritage sites in Somerset. New stock-proof fencing was installed at Marston Magna Moat Field.
- The Trust worked in partnership with Somerset West and Taunton Council and Historic England on a project to understand and protect Scheduled Monuments at risk in western Somerset.
- Monitoring of planning applications from Somerset and B&NES continued, and included monitoring of extensive archaeological excavations at Crewkerne where a large prehistoric site and a Roman building complex were recorded in advance of a housing scheme.

- The Trust worked closely with Mendip District Council, Somerset Wildlife Trust and the Friends of Bride's Mound to secure Government funding for providing better access and interpretation at the Beckery Chapel site.

Learning

- Demand from schools was very high throughout the year. School subscriptions returned to pre-pandemic levels and bookings for workshops and loans were higher than in 2019.
- A successful bid to Arts Council England was made for the Together Again project. This piloted a programme of social prescribing activities in Taunton, working in partnership with local organisations. Those reached including people with mental health issues, Ukrainian refugees and families struggling with the cost-of-living crisis. Detailed evaluation was undertaken by the University of Exeter.
- The Trust was awarded further funding by DfE/Arts Council England under the Museums and Schools Programme for the period April 2022 to March 2023. The programme connects museums with local schoolchildren, especially targeting schools with high premium levels and low cultural engagement.
- Demand for our informal learning programme was strong and summer activities were particularly popular across the sites.
- Pupils from a secondary school and a primary school worked with artists from Go Create to complete artwork in the style of Brian Rice, using images of Taunton Castle as their inspiration. The work was displayed in Taunton Library as part of the Taunton Youth Culture and Arts (Tyca) Festival.
- Sessions in partnership with Somerset Recovery College were held at the Brick and Tile Museum for people recovering from mental illness. Sessions sought to tackle loneliness, to help people feel safe again and to provide them with achievable creative tasks.
- Reminiscence sessions resumed in settings including care homes, community groups and friendship groups.

Museums

- A varied exhibitions programme took place at the two principal museums:

Museum of Somerset

- *The Art of Brian Rice: Sixty Years of Painting and Prints*, which included more than 30 abstract works by the painter-printmaker who was born in Somerset but made an international name for himself in 1960s London.

In Xanadu: Coleridge and the West Country brought the original manuscript of Kubla Khan to Somerset as a loan from the British Library and received much public attention.

- *Myths and Monsters* was built around 70 artworks by 17 children's book illustrators and was colourful and family-friendly. The exhibition and associated programme were created in collaboration with Events of Wonder.

Somerset Rural Life Museum

- *The Blackdown Hills: A Photographic Portrait*, showcased the work of Somerset-based photographer Pauline Rook.

- *CRAFT: Somerset Portraits and Voices* featured 28 traditional craftspeople captured in Kate Lynch's memorable artworks.

- *Mud, Music and Mayhem* brought together images from 20 years of the Glastonbury Festival as captured by the Somerset-based photographer Jason Bryant.

- Horse Power: The Story of Horses in Rural Somerset was accompanied in the Abbey Barn by a large-scale kinetic contemporary artwork inspired by the history of the horse in agriculture.

- An application was successfully made to Arts Council England under the National Portfolio Organisation Scheme. The proposed programme includes work with early years, social prescribing activity, apprenticeship opportunities, taking collections into communities and digital engagement.
- A successful Sunday opening trial at the Museum of Somerset took place as part of Taunton's Covid-19 recovery programme. The trial was supported by Somerset West and Taunton Council.
- A year-long programme of enhanced activity at Somerset Brick and Tile Museum Took place. Additional site tours, family activities and workshops were programmed and links were made with local partners in Bridgwater.
- Capital improvements were made, including the addition of new estate fencing at Somerset Rural Life Museum and new LED lighting at all museum sites.
- A graphical timeline illustrating Taunton's history from Saxon times to the 20th century, designed and curated by the Trust, was created for the front of the former Debenham's department store in Taunton. Described as the longest artwork in the South West, it was commissioned by Somerset West and Taunton Council with funding from the Emergency Town Centre Recovery Fund.
- A large fossil discovered on the West Somerset coast was successfully extracted in liaison with Natural England, the landowners and consultant geologists. The fossil was moved to the Somerset Heritage Centre for full identification and conservation assessment.
- Work progressed well on the project, funded by Historic England, to create a Somerset Pottery Fabric Type Series for the medieval and post-medieval periods.
- Funding from the British Museum for the Portable Antiquities Scheme was confirmed until March 2025.

Partnerships and Sector Support

We continued to provide support to a wide range of organisations.

We are an active participant in the South West Museum Development Programme and employ a full-time Museum Development Officer. The Programme supports more than 30 community museums in Somerset, offering advice and guidance about funding, training and cooperative projects.

In partnership with the British Museum and local authorities in Devon, Dorset and Somerset, the Trust provides the Portable Antiquities Scheme in the three counties. The number of finds reported continues to remain largely consistent throughout the year.

The Trust works closely with Weston Town Council to provide curatorial support and a temporary exhibitions programme for Weston Museum.

We look after the Archives of North Somerset Council and Torbay Council and are the designated repository for the Diocese of Bath and Wells and the Diocese of Exeter. The Archives and Local Studies Services in Somerset and Devon are engaged with many partnership projects involving many community groups, societies and larger organisations including Exeter Cathedral and the North Devon Athenaeum.

The Historic Environment Service advised the Bath and Wells Diocesan Advisory Committee, and provided heritage-related planning advice to district councils in Somerset and to Bath and North East Somerset Council. It provides the on-line Historic Environment Record for Somerset and B&NES and publishes the Somerset Archaeological Handbook, the central reference point for developers, advisors and local authorities.

FINANCIAL REVIEW AND RESERVES POLICY

Unrestricted income in the year totalled £3,131,966 (2021: £3,342,994) and restricted income £516,408 (2021: £465,571).

Total expenditure was £4,097,959 (2021: £3,955,290), of which £4,038,940 (98.6%) was for charitable purposes (2021: £3,933,370 (97.4%)). The remainder was for raising funds.

Pension schemes

The Trust operates defined benefit (final salary) schemes for employees who were transferred from the Local Government Pension Schemes (LGPS) of either Devon or Somerset County Councils. Details are given in notes 1.14, 1.15 and 17 of the accounts.

The LGPS schemes are reviewed triennially to set the Trust's pension contribution rates for the following three years. Both schemes are subject to an annual actuarial valuation which features in the Statement of Financial Activities and the Balance Sheet. This valuation experiences significant annual volatility. In 2022 a surplus of £1.81m was forecast, a reduction on the previous year due to higher assumed mortality rates and a fall in life expectancy. Any actual deficit will only become payable when the final member leaves the relevant scheme, a date currently expected to be more than 25 years away. The deficit would then be likely to be repayable over a long period of years. The total pension fund value is indemnified against the possibility of the Trust's dissolution.

Staff who have entered the Trust's employment since it vested in 2014 have the right to be enrolled in a defined contribution scheme (NEST). The Trust pays a fixed monthly contribution into the scheme but has no further or future obligations.

Reserves

The Board of Trustees agreed a Reserves Policy in September 2015. It states that 'the target provision of reserves should meet operational costs for three months' and should be achieved by 2025. The target is equivalent to unrestricted reserves of approximately £700k.

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

	£'000
Unrestricted general funds	572
Designated funds	527
Restricted funds	318

Most of the Trust's reserves are cash or other current assets. Only £149,603 of fixed assets are recognised on the Balance Sheet.

Major Income Sources

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 Council and Devon County Council is fundamental to the Trust's success and allows 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 continued support. In the Trust year ending 31 October 2022, the core grants from the two Councils accounted for £2,041,729 of the Trust's total income (65% of the unrestricted income, 56% of the total income).

The Trustees are also grateful to other major funders, including Arts Council England, the National Lottery Heritage Fund and the British Museum. Further income is received for heritage services provided to North Somerset Council, Weston-super-Mare Town Council, Torbay Council and others. The Trustees also acknowledge individual donors and the Trust's Founder Members and Supporters. Their generosity and support are greatly appreciated.

Traded Income and Fundraising

The Trust's income derives mainly from grants and from contracts for the provision of services. Traded activities are also undertaken across all service areas and contribute significantly to Trust turnover. We encourage users of our services to make donations and admission fees are charged at some sites and for some events.

Traded activity is managed through South West Heritage Trust Trading Limited, a wholly-owned subsidiary of the Trust. It generated a profit of £73,306 during the financial year. Details of trading performance are contained in Note 10 of the accounts, and a separate set of accounts is produced annually. Two trustees and the Trust's Chief Executive are the registered directors of the trading company.

The Trust is obliged to comply with the Charities (Protection and Social Investment) Act 2016 and to provide statements on specific areas of fundraising in the annual report. The Trust has facilities to accept digital and cash donations at its public sites and through carefully monitored activities such as its Supporters' Scheme. It does not engage in large-scale public fundraising campaigns or undertake door-to-door or private site fundraising. The Trust does not engage third-party membership or donation solicitation agencies. As a result, it has not been necessary to monitor the behaviour of, or investigate a complaint involving, a third-party acting on the Trust's behalf. The Trust has not bound itself to any voluntary scheme for regulating fundraising and has received no complaints about any fundraising activity it has undertaken.

Looking Forward

The Trust has set a balanced budget for the financial year to 31 October 2023. The Trustees are aware of a number of budgetary risks that will need to be carefully managed, including:

- the need to restore traded income at least to the levels achieved pre-pandemic;
- the renewal of the core grant with Somerset and Devon from November 2024;
- the possible financial impacts (both positive and negative) of Somerset becoming a Unitary Authority from 2023;
- increased inflation affecting many key supplies and services;
- the need to continue to win grants to carry out our charitable objectives, our vision and our mission.

The Trust's priorities for future years are set out in its three-year rolling Business Delivery Plan. They reflect the outcomes around which the Trust's five-year strategy is structured.

PUBLIC BENEFIT

Social Benefits

Our services are major contributors to personal wellbeing and a sense of place. We want our services to be accessible, to address issues of diversity and to promote and enable equality of opportunity for everyone.

Our large community of knowledgeable and dedicated volunteers are crucial to what we do. Volunteering also contributes directly to people's physical, emotional and mental wellbeing. We seek to ensure that volunteering takes place in an environment which is inclusive and supports and respects the needs of individuals.

Experiencing heritage enhances wellbeing and brings people together, whether through learning activities for children, access to inspirational art and exhibitions, the discovery of family or community history, dementia-friendly reminiscence sessions or visiting a landscape site.

Economic Benefits

We are significant contributors to the local economy, fostering tourism, research, and the cultural and creative industries.

- Our museums are major tourist destinations in Somerset, attracting new visitors and actively promoting the county. The Museum of Somerset alone is estimated to provide £2.3 million of economic benefit to Somerset from 72,000 visits in a typical year.
- The heritage centres in Exeter, Barnstaple and Taunton attract researchers from around the world.
- Our heritage landscape sites have many tens of thousands of visitors each year and actively contribute to individual wellbeing and the local economy.

We prioritise local services and employment to ensure that we support our local economy. We are always seeking new sources of income through the provision of commercial services and traded activities. The profits we generate are reinvested to increase the public benefit we provide.

Environmental Sustainability

We are committed to local procurement wherever possible to support the economy and livelihoods of people in Devon and Somerset. This helps us to reduce our carbon footprint.

Our sites, including two Grade I listed buildings and a Victorian farmhouse, are managed carefully to ensure that their environmental footprint is minimised. We are working to make the strongrooms at Somerset Heritage Centre more energy efficient.

The Historic Environment Service works to ensure that developers in Somerset operate ethically in relation to the county's built heritage and archaeology. The Service seeks to protect and promote the historic environment as an essential component in making communities economically and environmentally sustainable.

The Trust manages over 400 acres of heritage landscape sites across Somerset which provide open-access enjoyment to the public. The sites also estimated to offset more than 25% of the total carbon emissions produced by the Trust.

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.

Lt Col. M J R Motum

Trustee

The South West Heritage Trust

Date: 27 April 2023

The South West Heritage Trust

Independent Auditors' Report to the Trustees and Members
For the Year Ended 31 October 2022

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 2022, 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 2022 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

In auditing the financial statements, we have concluded that the trustee's 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 entity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors 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 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 matter 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 prepared 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 the knowledge and understanding of the group and 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 13], 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.

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charity Act 2011, anti-bribery, employment, data protection and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation, claims and breaches of relevant legislation; and
- reviewing correspondence with the Charity Commission and other relevant regulators including the group's legal advisors and insurers.

The South West Heritage Trust

Independent Auditors' Report to the Trustees and Members

For the Year Ended 31 October 2022

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Michelle Ferris BSC (Hons) FCA DChA (Senior Statutory Auditor)

For and on behalf of Albert Goodman LLP, Statutory Auditor

Goodwood House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Date: 27 April 2023

The South West Heritage Trust

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

For the Year Ended 31 October 2022

				2022			2021
		Unres-	Res-	Total	Unres-	Res-	Total
	Notes	tricted	tricted		tricted	tricted	
		£	£	£	£	£	£
Income from:							
Donations and legacies	2	114,888	24,504	139,392	383,135	68,297	451,432
Charitable activities	3	2,723,420	469,745	3,193,165	2,738,470	396,759	3,135,229
Other trading activities	4	293,606	22,159	315,765	221,389	510	221,899
Investments	5	52	-	52	-	5	5
Total income		3,131,966	516,408	3,648,374	3,342,994	465,571	3,808,565
Expenditure on:							
Raising funds	6	59,019	-	59,019	21,920	-	21,920
Charitable activities	6	3,515,335	523,605	4,038,940	3,304,711	628,659	3,933,370
Total expenditure		3,574,354	523,605	4,097,959	3,326,631	628,659	3,955,290
Net (expenditure)/income		(442,388)	(7,197)	(449,585)	16,363	(163,088)	(146,725)
Transfer between funds		(77,613)	77,613	-	(36,204)	36,204	-
Other recognised gains							
Actuarial gains/(losses) on defined benefit pension schemes		9,330,000	-	9,330,000	1,157,000	-	1,157,000
Net movement in funds for the year		8,809,999	70,416	8,880,415	1,137,159	(126,884)	1,010,275
Reconciliation of funds							
Total funds brought forward		(5,899,669)	247,942	(5,651,727)	(7,036,828)	374,826	(6,662,002)
Total funds carried forward		2,910,330	318,358	3,228,688	(5,899,669)	247,942	(5,651,727)

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

All income and expenditure derive from continuing activities.

The South West Heritage Trust – Company Registration Number: 09053532
Balance Sheet and Consolidated Balance Sheet
As at 31 October 2022

		2022 £	2022 £	2021 £	2021 £
	Notes	Group	Charity	Group	Charity
Fixed assets					
Tangible fixed assets	9	149,603	149,603	23,382	23,382
Investments	10	-	1	-	1
		<u>149,603</u>	<u>149,604</u>	<u>23,382</u>	<u>23,383</u>
Current assets					
Stock	11	15,445	-	17,442	-
Debtors	12	522,483	616,777	864,315	938,252
Cash at bank and in hand		1,852,746	1,686,139	1,691,167	1,557,133
		<u>2,390,674</u>	<u>2,302,916</u>	<u>2,572,924</u>	<u>2,495,385</u>
Liabilities:					
Creditors: amounts falling due within one year	13	(1,122,589)	(1,108,138)	(1,183,033)	(1,169,119)
		<u>1,268,085</u>	<u>1,194,778</u>	<u>1,389,891</u>	<u>1,326,266</u>
Net current assets					
		<u>1,417,688</u>	<u>1,344,382</u>	<u>1,413,273</u>	<u>1,349,649</u>
Net assets excluding pension liabilities					
Defined benefit pension scheme asset/(liabilities)	17	1,811,000	1,811,000	(7,065,000)	(7,065,000)
		<u>3,228,688</u>	<u>3,155,382</u>	<u>(5,651,727)</u>	<u>(5,715,351)</u>
Total net liabilities including pension liabilities					
		<u>3,228,688</u>	<u>3,155,382</u>	<u>(5,651,727)</u>	<u>(5,715,351)</u>
The funds of the charity:					
Unrestricted funds:					
General funds		572,170	498,864	538,859	475,235
Designated funds		527,160	527,160	626,472	626,472
		<u>1,099,330</u>	<u>1,026,024</u>	<u>1,165,331</u>	<u>1,101,707</u>
Unrestricted funds excluding pension reserve		1,099,330	1,026,024	1,165,331	1,101,707
Pension reserve		1,811,000	1,811,000	(7,065,000)	(7,065,000)
		<u>2,910,330</u>	<u>2,837,024</u>	<u>(5,899,669)</u>	<u>(5,963,293)</u>
Total unrestricted funds	14	2,910,330	2,837,024	(5,899,669)	(5,963,293)
Restricted funds	14	318,358	318,358	247,942	247,942
		<u>3,228,688</u>	<u>3,155,382</u>	<u>(5,651,727)</u>	<u>(5,715,351)</u>
Total charity funds					
		<u>3,228,688</u>	<u>3,155,382</u>	<u>(5,651,727)</u>	<u>(5,715,351)</u>

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 23 - 52 form part of these accounts.

Approved by the Board for issue on 27 April 2023 and signed on their behalf by:

Lt Col. M J R Motum
Trustee

The South West Heritage Trust
Statement of Cash Flows and Consolidated Statement of Cash Flows
For the Year Ended 31 October 2022

		2022	2022	2021	2021
		£	£	£	£
	Notes	Group	Charity	Group	Charity
Cash flows from operating activities					
Net expenditure for the year		(449,585)	(459,267)	(146,725)	(128,135)
Adjustments to cash flows from non-cash items:					
Depreciation and amortisation	9	47,419	47,419	117,887	117,887
Interest receivable	5	(52)	(52)	(5)	(5)
Defined benefit pension scheme cost less contributions payable		122,000	122,000	122,000	122,000
Defined benefit pension scheme finance cost		332,000	332,000	303,000	303,000
		<u>51,782</u>	<u>42,100</u>	<u>396,157</u>	<u>414,747</u>
Working capital adjustments					
Decrease / (increase) in stocks	11	1,997	-	3,362	-
(Increase) / decrease in debtors	12	341,832	321,475	(464,321)	(496,270)
Increase / (decrease) in creditors	13	(60,444)	(60,981)	191,266	187,034
		<u>335,167</u>	<u>302,594</u>	<u>126,464</u>	<u>105,511</u>
Cash flows from investing activities					
Purchase of tangible fixed assets	9	(173,640)	(173,640)	(12,863)	(12,863)
Interest received	5	52	52	5	5
		<u>(173,588)</u>	<u>(173,588)</u>	<u>(12,858)</u>	<u>(12,858)</u>
Net increase in cash and cash equivalents		<u>161,579</u>	<u>129,006</u>	<u>113,606</u>	<u>92,653</u>
Cash and cash equivalents at the beginning of the reporting period		<u>1,691,167</u>	<u>1,557,133</u>	<u>1,577,561</u>	<u>1,464,480</u>
Cash and cash equivalents at the end of the reporting period		<u>1,852,746</u>	<u>1,686,139</u>	<u>1,691,167</u>	<u>1,557,133</u>
Cash & Cash equivalents reconciliation:					
Cash at bank		<u>1,852,746</u>	<u>1,686,139</u>	<u>1,691,167</u>	<u>1,557,133</u>
Total cash & cash equivalents at the end of the reporting period		<u>1,852,746</u>	<u>1,686,139</u>	<u>1,691,167</u>	<u>1,557,133</u>

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 2019) - (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 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 this is recognised upon physical receipt.

The charity notes the requirement of the SORP that large charities must report their results on an activities basis. The charity considers that they produce one activity – the deliverance of heritage services – and therefore reports on that basis.

1.5 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.

1.6 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.

1.7 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.

1.8 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.

1.9 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

1.10 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.

1.11 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.

1.12 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.

1.13 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.

1.14 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.

1.15 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.

1.16 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 2019 has been used by the actuary in valuing the pensions liability at 31 October 2022. 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.

1.17 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.

1.18 Financial Instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and liabilities of the charity and their measurements are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank and deposit accounts– is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security and the LGPS are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2 Donations and legacies

	Unres- tricted funds £	Res- tricted funds £	2022 Total £	Unres- tricted funds £	Res- tricted funds £	2021 Total £
Donations and bequests	91,720	24,504	116,224	81,446	68,297	149,743
Exceptional government funding						
Coronavirus Job Retention Scheme grant*	-	-	-	125,337	-	125,337
Other Covid grants*	23,168	-	23,168	176,352	-	176,352
	<u>114,888</u>	<u>24,504</u>	<u>139,392</u>	<u>383,135</u>	<u>68,297</u>	<u>451,432</u>

The charity has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under “exceptional government funding”.

The charity furloughed some of its staff under the governments CJRS. The funding received in the prior year totalling £125,337 relates to staff costs which are included within note 8 as appropriate. Staff entered into the furlough scheme were those directly involved with trading activity at the sites which were required to close in line with Government lockdown rules.

*Denotes government grants

3 Income from charitable activities

	Unres- tricted funds £	Res- tricted funds £	2022 Total £	Unres- tricted funds £	Res- tricted funds £	2021 Total £
Fees for services and grants						
<u>Heritage services</u>						
Somerset County Council*	1,626,688	-	1,626,688	1,626,688	-	1,626,688
Devon County Council*	415,041	-	415,041	413,296	-	413,296
North Somerset Council*	159,792	-	159,792	152,474	-	152,474
Weston-Super-Mare Town Council*	74,540	-	74,540	68,847	-	68,847
Torbay Council*	97,988	-	97,988	93,185	-	93,185
<u>Other services</u>						
SCC - Registration*	-	-	-	17,178	-	17,178
SCC - Records*	59,733	-	59,733	56,813	-	56,813
<u>Grant income</u>						
Bath & North East Somerset Council*	64,911	-	64,911	26,148	-	26,148
South Somerset District Council*	12,489	-	12,489	53,776	-	53,776
Somerset County History Trust*	-	26,676	26,676	-	-	-
Ministry of Housing, Communities & Local Government*	-	34,962	34,962	-	-	-
North Devon Athemaeum	-	37,417	37,417	-	-	-
Mendip District Council*	-	15,567	15,567	-	-	-
Heritage Lottery Fund*	-	48,048	48,048	-	-	-
The British Museum*	-	57,951	57,951	-	80,037	80,037
Somerset County Council*	45,742	62,335	108,077	30,328	130,859	161,187
Arts Council England*	-	94,397	94,397	6,209	137,516	143,725
Bideford Town Council*	-	12,000	12,000	-	-	-
DEFRA*	14,627	-	14,627	12,510	-	12,510
Devon County Council*	-	32,521	32,521	-	37,790	37,790
Emily Estate	42,441	-	42,441	104,887	-	104,887
Under £10k	76,397	47,871	124,268	52,788	10,557	63,345
	2,690,389	469,745	3,160,134	2,715,127	396,759	3,111,886
Memberships and subscriptions	33,031	-	33,031	23,343	-	23,343
	2,723,420	469,745	3,193,165	2,738,470	396,759	3,135,229

*Denotes government grants

Government grants

Income from government grants comprises grants made by local authorities to fund the principal activities and objectives of the charity via core funding and funding for specific projects. See above and note 2 for more information, including the amount and source of these grants. There are no unfulfilled conditions or other contingencies attached to these grants.

4 Other trading activities

	Unres- tricted funds £	Res- tricted funds £	2022 Total £	Unres- tricted funds £	Res- tricted funds £	2021 Total £
Merchandising income						
Shop sales	57,568	-	57,568	26,349	-	26,349
Café concession	16,966	-	16,966	2,394	-	2,394
	74,534	-	74,534	28,743	-	28,743
Events and other sales						
Digital images, publications and research income	81,070	10,449	91,519	93,413	510	93,923
Room hire	5,434	-	5,434	1,410	-	1,410
Education income	15,935	11,650	27,585	26,432	-	26,432
Rental income	29,893	-	29,893	18,469	-	18,469
Other income	86,740	60	86,800	52,922	-	52,922
	219,072	22,159	241,231	192,646	510	193,156
	293,606	22,159	315,765	221,389	510	221,899

5 Investment income

	Unres- tricted funds £	Res- tricted funds £	2022 Total £	Unres- tricted funds £	Res- tricted funds £	2021 Total £
Bank interest	52	-	52	-	5	5

6 Expenditure

Split by fund:

	Unres- tricted £	Res- tricted £	2022 Total £	Unres- tricted £	Res- tricted £	2021 Total £
Cost of raising funds						
Trading costs	59,019	-	59,019	21,920	-	21,920
Charitable activities						
Archives and local studies	1,000,798	182,772	1,183,570	1,072,209	111,608	1,183,817
Museums	1,179,591	173,598	1,353,189	835,913	308,186	1,144,099
Historic environment and estates services	436,793	82,827	519,620	392,099	72,263	464,362
Heritage services	898,153	67,397	965,550	994,038	101,678	1,095,716
Closed projects	-	17,011	17,011	10,452	34,924	45,376
	<u>3,574,354</u>	<u>523,605</u>	<u>4,097,959</u>	<u>3,326,631</u>	<u>628,659</u>	<u>3,955,290</u>

Split by cost:

	Staff costs £	Other Direct costs £	2022 Total £	Staff costs £	Other Direct costs £	2021 Total £
Cost of raising funds						
Trading costs	-	59,019	59,019	-	21,920	21,920
Charitable activities						
Archives and local studies	1,035,524	148,046	1,183,570	1,077,202	106,615	1,183,817
Museums	957,008	396,181	1,353,189	779,699	364,400	1,144,099
Historic environment and estates services	439,447	80,173	519,620	418,150	46,212	464,362
Heritage services	489,652	475,898	965,550	529,990	565,726	1,095,716
Closed projects	-	17,011	17,011	-	45,376	45,376
	<u>2,921,631</u>	<u>1,176,328</u>	<u>4,097,959</u>	<u>2,805,041</u>	<u>1,150,249</u>	<u>3,955,290</u>

6 Expenditure (continued)

		Charity		Subsidiary	Total	Total
	2022	2021	2022	2021	2022	2021
	£	£	£	£	£	£
Depreciation of owned assets	47,419	117,887	-	-	47,419	117,887
Operating lease expenses	32,889	37,218	-	-	32,889	37,218
Auditors' remuneration for:						
Current auditors						
- Audit services	6,950	5,950	1,250	754	8,200	6,704
- Other services	4,714	4,200	750	500	5,464	4,700

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 (2021: £nil).

Three charity trustees were reimbursed £421 for travel expenses during the year (2021: two trustees - £504).

No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

8 Employees

Number of employees

The average monthly head count was 103 staff (2021: 93 staff) and the average number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

Number of employees

The average monthly number of full-time equivalent employees during the year was:

	2022	2021
Management	6.0	5.0
Finance and admin	7.0	8.0
Service provision	56.0	54.0
	<u>69.0</u>	<u>67.0</u>

Employment costs

	2022	2021
	£	£
Wages and salaries	2,011,672	1,955,490
Social security costs	179,915	163,191
Pension costs	730,044	686,360
	<u>2,921,631</u>	<u>2,805,041</u>

The number of employees whose annual emoluments were £60,000 (excluding employer pension costs) or more were:

	2022	2021
	number	number
£70,000 - £80,000	<u>1</u>	<u>1</u>

This employee is a member of the defined benefit pension scheme, into which contributions of £15,631 (2021: £14,536) 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 £96,824 (2021: £93,687).

Employees (continued)

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 £31,377 (2021 - £29,973) 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 2021	511,275	247,795	37,000	35,516	831,586
Additions	43,703	63,794	-	66,143	173,640
At 31 October 2022	554,978	311,589	37,000	101,659	1,005,226
Depreciation					
At 1 November 2021	507,317	230,904	37,000	32,983	808,204
Charge for the year	12,699	18,956	-	15,764	47,419
At 31 October 2022	520,016	249,860	37,000	48,747	855,623
Net book value					
At 31 October 2022	34,962	61,729	-	52,912	149,603
At 31 October 2021	3,958	16,891	-	2,533	23,382

The above assets are all held by the charity.

10 Investments

	Total 2022 £	Charity Total 2021 £
South West Heritage Trust Trading Limited Ordinary shares of £1 each	1	1

Investments (continued)

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:

	2022	2021
	£	£
Turnover	270,813	188,011
Cost of sales	(59,019)	(21,920)
Gross profit	211,794	166,091
Administrative expenses	(138,488)	(102,467)
Operating profit	73,306	63,624
Investment income	-	-
Profit before tax & profit for the financial year	73,306	63,624
Retained earnings brought forward in subsidiary	63,624	82,214
Gift aid to The South West Heritage Trust	(63,624)	(82,214)
Retained earnings carried forward in subsidiary	73,306	63,624
The assets and liabilities were:		
Current assets	206,592	175,310
Current liabilities	(133,285)	(111,685)
Total net assets	73,307	63,625
Called up share capital	1	1
Profit and loss reserve	73,306	63,624
	73,307	63,625

11 Stocks

	2022		2021	
	Group	Charity	Group	Charity
	£	£	£	£
Goods for resale	15,445	-	17,442	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Stock recognised in the Statement of Financial Activities as an expense is £43,157 (2021: £15,743).

12 Debtors

	2022		2021	
	Group	Charity	Group	Charity
	£	£	£	£
Trade debtors	361,421	355,242	660,894	659,278
Prepayments and accrued income	159,201	142,701	203,421	181,203
Other debtors	1,861	-	-	-
Amounts owed by group undertakings	-	118,834	-	97,771
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>522,483</u>	<u>616,777</u>	<u>864,315</u>	<u>938,252</u>

13 Creditors: Amounts falling due within one year

	2022		2021	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	91,791	88,397	105,282	102,867
Other creditors	33,564	33,564	2,360	2,360
Accruals and deferred income	809,302	807,302	861,318	858,882
Taxation and social security	187,932	178,875	214,073	205,010
	<u>1,122,589</u>	<u>1,108,138</u>	<u>1,183,033</u>	<u>1,169,119</u>

Deferred Income

	2022		2021	
	Group	Charity	Group	Charity
	£	£	£	£
Deferred income at 1 November 2021	697,683	697,683	610,693	609,886
Released from previous years	(697,683)	(697,683)	(610,693)	(609,886)
Resources deferred in the year	704,466	704,466	697,683	697,683
	<u>704,466</u>	<u>704,466</u>	<u>697,683</u>	<u>697,683</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 & gains £	Closing balance £
Unrestricted funds - Group					
General	538,859	3,128,205	(3,051,864)	(43,030)	572,170
Designated funds - Group and Charity					
Somerset Rural Life Museum (Leasehold improvements fund)	3,959	-	-	(3,959)	-
National Archives	27,313	3,761	-	(3,960)	27,114
Capital reserve	200,000	-	-	-	200,000
Museum priorities	115,200	-	(304)	(9,986)	104,910
Archive & learning priorities	110,000	-	(13,186)	(71,498)	25,316
IT & resources priorities	75,000	-	-	54,820	129,820
Historic environment priorities	40,000	-	-	-	40,000
Covid income support fund	55,000	-	(55,000)	-	-
Total designated funds	626,472	3,761	(68,490)	(34,583)	527,160
Pension fund	(7,065,000)	-	(454,000)	9,330,000	1,811,000
	(5,899,669)	3,131,966	(3,574,354)	9,252,387	2,910,330

14 Summary of movement in funds- Group (continued)

	Opening balance £	Income £	Expenditure £	Transfers & gains £	Closing balance £
Restricted funds - Group and Charity					
Somerset Rural Life Museum (Leasehold improvements fund)	-	-	(3,959)	3,959	-
Archive and museum donations	53,920	52	-	-	53,972
Castle House Project	40,116	-	-	-	40,116
Historic Environment and Estates	28,478	46,479	(36,189)	(2,927)	35,841
Somerset Levels	6,929	6,438	(1,642)	-	11,725
HES Hinkley	(1,845)	431	-	1,414	-
Portable Antiques	20,266	57,951	(78,217)	-	-
North Devon Record Office	2,258	64,300	(57,271)	-	9,287
Exeter Cathedral	2,678	2,778	(5,456)	-	-
Museum Development Officer	-	28,000	(37,482)	9,482	-
North Somerset Collections	698	-	-	-	698
Museums and Schools Charthouse/Blackmoor	5,687	76,023	(64,098)	-	17,612
Land Holding	2,350	-	-	-	2,350
Avalon Archaeology Park	-	48,048	(44,028)	-	4,020
West Country Studies	8,881	1,273	(28,710)	58,017	39,461
Gravity project	11,278	-	-	-	11,278
Norman Garden	(461)	-	-	461	-
Culture Recovery Fund-Round 2	-	5,013	(5,013)	-	-
North Devon Athenaeum	5,000	37,417	(39,217)	-	3,200
Somerset Pottery Fabric Type Series	12,259	6,000	(10,805)	-	7,454
Shop Window Graphics	2,502	-	(2,582)	80	-
Torbay Schools	4,185	-	-	(4,185)	-
Digital Preservation Shared Services	(1,371)	3,450	(2,079)	-	-
Diocese of Bath & Wells Probate accounts conservation	23,028	5,626	(32,614)	3,960	-
Cary of Torquay Archive	-	18,500	(1,285)	4,185	21,400
Debenhams Archive	-	5,000	-	-	5,000
Quantock Landscape Partnership	-	9,563	(458)	-	9,105
Somerset VCH	-	26,676	(959)	-	25,717
Together Again	-	13,361	(11,564)	-	1,797
Lark Trust	-	3,500	(3,740)	240	-
Glastonbury Town Investment Plan	-	15,567	(9,792)	-	5,775
Local Heritage List	21,106	34,962	(46,445)	2,927	12,550
	247,942	516,408	(523,605)	77,613	318,358
	(5,651,727)	3,648,374	(4,097,959)	9,330,000	3,228,688

Summary of movement in funds- Charity

	Opening balance £	Income £	Expenditure £	Transfers & gains £	Closing balance £
Unrestricted funds - Charity					
General	475,235	3,034,238	(2,967,579)	(43,030)	498,864
Designated funds - Charity	626,472	3,761	(68,490)	(34,583)	527,160
Pension fund	(7,065,000)	-	(454,000)	9,330,000	1,811,000
	(5,963,293)	3,037,999	(3,490,069)	9,252,387	2,837,024
Restricted funds - Charity	247,942	516,408	(523,605)	77,613	318,358
	(5,715,351)	3,554,407	(4,013,674)	9,330,000	3,155,382

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

Summary of movement in funds – Group (2021)

	Opening balance £	Income £	Expenditure £	Transfers & gains £	Closing balance £
Unrestricted funds - Group					
General	526,256	3,295,504	(2,879,497)	(403,404)	538,859
Designated funds - Group and Charity					
Somerset Rural Life Museum (Leasehold improvements fund)	26,093	-	(22,134)	-	3,959
National Archives	7,823	47,490	-	(28,000)	27,313
Project development fund	100,000	-	-	(100,000)	-
Capital reserve	100,000	-	-	100,000	200,000
Museum priorities	-	-	-	115,200	115,200
Archive & learning priorities	-	-	-	110,000	110,000
IT & resources priorities	-	-	-	75,000	75,000
Historic environment priorities	-	-	-	40,000	40,000
Covid income support fund	-	-	-	55,000	55,000
Total designated funds	233,916	47,490	(22,134)	367,200	626,472
Pension fund	(7,797,000)	-	(425,000)	1,157,000	(7,065,000)
	(7,036,828)	3,342,994	(3,326,631)	1,120,796	(5,899,669)

14 Summary of movement in funds – Group (2021) (continued)

	Opening balance £	Income £	Expenditure £	Transfers & gains £	Closing balance £
Restricted funds - Group and Charity					
Somerset Rural Life Museum					
(Leasehold improvements fund)	80,120	-	(80,120)	-	-
Archive and museum donations	53,915	5	-	-	53,920
Castle House Project	40,116	-	-	-	40,116
Historic Environment and Estates	31,485	47,104	(50,111)	-	28,478
Somerset Levels	9,220	815	(3,106)	-	6,929
HES Hinkley	2,630	1,525	(6,000)	-	(1,845)
Portable Antiques	-	92,562	(72,296)	-	20,266
North Devon Record Office	(1,309)	51,852	(48,285)	-	2,258
Exeter Cathedral	1,680	2,083	(1,085)	-	2,678
Museum Development Officer	-	28,000	(36,404)	8,404	-
North Somerset Collections	698	-	-	-	698
Museums and Schools	-	59,167	(53,480)	-	5,687
Charthouse/Blackmoor					
Land Holding	2,350	-	-	-	2,350
West Country Studies	8,881	-	-	-	8,881
Gravity project	11,278	-	-	-	11,278
Norman Garden	-	5,572	(6,033)	-	(461)
Culture Recovery Fund	82,141	19,862	(101,683)	(320)	-
Culture Recovery Fund-Round 2	-	58,487	(58,487)	-	-
North Devon Athenaeum	4,348	35,447	(34,795)	-	5,000
Heritage Emergency Fund	34,804	-	(34,924)	120	-
Somerset Pottery Fabric					
Type Series	12,469	-	(210)	-	12,259
Shop Window Graphics	-	2,502	-	-	2,502
Torbay Schools	-	15,000	(10,815)	-	4,185
Digital Preservation Shared					
Services	-	5,000	(6,371)	-	(1,371)
Diocese of Bath & Wells					
Probate accounts conservation	-	5,626	(10,598)	28,000	23,028
Local Heritage List	-	34,962	(13,856)	-	21,106
	374,826	465,571	(628,659)	36,204	247,942
	(6,662,002)	3,808,565	(3,955,290)	1,157,000	(5,651,727)

Summary of movement in funds – Charity- 2021

	Opening balance £	Income £	Expenditure £	Transfers & gains £	Closing balance £
Unrestricted funds - Charity					
General	444,042	3,277,084	(2,842,487)	(403,404)	475,235
Designated funds - Charity	233,916	47,490	(22,134)	367,200	626,472
Pension fund	(7,797,000)	-	(425,000)	1,157,000	(7,065,000)
	<u>(7,119,042)</u>	<u>3,324,574</u>	<u>(3,289,621)</u>	<u>1,120,796</u>	<u>(5,963,293)</u>
Restricted funds - Charity	374,826	465,571	(628,659)	36,204	247,942
	<u>(6,744,216)</u>	<u>3,790,145</u>	<u>(3,918,280)</u>	<u>1,157,000</u>	<u>(5,715,351)</u>

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

Purpose of material funds:

- Designated Funds –Capital Fund - A fund held to enable cash-flow for the purchase or renewal of capital items.
- Designated Funds - Museum priorities - To fund specific projects within the Museum service to renew, repair and maintain the presentation of our collections in order to enhance the visitor experience.
- Designated Funds – Archive & Learning Priorities - To fund specific projects to improve the accessibility and storage of archive material and to continue the digitisation of the collection.
- Designated Funds – IT & Resource Priorities - To fund a number of core initiatives across the Trust, including improving our effectiveness in the use of IT equipment, a project to improve the efficient use of our financial systems and to seek alternative sources of potential income to improve financial resilience.
- Designated Funds – Historic Environment priorities - To fund a fixed-term conservation post, plus a joint management plan in conjunction with other bodies and site interpretation and promotional activities for our Heritage Landscape Sites.
- Designated Funds – Covid Income Support Fund - To set aside funding that was originally received as part of government grants to aid with the recovery from the pandemic. This will support the Trust's income generation budgets whilst visitor number recover during the 2021-2022 Trust year.
- 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.
- The Archive and Museum donations – Accumulated funds comprising of donations and bequests for acquisitions for the Somerset Archives and Museum services.
- 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.

14 Summary of movement in funds (continued)

Purpose of material funds (continued):

- 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 balances held in designated funds and restricted funds represent the Net Book Value of the Fixed Asset.
- 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.
- 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.
- 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.
- Avalon Archaeology Park- showcases the archaeological reconstruction buildings at the Avalon Marshes Centre. The project, funded by the local Leader scheme and other donations, included the creation of a new education building adjacent to the Park and provided resources for learning and volunteers.
- Culture Recovery Fund - provided by Arts Council England to help support the Museums during re-opening, replace lost income, invest in priority areas of work and replenish financial reserves. The transfer £96,621 in 2021 to unrestricted funds is to reflect the proportion of the grant contributable towards core costs.
- Culture Recovery Fund Round 2 – A further round of Arts Council England funding to help support the Museums service during re-opening. The Trust received a further grant award of £63,500 for eligible expenditure to the end of December 2021.
- North Devon Athenaeum - The Trust provides archive services for the North Devon Athenaeum, which includes purchasing materials on their behalf for conservation and preservation. The Trust also operates a payroll service on behalf of the North Devon Athenaeum for their staff.
- 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.
- West Country Studies - A capital project to rehouse the WCSL in a more appropriate space within Great Moor House, with new mobile shelving, and a range of outreach and engagement to open up and celebrate the collections.
- Local Heritage List - A Ministry of Housing, Communities and Local Government funded pilot project for the establishment of a local heritage list, or lists, in Somerset, in partnership with the statutory planning authorities in the county.

15 Analysis of assets between funds – Group

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Debtors more than one year £	Total £
Unrestricted funds	149,603	1,026,244	(603,677)	-	572,170
Designated funds	-	527,160	-	-	527,160
Restricted funds	-	299,342	19,016	-	318,358
Pension reserve	-	-	-	1,811,000	1,811,000
As at 31 October 2022	149,603	1,852,746	(584,661)	1,811,000	3,228,688

Analysis of assets between funds – Charity

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Debtors more than one year £	Total £
Unrestricted funds	149,604	859,637	(510,377)	-	498,864
Designated funds	-	527,160	-	-	527,160
Restricted funds	-	299,342	19,016	-	318,358
Pension reserve	-	-	-	1,811,000	1,811,000
As at 31 October 2022	149,604	1,686,139	(491,361)	1,811,000	3,155,382

Analysis of assets between funds – Group - 2021

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Creditors more than one year £	Total £
Unrestricted funds	19,423	889,168	(369,732)	-	538,859
Designated funds	3,959	622,513	-	-	626,472
Restricted funds	-	179,486	68,456	-	247,942
Pension reserve	-	-	-	(7,065,000)	(7,065,000)
As at 31 October 2021	23,382	1,691,167	(301,276)	(7,065,000)	(5,651,727)

Analysis of assets between funds – Charity – 2021

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Creditors more than one year £	Total £
Unrestricted funds	19,424	755,134	(299,323)	-	475,235
Designated funds	3,959	622,513	-	-	626,472
Restricted funds	-	179,486	68,456	-	247,942
Pension reserve	-	-	-	(7,065,000)	(7,065,000)
As at 31 October 2021	23,383	1,557,133	(230,867)	(7,065,000)	(5,715,351)

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 £522,891 (2021 - expenditure £210,349) based on income of £3,490,783 (2021 - £3,707,931). Gift aid distributions from trading subsidiary of £63,624 (2021: £82,214) were received in the year, in which the amount relates to the prior year trading profits plus an additional distribution during the year.

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 2019, with the next valuations being undertaken as at 31 March 2022.

At the year end there were outstanding contributions due to the schemes totalling £23,462 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 2022 were £282,000 of which employer's contributions totalled £215,000 and employees' contributions totalled £67,000. The current employer contribution rates for future years are:

- Somerset County Council 21% (April 2021 to March 2022) and 22.2% (April 2022 to March 2023)
- Devon County Council 22.7% (April 2020 to March 2023).

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 2022:

	SCC	DCC	Total
	£'000	£'000	£'000
Present value of defined benefit obligations	(6,676)	(3,060)	(9,736)
Fair value of share of scheme assets	8,083	3,464	11,547
(Deficit)/surplus in the schemes	1,407	404	1,811

Summary of net pension liability as at 31 October 2021:

	SCC	DCC	Total
	£'000	£'000	£'000
Present value of defined benefit obligations	(14,062)	(5,508)	(19,570)
Fair value of share of scheme assets	8,688	3,817	12,505
(Deficit)/surplus in the schemes	(5,374)	(1,691)	(7,065)

Somerset County Council Pension Scheme

Principal Actuarial Assumptions

	At 31 October 2022	At 31 October 2021
Salary increases	3.70%	3.90%
Pension increases	2.70%	2.90%
Discount rate	4.75%	1.75%

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 2022	At 31 October 2021
<i>Retiring today</i>		
Males	21.4	23.1
Females	23.2	24.6
<i>Retiring in 20 years</i>		
Males	22.7	24.4
Females	24.6	26.1

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

Pension Commitments - Assets/liabs in SCC Pension Fund

	As at 31 October 2022		As at 31 October 2021	
	Fair value £'000	% of total scheme assets	Fair value £'000	% of total scheme assets
Equities	5,942	74%	6,356	70%
Gilts	323	4%	461	7%
Other bonds	725	9%	888	10%
Property	734	9%	623	7%
Cash	359	4%	360	6%
Total market value of assets	8,083	100%	8,688	100%
Present value of scheme liabilities - funded	(6,676)		(14,062)	
Deficit in the scheme	1,407		(5,374)	

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

	2022 £'000	2021 £'000
Current service cost	(438)	(400)
Net interest cost	(93)	(91)
Administration expenses	(5)	(5)
Total	(536)	(496)

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

	At 31 October 2022 £'000	At 31 October 2021 £'000
At 1 November 2021	(14,062)	(12,559)
Current service cost	(438)	(400)
Interest cost	(246)	(201)
Past service costs	-	-
Estimated benefits paid	67	65
Employee contributions	(53)	(52)
Actuarial gains/(losses)	8,056	(915)
At 31 October 2022	(6,676)	(14,062)

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

	At 31 October 2022 £'000	At 31 October 2021 £'000
At 1 November 2021	8,688	6,819
Interest income	153	110
Expected return on Fund assets less interest	(909)	1,617
Other actuarial gains/(losses)	-	-
Employer contributions	170	160
Employee contributions	53	52
Estimated benefits paid	(67)	(65)
Administrative expenses	(5)	(5)
At 31 October 2022	8,083	8,688

Devon County Council Pension Scheme

Principal Actuarial Assumptions

	2022	2021
Salary increases	3.80%	3.95%
Pension increases	2.80%	2.95%
Discount rate	4.80%	1.75%

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 2022	At 31 October 2021
<i>Retiring today</i>		
Males	21.7	22.7
Females	22.9	24.0
<i>Retiring in 20 years</i>		
Males	23.0	24.0
Females	24.3	25.4

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

Pension Commitments - Assets/liabs in DCC Pension Fund

	As at 31 October 2022		As at 31 October 2021	
	Fair value £'000	% of total scheme assets	Fair value £'000	% of total scheme assets
Gilts	-	0%	487	13%
UK equities	274	8%	322	8%
Overseas equities	1,551	45%	2,091	55%
Property	345	10%	320	8%
Infrastructure	294	8%	162	4%
Target return portfolio	295	9%	307	8%
Cash	27	1%	49	1%
Other bonds	681	20%	70	2%
Alternative assets	(3)	0%	-	n/a
Private equity	-	0%	9	0%
Total market of assets	3,464	100%	3,817	100%
Present value of scheme liabilities - funded	(3,060)		(5,508)	
Defecit in the scheme	404		(1,691)	

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

	At 31 October 2022 £'000	At 31 October 2021 £'000
Current service cost	(102)	(106)
Net interest cost	(29)	(31)
Administration expenses	(2)	(2)
Total	(133)	(139)

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

	At 31 October 2022 £'000	At 31 October 2021 £'000
At 1 November 2021	(5,508)	(5,196)
Current service cost	(102)	(106)
Past service costs	-	-
Interest cost	(95)	(80)
Estimated benefits paid	180	77
Employee contributions	(14)	(15)
Actuarial gains/(losses)	2,479	(188)
At 31 October 2022	(3,060)	(5,508)

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

	At 31 October 2022 £'000	At 31 October 2021 £'000
At 1 November 2021	3,817	3,139
Interest income	66	49
Expected return on Fund assets	(296)	643
Other actuarial gains	-	-
Employer contributions	45	50
Employee contributions	14	15
Estimated benefits paid	(180)	(77)
Administrative expenses	(2)	(2)
At 31 October 2022	3,464	3,817

18 Obligations under leases

Operating leases-

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

	2022	2021
	£	£
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	561,580	591,897
Other		
Expiry date:		
Within one year	3,073	-
Within two and five years	9,732	-
	726,025	743,537

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 (2021: none).

Accounts

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

Annual Report and Financial Statements

For the Year Ended 31 October 2021

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

The South West Heritage Trust
Contents
For the Year Ended 31 October 2021

	<u>Page</u>
Reference and Administrative Details	1
Trustee Directors' Report	2 – 18
Independent Auditors' Report	19 – 22
Consolidated Statement of Financial Activities	23
Balance Sheet and Consolidated Balance Sheet	24 – 25
Statement of Cash Flows and Consolidated Statement of Cash Flows	26
Notes to Financial Statements	27 – 56

Trustee Directors	Rev. P M Beacham G L Craig Cllr A Davis Prof. H R French P J Gunner D H Gwyther (Chair) Cllr. D Hall S H D'A Hunt S V Maberley Lt Col. 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 Goodwood House Blackbrook Park Avenue Taunton Somerset TA1 2PX
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 2021, 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 2019).

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:

- Rev. P M Beacham
- G L Craig
- Cllr R F Croad (left 27 May 2021)
- Cllr A Davis (appointed 27 May 2021)
- Prof H R French
- P J Gunner
- D H Gwyther (Chair)
- Cllr. D Hall
- S H D'A Hunt
- S V Maberley
- T Makewell (left 13 August 2021)
- Lt Col. M J R Motum
- A M D Smallwood

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 as Patrons 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 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 objectives 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.

The legal agreements which underpin the operation of the Trust are the Transfer Agreements, Grant Agreements and Collections Management Agreements between Somerset County Council and the Trust and Devon County Council and the Trust. The Trust demonstrates its independence in line with Charity Commission guidance as set out in RR7. The current funding terms are in place until 31 October 2024.

Organisational Management

The Board of Trustees meets on a quarterly basis to discuss the progress of the organisation and to agree strategic direction. A Chief Executive Officer is appointed by the Trustees to manage the day-to-day operation of the Trust and to provide leadership and direction for the implementation of the Business Plan.

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 Audience Engagement 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 22 April 2021. In response to the disruption caused by Covid-19, a Special Resolution of the Board was passed whereby one year was added to the terms of all trustees. David Gwyther was reappointed as Chair.

The induction process for all new Trustees includes:

- Sharing key documents about the Charity, governance arrangements and expectations 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 of 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 key risks are being actively and appropriately managed.

Risks relating to Brexit, Covid-19, national economic pressures and Unitary Status for Somerset 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, STRATEGY AND ACTIVITIES OF THE TRUST

Objectives

Our Vision and Mission in fulfilling our objectives are as follows:

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

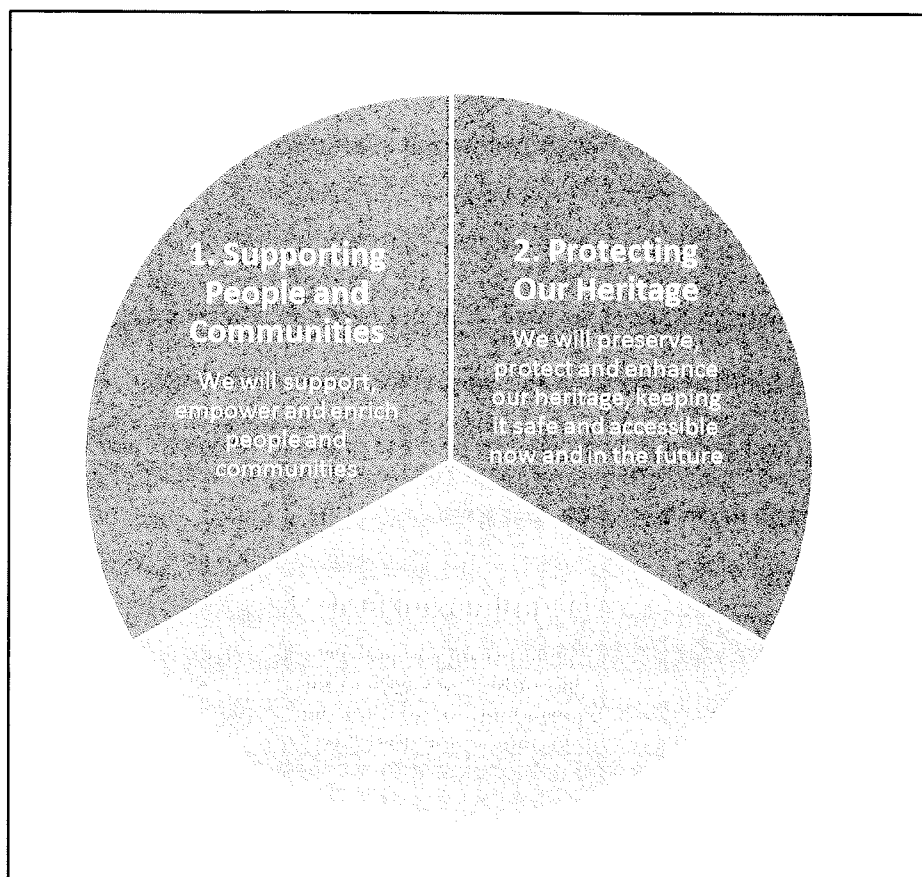
- We will ensure that our workforce is skilled, motivated and diverse.

Strategy

In 2020 the Board of Trustees and Leadership Team created a new five-year strategy entitled *Moving Forward: 2020-2025*. It focuses on three major outcomes.

Focusing on outcomes

During the period to 2025 we will fulfil our vision and mission by focusing on:



In achieving these outcomes we will be:

Inclusive and relevant

Our services are for everyone and will help people feel valued, respected and included. We will use our collections and heritage resources to make a difference for people of all ages and to benefit their wellbeing.

Collaborative and connected

Working with others is at the heart of how we do things. We will seek opportunities to enable rich and diverse heritage outcomes through creative partnerships of many kinds.

Sustainable and responsible

Our values and principles are expressed in the way we offer services. We will strive in all we do to be environmentally, socially and financially sustainable and responsible.

The strategy is supported by the following additional documents:

- Audience Development Strategy
- Equalities Action Plan (in development)
- Business Delivery Plan

Service Areas

Through our **Museums Service** we run three Accredited Museums – the Museum of Somerset and Somerset Military Museum in Taunton and Somerset Rural Life Museum in Glastonbury. We manage the Brick and Tile Museum in Bridgwater and provide curatorial support to Weston-Super-Mare Museum. Three million museum objects, ranging from outstanding geological, Iron Age and Roman collections to textiles and fine art, tell the story of Somerset and the South West.

We are the major custodians of written evidence about Devon and Somerset. Our Accredited **Archive and Local Studies Services** have centres in Taunton, Exeter and Barnstaple where we care for over 10 million archives dating from the 8th century to the present day. 200,000 printed reference works about the South West are held in the Local Studies collections. We also run the archive services on behalf of the unitary authorities of North Somerset and Torbay. Online access is being transformed through enhanced catalogues and indexes, and thousands of people use our digitised resources. We are taking a lead nationally in preserving digital archives and making them available.

Our **Historic Environment and Estates Service** supports local authorities, partners and the public by offering planning-related advice and information about Somerset's archaeology and built heritage. We also provide services to Bath & North East Somerset Council. We are a Registered Archaeological Organisation and are responsible for over 400 acres of historic landscapes, including Cothelstone Hill in the Quantock Hills, Deer Leap in the Mendip Hills and Norton Fitzwarren Hillfort.

Our **Learning Service** provides opportunities for people of all ages, including those with learning disabilities or affected by dementia. Over 10,000 children participate each year in workshops for Key Stages 1 and 2. We make authentic heritage objects available to schools for use in the classroom. Partnership projects to enhance learning take place with secondary schools and further and higher education institutions.

Our organisational culture is one of working together as a single trust to provide a diversity of heritage services. To achieve this aim we rely fundamentally on our staff and volunteers, our Friends organisations, our Supporters and partners, and all those who champion our work. Our services are funded by core grants from Devon and Somerset County Councils, by a wide range of contracts and by commercial activity. We also raise new income and attract grant investment from generous funders.

ACTIVITY REPORT

Highlights and Achievements

Context

The Covid-19 pandemic continued to be a dominating factor during much of the period under review and to shape the work and achievements of the Trust in many ways.

Having reopened successfully during the summer of 2020, the Trust's site-based services were again closed to the public from 5 November. They reopened briefly from 8 December before closing on 4 January 2021 in response to the third lockdown. Following extensive preparation beginning in late March, services once more reopened in the week beginning 12 April and most remaining pandemic-related restrictions were removed by the government from 19 July. Throughout a period marked by challenge and disruption, the dedication and flexibility of staff ensured that services were delivered as effectively and safely as possible. Visitor-related services made a strong recovery during the summer of 2021. Somerset Rural Life Museum, in particular, performed well, comparisons with August 2019 (100%) showing visitor numbers at 96%, shop sales at 103% and café sales at 114%.

On-site attendance by staff steadily increased from July but a blended approach, including significant elements of remote working, also continued. It seems likely to remain an important component of future working patterns.

Emergency funding through the government's furlough scheme, Arts Council England's Culture Recovery Fund and from the National Lottery Heritage Fund provided crucial support through the period under review and is very gratefully acknowledged.

Archives and Local Studies

- Digitisation of Somerset and Devon oral history collections took place as part of the Unlocking our Sound Heritage project led by the British Library. The project sought to make unique sound recordings, preserved in regional collections, available as part of the National Sound Archive. Associated engagement events took place during the autumn including a storywalk based on the Exmoor Oral History Archive and a drama event led by the Plough Senior Youth Theatre, Great Torrington.
- Work began on the cataloguing of collections relating to the Quantock area as part of the Quantock Landscape Partnership Project.
- A project began for transforming care of the remarkable West Country Studies Library. A project group was set up to prepare different parts of the collection for their move to a new location in the Devon Heritage Centre. Works were also undertaken to improve strongroom lighting at the Heritage Centre and to install a fire-proof strongroom door at the North Devon Record Office.
- After a long and interrupted lockdown journey from a condemned building in Wiltshire, a large archive relating to Lundy Island was safely transferred to the North Devon Record Office.
- A successful bid to the National Manuscripts Conservation Trust, and 'New Burdens' funding from The National Archives, enabled the appointment of a project conservator for 15 months to conserve the probate accounts of the Diocese of Bath and Wells.
- Conservation work was completed on rare literary manuscript fragments from Exeter Cathedral Archives. The fragments date from the 10th to 17th centuries.
- At the request of The National Archives, the Trust helped with the emergency rescue during August of the national administrative records of Debenhams plc. The very extensive collection, reaching back to the 19th century, needed to be removed at short notice from the Debenhams administrative headquarters in Taunton. The Chief Executive of The National Archives wrote to thank the Trust for its 'prompt and generous assistance' in saving 'one of the most important retail archives for the UK'.
- As part of the 'Devon in the 1920s' project (a collaboration with Devon History Society) a reminiscence DVD was created for use in Devon care homes. Staff from the Learning, Archives and Museums teams all contributed to the project.
- The Trust's archive services continued to be national exemplars in seeking to solve issues related to the preservation of digital archives. The process of upgrading our digital preservation system began during the year.
- The Torbay Discovery Heritage Trail was named the best e-publication in the Alan Ball Awards for 2021. The awards were established in 1985 to encourage local history publishing by public libraries and local authorities. The Devon Archive Team and the Learning Team worked with the University of Exeter, 1010Media and two Torquay primary schools to create the online trail. It features notable people connected with the history of Torquay and is aimed at KS1 and KS2 pupils.
- We were very pleased to acquire an account book which belonged to William Walrond (1610-c. 1667), a member of the Walrond family of Bradfield House, near Uffculme in mid Devon. The acquisition was generously supported by the Friends of the National Libraries and the Friends of Devon's Archives.

Historic Environment and Estates

- The Historic Environment Service continued to monitor planning applications from across the county. 2020-21 was one of the busiest years on record and hundreds of applications were assessed. New archaeological sites were found in significant numbers and included remains of the medieval manor house of the Bishop of Bath and Wells at Wiveliscombe. Advice was given to Somerset County Council on a range of highway schemes, including in relation to the A303. Advice on built heritage was also supplied to South Somerset District Council and to the Bath & Wells Diocesan Advisory Committee. A contract to supply archaeological planning advice to B&NES Council was renewed for five years. The Service also continued to provide the on-line Historic Environment Record for B&NES.
- During the period under review funded work continued to complete the transfer of Historic England data to the Historic Environment Records of Somerset and B&NES.
- The Trust continued, through the Historic Environment and Museums teams, to supply specialist advice, information and services relating to the creation of historic reconstructions and a museum at Hadspen, Castle Cary.
- On 20 May the Trust received final approval from the Ministry of Housing, Communities and Local Government for the Local Heritage List Campaign Somerset Pilot Project. It was one of 22 successful bids from local authority partnerships nationally. The Somerset pilot will investigate the delivery of county-based local (non-statutory) heritage lists as a means of helping local communities retain cherished heritage assets.
- The Trust concluded negotiations with Somerset West & Taunton Council for a 30-year lease of Norton Fitzwarren hillfort. This nationally-important site suffered from neglect and divided ownership for many years but recently benefited from extensive scrub clearance and conservation works. Ensuring that the hillfort is better protected and interpreted, as well as more accessible, is an ambition shared with Norton Fitzwarren Parish Council and many others locally.
- Other archaeological landscape sites managed by the Trust continued to be extensively visited during the pandemic. Visitor pressure on sites in the Quantock and Mendip hills was significant and some were subject to vandalism and damage by off-road vehicles. The pandemic demonstrated the importance of local heritage landscapes as places for recreation and wellbeing.
- Together with members of the Museums and Archives teams, the Service was pleased to support Somerset Archaeological and Natural History Society in bringing to completion major repair and landscaping works at Castle Garden, adjoining the Museum of Somerset. The garden was officially reopened on 17 July.
- A bid led by Mendip District Council to the government's Town Fund scheme achieved over £20m of funding for projects in Glastonbury. They include a partnership scheme which will greatly benefit the care and interpretation of Chapel Fields, Beckery. The Trust is now working with the Friends of Brides Mound and the Somerset Wildlife Trust to take the Beckery project to the next stage.
- As part of the Quantock Hills Landscape Partnership Scheme, archaeologists from the Trust led a community archaeology project on the Trust site at Cothelstone Hill. The aim was to confirm the age of an earthwork bank and ditch which runs across the top of the hill. Volunteer diggers, many of whom had no previous archaeological experience, were recruited from the surrounding area and from community groups. Excavation also took place at Dowsborough hillfort.
- The project to reinstate turnpike mileposts on the A38 continued during the summer. Restored mileposts at Lower Weare, Star, Rooks Bridge and Cross were returned to their original locations.

Learning

- The renewal of lockdown late in 2020 required the cancellation of on-site and in-school workshops. Bookings for sessions at our sites reopened in May and demand for in-school workshops, and for loans was strong. Booking levels for the autumn term exceeded those in 2019 and evidently reflected the wish of schools to benefit once again from museum experiences. Subscription levels were also higher than expected, and those subscribing included a significant number of schools who were new to us.
- Demand for our informal learning programme was also strong. Summer activities were popular across the sites, especially activities linked to the Martin Brown exhibition at the Museum of Somerset. Toddler Explorer sessions restarted and were fully booked.
- We were very pleased to have confirmation that the Trust had been awarded further funding by DfE/Arts Council England under the Museums and Schools Programme for the period April 2021 to March 2022. The programme is intended to connect museums with local schoolchildren, targeting areas with high levels of deprivation and low cultural engagement.
- We were invited to join the Knowledge Exchange Forum for the ENLIVEN Project led by the University of Exeter. The project is gathering evidence for the impact of staying active on people with dementia and on their families. We are providing information about the ways in which heritage can contribute.

Museums

- The Museums Service presented a wide-ranging exhibitions programme during the year which blended site-based and on-line presentation. Highlights included the following:
 - On 21 November the Trust launched a digital exhibition, 'Reaching for Rainbows'. The exhibition featured images by the Somerset photographer Jason Bryant chiefly taken during the first lockdown. The exhibition was also launched on-site at the Museum of Somerset and in modified form at Weston Museum.
 - The summer exhibition at Somerset Rural Life Museum featured the work and achievements of the Royal Bath and West of England Society. It included contemporary photography by the Bristol-based photographer Peter Hall and a short documentary film created by Reuben Gaines in collaboration with Peter Hall.
 - The Museum of Somerset's summer exhibition was based on the work of the children's illustrator and author Martin Brown, best known as the creator of illustrations for the 'Horrible Histories' series. It was supported by a comprehensive programme for families and young people funded through the Culture Recovery Fund.
 - An improved version of our online exhibitions platform was launched. The first exhibition explored the life of the Somerset artist Sarah Biffin.
- A well-attended family event was held on the Museum of Somerset's 10th birthday. To mark this significant anniversary the Trust's Marketing team issued blog posts and social media content with which more than 10,000 people engaged.
- Despite the many limitations placed on the activities of the Museums Service during the year, much service development took place, important aspects of which were supported by emergency funding from national sources including Arts Council England's Culture Recovery Fund and the National Lottery Heritage Fund. Work made possible by the funding included online ticketing, the installation of contactless donations technology and enhancements to site infrastructure. Funding was also used to create a new touring exhibition, meet staff costs through the government's furlough scheme, increase reserves and support work to create an Equalities Action Plan.

- The Trust was pleased to participate in the 'Museum Futures' programme. The programme is funded by the British Museum and provided a year-long placement for a young person to work with the Trust on digital projects. The Trust also applied successfully to the government's 'Kickstart' apprenticeship scheme. Through 6-month job placements 'Kickstart' has allowed businesses to help young people, aged 16 to 24 and currently on Universal Credit, to develop the skills and experience they need to find work.
- Museums Service staff supported an event organised by the Migration Network. The Network aims to facilitate dialogue and increase confidence about working on migration themes, to share knowledge and examples of best practice and to highlight hidden or less-explored stories within collections.
- Following the withdrawal of Discovery as the day-to-day managers of Somerset Brick & Tile Museum, Trust staff undertook an interim programme of cleaning and reorganisation to ensure that the site was made as welcoming as possible. The museum's summer programme proved popular with families.
- Significant additions to the museum collections included the following:
 - A miniature by the artist Sarah Biffin was acquired at auction.
 - A silver seal matrix, c. 1275-1325, found by a metal detectorist near Wincanton, was acquired with support from the ACE/V&A Purchase Grant Fund, the Headley Trust and the Friends of the Museum of Somerset.
 - A sculpture by the Somerset artist Rachel Reckitt, 'Mother and Child', was purchased at auction.
 - The Trust acquired a bench end removed in the 19th century from the Church of the Holy Cross, Hillfurance. It is among a group of Somerset bench ends that shows renaissance influence and dates from about 1540.
 - A fine portrait of the Duke of Monmouth was also acquired. The painting, after (or quite likely by) Willem Wissing (1656-1687), is dated 1683 and is evidently the original of a portrait otherwise known only from a copy.

Other Public Engagement

- The public programme continued to build a large on-line audience and included notable successes. A 'Lockdown Lecture Series' of four charged lectures in February and March reached hundreds of people in several countries and on two continents. The lectures were offered using a flexible charging model which proved very effective. A more interactive series of lectures, called 'Talk and Tea', was also popular as were online family history workshops.
- The annual Somerset VCH lecture was successfully held online on 5 November 2020. Professor Mark Stoye talked about the impact of the English Civil War on Somerset. 137 computers were online for the event.
- LGBT+ History Month in February was marked by online stories mostly told from the archive collections.
- For the second year running the Trust participated in Black History Month during October 2021. A talk by the writer and poet Louisa Adjoa Parker on 'The West Country's Black History' focused on Somerset and Devon and included new research.

Equalities, Diversity and Inclusion

During 2021 the Trust worked with The Inclusion Agency, an independent consultancy, in seeking to frame a new and more integrated approach to issues of equalities, diversity and inclusion within the Trust. Using questionnaires and online consultation sessions, staff and trustees shared perceptions and ideas relating to equalities and the Trust. The consultation led to a fuller understanding of wide-ranging views and was able to identify significant areas of common ground. The consultation, and earlier staff sessions held in January and February 2020, informed the shaping and detailed content of a new Equalities Strategy and Action Plan. So too did the priorities and approach proposed in Arts Council England's 'Creative Case for Diversity' (which focuses on reaching diverse audiences; building a board that leads on equality and diversity; and recruiting and retaining a diverse workforce). The Trust also commissioned The Inclusion Agency to create a Language Guide to support Equality, Diversity and Inclusion.

Work undertaken so far expresses the Trust's determination that equalities should remain central to the culture, ethos and activities of the Trust and to its mission and purpose as a leading heritage organisation in the South West. The Strategy and Action Plan works together with a new Audience Engagement Strategy which was finalised during the year.

Partnerships and Sector Support

We have continued to provide support to a wide range of organisations.

We are an active participant in the South West Museum Development Programme and employ a full-time Museums Development Officer. The Programme provides support to 34 community museums in Somerset, offering advice and guidance about funding, training and cooperative projects. The importance of this work has continued to be demonstrated throughout another very challenging year.

In partnership with the British Museum and Local Authorities in Devon, Dorset and Somerset, the Trust provides the Portable Antiquities Scheme in the three counties. The number of finds reported continues to remain largely consistent throughout the year.

The Trust works closely with Weston Town Council to provide curatorial support and a temporary exhibitions programme for Weston Museum.

We look after the Archives of North Somerset Council and Torbay Council and are the designated repository for the Diocese of Bath and Wells. The Archives and Local Studies Services in Somerset and Devon are engaged with many partnership projects involving many community groups, societies and larger organisations including Exeter Cathedral and North Devon Athenaeum.

The Historic Environment Service advises the Bath and Wells Diocesan Advisory Committee, and provides heritage-related planning advice to the District Councils in Somerset and to Bath and North East Somerset Council. It publishes the Somerset Archaeological Handbook which is the central reference point for developers, advisors and Local Authorities.

A Memorandum of Understanding with Exeter University is in place and the relationship and opportunity for collaboration continues to be highly valued by both partners.

FINANCIAL REVIEW AND RESERVES POLICY

Unrestricted income in the year totalled £3,342,994 (2020: £3,222,632) and restricted income £465,571 (2020: £582,522).

As in the previous year, income received included emergency government funding totalling £301,689 (2020: £174,495). Furlough funding met the payroll costs of those staff who would ordinarily have been employed on public-facing sites which had to be closed for part of the year. Other grants were received to compensate the Trust for lost traded income.

Total expenditure was £3,955,290 (2020: £3,845,675), of which £3,933,370 (99.4%) (2020: £3,816,160 (99.2%)) was for charitable purposes. The remainder was for raising funds.

Pension schemes

The Trust operates defined benefit (final salary) schemes for employees who were transferred from the Local Government Pension Schemes (LGPS) of either Devon or Somerset County Councils. Details are given in notes 1.14, 1.15 and 17 of the accounts.

The LGPS schemes are reviewed triennially in order to set the Trust's pension contribution rates for the following three years. In addition both schemes are subject to an annual actuarial valuation which features both in the Statement of Financial Activities and the Balance Sheet. This valuation experiences significant annual volatility. In 2021 a deficit of £7.06m was forecast, a reduction on the previous year as a result of higher assumed mortality rates and a fall in life expectancy. Any actual deficit will only become payable when the final member leaves the relevant scheme, a date currently expected to be more than 25 years away. The deficit would then be likely to be repayable over a long period of years. The total pension fund value is indemnified against the possibility of the Trust's dissolution.

Staff who have entered the Trust's employment since it vested in 2014 have the right to be enrolled in a defined contribution scheme (NEST). The Trust pays a fixed monthly contribution into the scheme but has no further or future obligations.

Reserves

The Board of Trustees agreed a Reserves Policy in September 2015. It states that 'the target provision of reserves should meet operational costs for three months' and should be achieved by 2025. The target is equivalent to unrestricted reserves of approximately £700k.

The Trust budgets to increase its reserves by a minimum of £30,000 per annum. At year end the reserves, excluding the long-term pension reserve, were as follows:

	£'000
Unrestricted general funds	539
Designated funds	626
Restricted funds	248

The overwhelming majority of the Trust's reserves are cash or other current assets. Only £23,382 of fixed assets are recognised on the Balance Sheet. In January 2022 Trustees approved a number of new designated funds to meet a range of service delivery and renewal needs. It is anticipated that these funds will be used during the next financial year.

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 continued support. In the Trust year ending 31 October 2021, the core grants from the two Councils accounted for £2,039,984 of the Trust's total income (61% of the unrestricted income, 53.6% of the total income).

The Trustees are also most grateful to other major funders, including Arts Council England, the National Lottery Heritage Fund and the British Museum. Further income is received as a result of heritage services provided to North Somerset Council, Weston-Super-Mare Town Council, Torbay Council and others. The Trustees also acknowledge individual donors and the Trust's Founder Members and Supporters. Their generosity and support are very greatly appreciated.

Traded Income and Fundraising

The Trust's income derives mainly from grants and from contracts for the provision of services. Traded activities are also undertaken across all service areas and contribute significantly to Trust turnover. We encourage users of our services to make donations and admission fees are charged at some sites and for some events.

Traded activity is managed through South West Heritage Trust Trading Limited, a wholly owned subsidiary of the Trust. It generated a profit of £63,624 during the financial year, a figure slightly reduced from the previous year because of Covid closures. Details of trading performance are contained in Note 10 of the accounts, and a separate set of accounts is produced annually. Two Trustees and the Trust's Chief Executive are the registered Directors of the trading company.

The Trust is obliged to comply with the Charities (Protection and Social Investment) Act 2016 and to provide statements on specific areas of fundraising in the annual report. The Trust has facilities to accept digital and cash donations on its public sites and through carefully monitored activities such as its Supporters' Scheme. It does not, however, engage in large-scale public fundraising campaigns or undertake door-to-door or private site fundraising. The Trust does not engage third-party membership or donation solicitation agencies. As a result, it has not been necessary to monitor the behaviour of, or investigate a complaint involving, a third-party acting on the Trust's behalf. The Trust has not bound itself to any voluntary scheme for regulating fundraising and has received no complaints about any fundraising activity it has undertaken.

Looking Forward

The Trust has set a balanced budget for the financial year to 31 October 2022. The Trustees are aware of a number of longer-term budgetary risks that will need to be carefully managed in future years, including:

- the need to restore traded income at least to the levels achieved pre-pandemic, thus requiring continued active marketing of our sites and activities to increase footfall;
- the renewal of the core grant with Somerset and Devon from November 2024;
- the possible financial impacts (both positive and negative) of Somerset becoming a Unitary Authority from 2023;
- increased inflation affecting many key supplies and services since the Balance Sheet date;
- the need to continue to win grants to carry out our charitable objectives, our vision and our mission.

Trustees have asked Trust staff to seek to diversify income, in particular through events sponsorship, business links and legacies. A small amount of funding has been made available to support this work.

FUTURE PLANS

The Trust's priorities for future years are set out in its three-year Business Delivery Plan, 2021-24. They reflect the outcomes around which the Trust's five-year strategy, Moving Forward, is structured, namely Supporting People and Communities, Protecting our Heritage, and Making an Impact. Priorities, which are backed by more detailed actions, include those listed below.

Supporting People and Communities

We will:

- Reach people through digital content and support the further development of our digital infrastructure.
- Integrate the Equalities Strategy and Action Plan into everything we do.
- Develop our work relating to wellbeing and inclusion, including through funded projects.
- Use 'The Stories that Make Us' as a thematic principle for structuring a diverse and inspiring public programme.
- Ensure the North Devon Record Office has a secure future.
- Develop and open the Avalon Archaeology Park on a sustainable business model.

Protecting Our Heritage

We will:

- Further develop the Trust's pioneering work in relation to digital preservation.
- Ensure a positive future for the Trust's role in Archive Conservation.
- Prioritise work relating to collections development, including through cataloguing projects and research partnerships.
- Transform the physical care of the West Country Studies Library by investing in better accommodation.
- Rejuvenate the Somerset Brick and Tile Museum through physical improvements, a new staffing model and an expanded programme.
- Better protect and interpret the Trust's landscape heritage sites, with an initial focus on Norton Fitzwarren Hillfort, working with local partners to achieve the best outcomes.
- Extend the use and promotion of the Historic Environment Record and support the Local Heritage List Project.
- Support conservation projects in the public realm in partnership with local communities.

Making an Impact

We will:

- Seek to become a National Portfolio Organisation within Arts Council England's portfolio.
- Finalise and implement an Environmental Strategy.
- Renew infrastructure at the Museum of Somerset to ensure the museum maintains its role and reputation as a place celebrating the diverse stories of many people and communities.
- Maximise the potential of our learning offer to schools.
- Support the Quantock Landscape Partnership Scheme.
- Undertake targeted business transformation, including in the areas of Human Resources, Financial Management systems, and data collection.
- Seek to ensure support for elements of non-Trust heritage provision affected by Local Government Review in Somerset.

PUBLIC BENEFIT

Social Benefits

Our services are major contributors to personal wellbeing and a sense of place. We want our services to be accessible, to address issues of diversity and to promote and enable equality of opportunity for everyone.

Our large community of knowledgeable and dedicated volunteers are crucial to what we do. Volunteering also contributes directly to people's physical, emotional and mental wellbeing. We seek to ensure that volunteering takes place in an environment which is inclusive and which supports and respects the needs of individuals.

Experiencing heritage enhances wellbeing and brings people together, whether through learning activities for children, access to inspirational art and exhibitions, the discovery of family or community history, dementia-friendly reminiscence sessions or visiting a landscape site.

Economic Benefits

We are significant contributors to the local economy, fostering tourism, research, and the cultural and creative industries.

- Our museums are major tourist destinations in Somerset, attracting new visitors and actively promoting the county. The Museum of Somerset alone is estimated to provide £2.3 million of economic benefit to Somerset from 72,000 visits in a typical year.
- The heritage centres in Exeter, Barnstaple and Taunton attract researchers from around the world.
- Our heritage landscape sites have many tens of thousands of visitors each year and actively contribute to individual wellbeing and the local economy.

We prioritise local services and employment to ensure that we support our local economy. We are always seeking new sources of income through the provision of commercial services and traded activities. The profits we generate are reinvested to increase the public benefit we provide.

Environmental Sustainability

We are committed to local procurement wherever possible in order to support the economy and livelihoods of people in Devon and Somerset. This also helps us to reduce our carbon footprint.

Our sites, including two Grade I listed buildings and a Victorian farmhouse, are managed carefully to ensure that their environmental footprint is minimised. Somerset Heritage Centre is an A+ rated building, optimised for energy efficiency.

The Historic Environment Service works to ensure that developers in Somerset operate ethically in relation to the county's built heritage and archaeology. The Service seeks to protect and promote the historic environment as an essential component in making communities economically and environmentally sustainable.

The Trust manages over 400 acres of heritage landscape sites across Somerset which provide open-access enjoyment to the public. The sites also offset more than 25% of the total carbon emissions produced by the Trust.

We continue to seek ways to eliminate our use of single-use plastics by actively finding more sustainable options.

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.

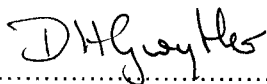
AUDITORS

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: 28/04/2022

The South West Heritage Trust

Independent Auditors' Report to the Trustees and Members
For the Year Ended 31 October 2021

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 2021, 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 2021 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

In auditing the financial statements, we have concluded that the trustee's 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 entity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors 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 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.

The South West Heritage Trust

Independent Auditors' Report to the Trustees and Members
For the Year Ended 31 October 2021

Opinion on other matter 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 prepared 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 the knowledge and understanding of the group and 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 17], 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.

The South West Heritage Trust

Independent Auditors' Report to the Trustees and Members
For the Year Ended 31 October 2021

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charity Act 2011, anti-bribery, employment, data protection and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation, claims and breaches of relevant legislation; and
- reviewing correspondence with the Charity Commission and other relevant regulators including the group's legal advisors and insurers.

The South West Heritage Trust

Independent Auditors' Report to the Trustees and Members
For the Year Ended 31 October 2021

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.



Michelle Ferris BSC (Hons) FCA DChA (Senior Statutory Auditor)
For and on behalf of Albert Goodman LLP, Statutory Auditor

Goodwood House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Date: 28 April 2022

The South West Heritage Trust

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

For the Year Ended 31 October 2021

		Unres- tricted £	Res- tricted £	2021 Total £	Unres- tricted £	Res- tricted £	2020 Total £
	Notes						
Income from:							
Donations and legacies	2	383,135	68,297	451,432	211,800	30,065	241,865
Charitable activities	3	2,738,470	396,759	3,135,229	2,804,084	551,735	3,355,819
Other trading activities	4	221,389	510	221,899	206,748	657	207,405
Investments	5	-	5	5	-	65	65
Total income		3,342,994	465,571	3,808,565	3,222,632	582,522	3,805,154
Expenditure on:							
Raising funds	6	21,920	-	21,920	29,515	-	29,515
Charitable activities	6	3,304,711	628,659	3,933,370	3,289,646	526,514	3,816,160
Total expenditure		3,326,631	628,659	3,955,290	3,319,161	526,514	3,845,675
Net (expenditure)/income		16,363	(163,088)	(146,725)	(96,529)	56,008	(40,521)
Transfer between funds		(36,204)	36,204	-	68,299	(68,299)	-
Other recognised gains							
Actuarial gains/(losses) on defined benefit pension schemes		1,157,000	-	1,157,000	(1,855,000)	-	(1,855,000)
Net movement in funds for the year		1,137,159	(126,884)	1,010,275	(1,883,230)	(12,291)	(1,895,521)
Reconciliation of funds							
Total funds brought forward		(7,036,828)	374,826	(6,662,002)	(5,153,598)	387,117	(4,766,481)
Total funds carried forward		(5,899,669)	247,942	(5,651,727)	(7,036,828)	374,826	(6,662,002)

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

All income and expenditure derive from continuing activities.

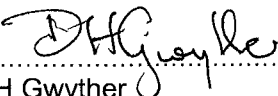
The South West Heritage Trust – Company Registration Number: 09053532
Balance Sheet and Consolidated Balance Sheet
As at 31 October 2021

	Notes	2021 £ Group	2021 £ Charity	2020 £ Group	2020 £ Charity
Fixed assets					
Tangible fixed assets	9	23,382	23,382	128,406	128,406
Investments	10	-	1	-	1
		<u>23,382</u>	<u>23,383</u>	<u>128,406</u>	<u>128,407</u>
Current assets					
Stock	11	17,442	-	20,804	-
Debtors	12	864,315	938,252	399,994	441,982
Cash at bank and in hand		1,691,167	1,557,133	1,577,561	1,464,480
		<u>2,572,924</u>	<u>2,495,385</u>	<u>1,998,359</u>	<u>1,906,462</u>
Liabilities:					
Creditors: amounts falling due within one year	13	(1,183,033)	(1,169,119)	(991,767)	(982,085)
		<u>1,389,891</u>	<u>1,326,266</u>	<u>1,006,592</u>	<u>924,377</u>
Net current assets					
		<u>1,413,273</u>	<u>1,349,649</u>	<u>1,134,998</u>	<u>1,052,784</u>
Net assets excluding pension liabilities					
Defined benefit pension scheme liabilities	17	(7,065,000)	(7,065,000)	(7,797,000)	(7,797,000)
		<u>(5,651,727)</u>	<u>(5,715,351)</u>	<u>(6,662,002)</u>	<u>(6,744,216)</u>
Total net liabilities including pension liabilities					
The funds of the charity:					
Unrestricted funds:					
General funds		538,859	475,235	526,256	444,042
Designated funds		626,472	626,472	233,916	233,916
		<u>1,165,331</u>	<u>1,101,707</u>	<u>760,172</u>	<u>677,958</u>
Unrestricted funds excluding pension reserve					
		<u>1,165,331</u>	<u>1,101,707</u>	<u>760,172</u>	<u>677,958</u>
Pension reserve		(7,065,000)	(7,065,000)	(7,797,000)	(7,797,000)
		<u>(5,899,669)</u>	<u>(5,963,293)</u>	<u>(7,036,828)</u>	<u>(7,119,042)</u>
Total unrestricted funds	14				
Restricted funds	14	247,942	247,942	374,826	374,826
		<u>247,942</u>	<u>247,942</u>	<u>374,826</u>	<u>374,826</u>
Total charity funds		<u>(5,651,727)</u>	<u>(5,715,351)</u>	<u>(6,662,002)</u>	<u>(6,744,216)</u>

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 27 - 56 form part of these accounts.

Approved by the Board for issue on 28/04/2022..... 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 2021

		2021 £	2021 £	2020 £	2020 £
	Notes	Group	Charity	Group	Charity
Cash flows from operating activities					
Net expenditure for the year		(146,725)	(128,135)	(40,521)	(87,580)
Adjustments to cash flows from non-cash items:					
Depreciation and amortisation	9	117,887	117,887	154,627	154,627
Interest receivable	5	(5)	(5)	(65)	(65)
Defined benefit pension scheme cost less contributions payable		122,000	122,000	109,000	109,000
Defined benefit pension scheme finance cost		303,000	303,000	250,000	250,000
		396,157	414,747	473,041	425,982
Working capital adjustments					
Decrease / (increase) in stocks	11	3,362	-	(1,280)	-
(Increase) / decrease in debtors	12	(464,321)	(496,270)	743,610	790,605
Increase / (decrease) in creditors	13	191,266	187,034	(101,505)	(96,533)
Net cash flow from operations		126,464	105,511	1,113,866	1,120,054
Cash flows from investing activities					
Purchase of tangible fixed assets	9	(12,863)	(12,863)	-	-
Interest received	5	5	5	65	65
		(12,858)	(12,858)	65	65
Net increase in cash and cash equivalents		113,606	92,653	1,113,931	1,120,119
Cash and cash equivalents at the beginning of the reporting period		1,577,561	1,464,480	463,630	344,361
Cash and cash equivalents at the end of the reporting period		1,691,167	1,557,133	1,577,561	1,464,480
Cash & Cash equivalents reconciliation:					
Cash at bank		1,691,167	1,557,133	1,577,561	1,464,480
Total cash & cash equivalents at the end of the reporting period		1,691,167	1,557,133	1,577,561	1,464,480

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 2019) - (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.

The Trustees have considered the implications of Covid-19 on the charity. Taking into accounts the adjusted net asset position (before LGPS pension liabilities but considering annual employer payments) of the charity and given reserves and cash available, the Trustees consider that the charity remains a going concern.

1.4 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 this is recognised upon physical receipt.

The charity notes the requirement of the SORP that large charities must report their results on an activities basis. The charity considers that they produce one activity – the deliverance of heritage services – and therefore reports on that basis.

1.5 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.

1.6 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.

1.7 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.

1.8 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.

1.9 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

1.10 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.

1.11 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.

1.12 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.

1.13 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.

1.14 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.

1.15 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.

1.16 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 2019 has been used by the actuary in valuing the pensions liability at 31 October 2021. 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.

1.17 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.

1.18 Financial Instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and liabilities of the charity and their measurements are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 20. Prepayments are not financial instruments.

Cash at bank and deposit accounts– is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 20. Taxation and social security and the LGPS are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2 Donations and legacies

	Unres- tricted funds £	Res- tricted funds £	2021 Total £	Unres- tricted funds £	Res- tricted funds £	2020 Total £
Donations and bequests	81,446	68,297	149,743	71,192	26,178	97,370
Exceptional government funding						
Coronavirus Job Retention Scheme grant*	125,337	-	125,337	140,608	3,887	144,495
Other Covid grants*	176,352	-	176,352	30,000	-	30,000
	<u>383,135</u>	<u>68,297</u>	<u>451,432</u>	<u>211,800</u>	<u>30,065</u>	<u>241,865</u>

The charity has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under “exceptional government funding”.

The charity furloughed some of its staff under the governments CJRS. The funding received £125,337 relates to staff costs which are included within note 8 as appropriate. Staff entered into the furlough scheme were those directly involved with trading activity at the sites which were required to close in line with Government lockdown rules.

*Denotes government grants

3 Income from charitable activities

	Unres- tricted funds £	Res- tricted funds £	2021 Total £	Unres- tricted funds £	Res- tricted funds £	2020 Total £
Fees for services and grants						
<u>Heritage services</u>						
Somerset County Council*	1,626,688	-	1,626,688	1,626,688	-	1,626,688
Devon County Council*	413,296	-	413,296	411,521	-	411,521
North Somerset Council*	152,474	-	152,474	150,517	-	150,517
Weston-Super-Mare Town Council*	68,847	-	68,847	68,092	-	68,092
Torbay Council*	93,185	-	93,185	91,418	-	91,418
<u>Other services</u>						
SCC - Registration*	17,178	-	17,178	14,650	-	14,650
SCC - Records*	56,813	-	56,813	56,217	-	56,217
<u>Grant income</u>						
Bath & North East Somerset Council*	26,148	-	26,148	45,719	-	45,719
South Somerset District Council*	53,776	-	53,776	47,936	-	47,936
Heritage Lottery Fund*	-	-	-	-	47,000	47,000
The British Museum*	-	80,037	80,037	-	63,670	63,670
Somerset County Council*	30,328	130,859	161,187	30,328	122,549	152,877
Arts Council England*	6,209	137,516	143,725	1,375	243,676	245,051
DEFRA*	12,510	-	12,510	9,709	-	9,709
Devon County Council*	-	37,790	37,790	-	35,971	35,971
Emily Estate	104,887	-	104,887	125,494	-	125,494
Under £10k	52,788	10,557	63,345	91,160	38,869	130,029
	2,715,127	396,759	3,111,886	2,770,824	551,735	3,322,559
Memberships and subscriptions	23,343	-	23,343	33,260	-	33,260
	2,738,470	396,759	3,135,229	2,804,084	551,735	3,355,819

*Denotes government grants

Government grants

Income from government grants comprises grants made by local authorities to fund the principal activities and objectives of the charity via core funding and funding for specific projects. See above and note 2 for more information, including the amount and source of these grants. There are no unfulfilled conditions or other contingencies attached to these grants.

4 Other trading activities

	Unres- tricted funds £	Res- tricted funds £	2021 Total £	Unres- tricted funds £	Res- tricted funds £	2020 Total £
Merchandising income						
Shop sales	26,349	-	26,349	66,383	-	66,383
Café concession	2,394	-	2,394	7,676	-	7,676
	<u>28,743</u>	<u>-</u>	<u>28,743</u>	<u>74,059</u>	<u>-</u>	<u>74,059</u>
Events and other sales						
Digital images, publications and research income	93,413	510	93,923	74,674	552	75,226
Room hire	1,410	-	1,410	3,017	-	3,017
Education income	26,432	-	26,432	15,988	-	15,988
Rental income	18,469	-	18,469	18,682	-	18,682
Other income	52,922	-	52,922	20,328	105	20,433
	<u>192,646</u>	<u>510</u>	<u>193,156</u>	<u>132,689</u>	<u>657</u>	<u>133,346</u>
	<u>221,389</u>	<u>510</u>	<u>221,899</u>	<u>206,748</u>	<u>657</u>	<u>207,405</u>

5 Investment income

	Unres- tricted funds £	Res- tricted funds £	2021 Total £	Unres- tricted funds £	Res- tricted funds £	2020 Total £
Bank interest	-	5	5	-	65	65

6 Expenditure

	Unres- tricted £	Res- tricted £	2021 Total £	Unres- tricted £	Res- tricted £	2020 Total £
Cost of raising funds						
Trading costs	21,920	-	21,920	29,515	-	29,515
Charitable activities						
Archives and local studies	1,072,209	111,608	1,183,817	931,220	73,092	1,004,312
Museums	835,913	308,186	1,144,099	849,671	261,000	1,110,671
Historic environment and estates services	392,099	72,263	464,362	457,314	91,592	548,906
Heritage services	994,038	101,678	1,095,716	893,362	-	893,362
Learning	-	-	-	141,909	-	141,909
Closed projects	10,452	34,924	45,376	16,170	100,830	117,000
	<u>3,326,631</u>	<u>628,659</u>	<u>3,955,290</u>	<u>3,319,161</u>	<u>526,514</u>	<u>3,845,675</u>

	Staff costs £	Other Direct costs £	2021 Total £	Staff costs £	Other Direct costs £	2020 Total £
Cost of raising funds						
Trading costs	-	21,920	21,920	-	29,515	29,515
Charitable activities						
Archives and local studies	1,077,202	106,615	1,183,817	901,099	103,213	1,004,312
Museums	779,699	364,400	1,144,099	846,950	263,721	1,110,671
Historic environment and estates services	418,150	46,212	464,362	485,731	63,175	548,906
Heritage services	529,990	565,726	1,095,716	430,572	462,790	893,362
Learning	-	-	-	132,379	9,530	141,909
Closed projects	-	45,376	45,376	11,646	105,354	117,000
	<u>2,805,041</u>	<u>1,150,249</u>	<u>3,955,290</u>	<u>2,808,377</u>	<u>1,037,298</u>	<u>3,845,675</u>

6 Expenditure (continued)

	2021	Charity	2021	Subsidiary	Total	Total
	£	2020	£	2020	2021	2020
	£	£	£	£	£	£
Depreciation of owned assets	117,887	154,627	-	-	117,887	154,627
Operating lease expenses	37,218	37,218	-	-	37,218	37,218
Auditors' remuneration for:						
Current auditors						
- Audit services	5,950	5,800	754	1,461	6,704	7,261
- Other services	4,200	2,236	500	500	4,700	2,736

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 (2020: £nil).

Two charity trustees were reimbursed £504 for travel expenses during the year (2020: four trustees - £487).

No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

8 Employees

Number of employees

The average monthly head count was 93 staff (2020: 97 staff) and the average number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

Number of employees

The average monthly number of full-time equivalent employees during the year was:

	2021	2020
Management	5.0	5.0
Finance and admin	8.0	8.5
Service provision	54.0	57.0
	<u>67.0</u>	<u>70.5</u>

Employment costs

	2021 £	2020 £
Wages and salaries	1,955,490	2,028,976
Social security costs	163,191	158,534
Pension costs	686,360	612,861
Staff redundancy costs	-	8,006
	<u>2,805,041</u>	<u>2,808,377</u>

During the prior year, total costs of £8,006 were paid in respect of one employee redundancy. The amounts were full and final with no outstanding amounts due at the balance sheet date.

The number of employees whose annual emoluments were £60,000 (excluding employer pension costs) or more were:

	2021 number	2020 number
£70,000 - £80,000	<u>1</u>	<u>1</u>

This employee is a member of the defined benefit pension scheme, into which contributions of £14,536 (2020: £12,824) 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 £93,687 (2020: £91,590).

Employees (continued)

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 £29,973 (2020 - £29,449) 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 2020	511,275	234,932	37,000	35,516	818,723
Additions	-	12,863	-	-	12,863
At 31 October 2021	511,275	247,795	37,000	35,516	831,586
Depreciation					
At 1 November 2020	405,062	217,807	37,000	30,448	690,317
Charge for the year	102,255	13,097	-	2,535	117,887
At 31 October 2021	507,317	230,904	37,000	32,983	808,204
Net book value					
At 31 October 2021	3,958	16,891	-	2,533	23,382
At 31 October 2020	106,213	17,125	-	5,068	128,406

The above assets are all held by the charity.

10 Investments

	Total 2021 £	Charity Total 2020 £
South West Heritage Trust Trading Limited Ordinary shares of £1 each	1	1

Investments (continued)

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:

	2021 £	2020 £
Turnover	188,011	187,743
Cost of sales	(21,920)	(29,515)
Gross profit	166,091	158,228
Administrative expenses	(102,467)	(76,014)
Operating profit	63,624	82,214
Investment income	-	-
Profit before tax & profit for the financial year	63,624	82,214
Retained earnings brought forward in subsidiary	82,214	35,155
Gift aid to The South West Heritage Trust	(82,214)	(35,155)
Retained earnings carried forward in subsidiary	63,624	82,214
The assets and liabilities were:		
Current assets	175,310	156,031
Current liabilities	(111,685)	(73,816)
Total net assets	63,625	82,215
Called up share capital	1	1
Profit and loss reserve	63,624	82,214
	63,625	82,215

11 Stocks

	Group £	2021 Charity £	Group £	2020 Charity £
Goods for resale	17,442	-	20,804	-

Stock recognised in the Statement of Financial Activities as an expense is £15,743 (2020: £18,153).

12 Debtors

	Group £	2021 Charity £	Group £	2020 Charity £
Trade debtors	660,894	659,278	200,074	183,882
Prepayments and accrued income	203,421	181,203	199,920	193,966
Amounts owed by group undertakings	-	97,771	-	64,134
	<u>864,315</u>	<u>938,252</u>	<u>399,994</u>	<u>441,982</u>

13 Creditors: Amounts falling due within one year

	2021		2020
	Group	Charity	Group
	£	£	£
Trade creditors	105,282	102,867	48,460
Other creditors	32,255	32,255	31,268
Accruals and deferred income	861,318	858,882	750,319
Taxation and social security	184,178	175,115	161,720
	<u>1,183,033</u>	<u>1,169,119</u>	<u>991,767</u>
	<u>1,183,033</u>	<u>1,169,119</u>	<u>991,767</u>

Deferred Income

	2021		2020
	Group	Charity	Group
	£	£	£
Deferred income at 1 November 2020	610,693	609,886	688,287
Released from previous years	(610,693)	(609,886)	(688,287)
Resources deferred in the year	697,683	697,683	610,693
	<u>697,683</u>	<u>697,683</u>	<u>610,693</u>
Deferred Income at 31 October 2021	<u>697,683</u>	<u>697,683</u>	<u>610,693</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	Income	Expenditure	Transfers	Closing
	balance			& losses	balance
	£	£	£	£	£
Unrestricted funds - Group					
General	526,256	3,295,504	(2,879,497)	(403,404)	538,859
Designated funds - Group and Charity					
Somerset Rural Life Museum					
(Leasehold improvements fund)	26,093	-	(22,134)	-	3,959
National Archives	7,823	47,490	-	(28,000)	27,313
Project development fund	100,000	-	-	(100,000)	-
Capital reserve	100,000	-	-	100,000	200,000
Museum priorities	-	-	-	115,200	115,200
Archive & learning priorities	-	-	-	110,000	110,000
IT & resources priorities	-	-	-	75,000	75,000
Historic environment priorities	-	-	-	40,000	40,000
Covid income support fund	-	-	-	55,000	55,000
Total designated funds	<u>233,916</u>	<u>47,490</u>	<u>(22,134)</u>	<u>367,200</u>	<u>626,472</u>
Pension fund	<u>(7,797,000)</u>	<u>-</u>	<u>(425,000)</u>	<u>1,157,000</u>	<u>(7,065,000)</u>
	<u>(7,036,828)</u>	<u>3,342,994</u>	<u>(3,326,631)</u>	<u>1,120,796</u>	<u>(5,899,669)</u>

14 Summary of movement in funds- Group (continued)

	Opening balance £	Income £	Expenditure £	Transfers & losses £	Closing balance £
Restricted funds - Group and Charity					
Somerset Rural Life Museum (Leasehold improvements fund)	80,120	-	(80,120)	-	-
Archive and museum donations	53,915	5	-	-	53,920
Castle House Project	40,116	-	-	-	40,116
Historic Environment and Estates	31,485	47,104	(50,111)	-	28,478
Somerset Levels	9,220	815	(3,106)	-	6,929
HES Hinkley	2,630	1,525	(6,000)	-	(1,845)
Portable Antiques	-	92,562	(72,296)	-	20,266
North Devon Record Office	(1,309)	51,852	(48,285)	-	2,258
Exeter Cathedral	1,680	2,083	(1,085)	-	2,678
Museum Development Officer	-	28,000	(36,404)	8,404	-
North Somerset Collections	698	-	-	-	698
Museums and Schools Charthouse/Blackmoor	-	59,167	(53,480)	-	5,687
Land Holding	2,350	-	-	-	2,350
West Country Studies	8,881	-	-	-	8,881
Gravity project	11,278	-	-	-	11,278
Norman Garden	-	5,572	(6,033)	-	(461)
Culture Recovery Fund	82,141	19,862	(101,683)	(320)	-
Culture Recovery Fund-Round 2	-	58,487	(58,487)	-	-
North Devon Athenaeum	4,348	35,447	(34,795)	-	5,000
Heritage Emergency Fund	34,804	-	(34,924)	120	-
Somerset Pottery Fabric Type Series	12,469	-	(210)	-	12,259
Shop Window Graphics	-	2,502	-	-	2,502
Torbay Schools	-	15,000	(10,815)	-	4,185
Digita Preservation Shared Services	-	5,000	(6,371)	-	(1,371)
Diocese of Bath & Wells Probate accounts conservation	-	5,626	(10,598)	28,000	23,028
Local Heritage List	-	34,962	(13,856)	-	21,106
	374,826	465,571	(628,659)	36,204	247,942
	(6,662,002)	3,808,565	(3,955,290)	1,157,000	(5,651,727)

Summary of movement in funds- Charity

	Opening balance £	Income £	Expenditure £	Transfers & losses £	Closing balance £
Unrestricted funds - Charity					
General	444,042	3,277,084	(2,842,487)	(8,204)	870,435
Designated funds - Charity	233,916	47,490	(22,134)	367,200	626,472
Pension fund	(7,797,000)	-	(425,000)	1,157,000	(7,065,000)
	(7,119,042)	3,324,574	(3,289,621)	1,515,996	(5,568,093)
Restricted funds - Charity	374,826	465,571	(628,659)	36,204	247,942
	(6,744,216)	3,790,145	(3,918,280)	1,552,200	(5,320,151)

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

Summary of movement in funds – Group (2020)

	Opening balance £	Income £	Expenditure £	Transfers & losses £	Closing balance £
Unrestricted funds - Group					
General	172,574	3,222,632	(2,937,249)	68,299	526,256
Designated funds - Group and Charity					
Somerset Rural Life Museum					
(Leasehold improvements fund)	49,005	-	(22,912)	-	26,093
National Archives	7,823	-	-	-	7,823
New Burdens	100,000	-	-	-	100,000
Project development fund	100,000	-	-	-	100,000
Capital reserve					
Total designated funds	256,828	-	(22,912)	-	233,916
Pension fund	(5,583,000)	-	(359,000)	(1,855,000)	(7,797,000)
	(5,153,598)	3,222,632	(3,319,161)	(1,786,701)	(7,036,828)

14 Summary of movement in funds – Group (2020) (continued)

	Opening balance £	Income £	Expenditure £	Transfers & losses £	Closing balance £
Restricted funds - Group and Charity					
Somerset Rural Life Museum					
(Leasehold improvements fund)	159,463	-	(79,343)	-	80,120
Archive and museum donations	53,850	65	-	-	53,915
Castle House Project	40,116	-	-	-	40,116
Historic Environment and Estates	38,727	61,300	(68,542)	-	31,485
Somerset Levels	11,752	(213)	(2,319)	-	9,220
HES Hinkley	859	8,686	(6,915)	-	2,630
Portable Antiques	-	72,907	(72,907)	-	-
North Devon Record Office	609	45,613	(47,531)	-	(1,309)
Exeter Cathedral	2,280	2,083	(2,683)	-	1,680
Museum Development Officer	-	28,000	(36,102)	8,102	-
Avalon Marshes	-	-	-	-	-
North Somerset Collections	1,401	-	(703)	-	698
Museums and Schools	16,748	42,580	(59,328)	-	-
Charthouse/Blackmoor					
Land Holding	8,000	-	(5,650)	-	2,350
Avalon Archaeology Park	-	32,211	(31,966)	(245)	-
Painter Pilgrim	26,427	23,330	(67,772)	18,015	-
West Country Studies	6,181	2,700	-	-	8,881
Gravity project	19,444	-	(8,166)	-	11,278
Wild Hares & Hummingbirds					
Public Engagement Project	1,260	(392)	-	(868)	-
Norman Garden	-	1,955	(4,955)	3,000	-
Banner Project	-	773	(1,091)	318	-
Culture Recovery Fund	-	178,762	-	(96,621)	82,141
North Devon Athenaeum	-	22,224	(17,876)	-	4,348
Heritage Emergency Fund	-	47,000	(12,196)	-	34,804
Somerset Pottery Fabric					
Type Series	-	12,938	(469)	-	12,469
	387,117	582,522	(526,514)	(68,299)	374,826
	(4,766,481)	3,805,154	(3,845,675)	(1,855,000)	(6,662,002)

Summary of movement in funds – Charity- 2020

	Opening balance £	Income £	Expenditure £	Transfers & losses £	Closing balance £
Unrestricted funds - Charity					
General	137,419	3,131,602	(2,893,278)	68,299	444,042
Designated funds - Charity	256,828	-	(22,912)	-	233,916
Pension fund	(5,583,000)	-	(359,000)	(1,855,000)	(7,797,000)
	<u>(5,188,753)</u>	<u>3,131,602</u>	<u>(3,275,190)</u>	<u>(1,786,701)</u>	<u>(7,119,042)</u>
Restricted funds - Charity	387,117	582,522	(526,514)	(68,299)	374,826
	<u>(4,801,636)</u>	<u>3,714,124</u>	<u>(3,801,704)</u>	<u>(1,855,000)</u>	<u>(6,744,216)</u>

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

Purpose of material funds:

- Designated Funds –Capital Fund - A fund held to enable cash-flow for the purchase or renewal of capital items.
- Designated Funds - Museum priorities - To fund specific projects within the Museum service to renew, repair and maintain the presentation of our collections in order to enhance the visitor experience.
- Designated Funds – Archive & Learning Priorities - To fund specific projects to improve the accessibility and storage of archive material and to continue the digitisation of the collection.
- Designated Funds – IT & Resource Priorities - To fund a number of core initiatives across the Trust, including improving our effectiveness in the use of IT equipment, a project to improve the efficient use of our financial systems and to seek alternative sources of potential income to improve financial resilience.
- Designated Funds – Historic Environment priorities - To fund a fixed-term conservation post, plus a joint management plan in conjunction with other bodies and site interpretation and promotional activities for our Heritage Landscape Sites.
- Designated Funds – Covid Income Support Fund - To set aside funding that was originally received as part of government grants to aid with the recovery from the pandemic. This will support the Trust's income generation budgets whilst visitor number recover during the 2021-2022 Trust year.
- 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.
- The Archive and Museum donations – Accumulated funds comprising of donations and bequests for acquisitions for the Somerset Archives and Museum services.
- 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.

14 Summary of movement in funds (continued)

Purpose of material funds (continued):

- 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 balances held in designated funds and restricted funds represent the Net Book Value of the Fixed Asset.
- 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.
- 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.
- 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.
- Avalon Archaeology Park- showcases the archaeological reconstruction buildings at the Avalon Marshes Centre. The project, funded by the local Leader scheme and other donations, included the creation of a new education building adjacent to the Park and provided resources for learning and volunteers.
- Painter Pilgrim - a major temporary exhibition at the Museum of Somerset presenting the largest retrospective of the art of Tristram Hillier since his death in 1983, funded by Arts Council England and the Art Fund.
- Culture Recovery Fund - provided by Arts Council England to help support the Museums during re-opening, replace lost income, invest in priority areas of work and replenish financial reserves. The transfer £96,621 to unrestricted funds is to reflect the proportion of the grant contributable towards core costs.
- Culture Recovery Fund Round 2 – A further round of Arts Council England funding to help support the Museums service during re-opening. The Trust received a further grant award of £63,500 for eligible expenditure to the end of December 2021.
- North Devon Athenaeum - The Trust provides archive services for the North Devon Athenaeum, which includes purchasing materials on their behalf for conservation and preservation. The Trust also operates a payroll service on behalf of the North Devon Athenaeum for their staff.

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	19,423	889,168	(369,732)	-	538,859
Designated funds	3,959	622,513	-	-	626,472
Restricted funds	-	179,486	68,456	-	247,942
Pension reserve	-	-	-	(7,065,000)	(7,065,000)
As at 31 October 2021	23,382	1,691,167	(301,276)	(7,065,000)	(5,651,727)

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	19,424	755,134	(299,323)	-	870,435
Designated funds	3,959	622,513	-	-	626,472
Restricted funds	-	179,486	68,456	-	247,942
Pension reserve	-	-	-	(7,065,000)	(7,065,000)
As at 31 October 2021	23,383	1,557,133	(230,867)	(7,065,000)	(5,320,151)

Analysis of assets between funds – Group - 2020

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Creditors more than one year £	Total £
Unrestricted funds	22,193	1,153,975	(649,912)	-	526,256
Designated funds	26,093	207,823	-	-	233,916
Restricted funds	80,120	215,763	78,943	-	374,826
Pension reserve	-	-	-	(7,797,000)	(7,797,000)
As at 31 October 2020	128,406	1,577,561	(570,969)	(7,797,000)	(6,662,002)

Analysis of assets between funds – Charity – 2020

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Creditors more than one year £	Total £
Unrestricted funds	22,194	1,040,894	(619,046)	-	444,042
Designated funds	26,093	207,823	-	-	233,916
Restricted funds	80,120	215,763	78,943	-	374,826
Pension reserve	-	-	-	(7,797,000)	(7,797,000)
As at 31 October 2020	128,407	1,464,480	(540,103)	(7,797,000)	(6,744,216)

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 £210,349 (2020 - expenditure £122,735) based on income of £3,707,931 (2020 - £3,678,969). Gift aid distributions from trading subsidiary of £82,214 (2020: £35,155) were received in the year, in which the amount relates to the prior year trading profits plus an additional distribution during the year.

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 2019, with the next valuations being undertaken as at 31 March 2022.

At the year end there were outstanding contributions due to the schemes totalling £23,108 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 2021 were £277,000 of which employer's contributions totalled £210,000 and employees' contributions totalled £67,000. The current employer contribution rates for future years are:

- Somerset County Council 20% (April 2020 to March 2021), 21% (April 2021 to March 2022) and 22.2% (April 2022 to March 2023)
- Devon County Council 22.7% (April 2020 to March 2023).

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 2021:

	SCC £'000	DCC £'000	Total £'000
Present value of defined benefit obligations	(14,062)	(5,508)	(19,570)
Fair value of share of scheme assets	8,688	3,817	12,505
Deficit in the schemes	(5,374)	(1,691)	(7,065)

Summary of net pension liability as at 31 October 2020:

	SCC £'000	DCC £'000	Total £'000
Present value of defined benefit obligations	(12,559)	(5,196)	(17,755)
Fair value of share of scheme assets	6,819	3,139	9,958
Deficit in the schemes	(5,740)	(2,057)	(7,797)

Somerset County Council Pension Scheme

Principal Actuarial Assumptions

	At 31 October 2021	At 31 October 2020
Salary increases	3.90%	3.35%
Pension increases	2.90%	2.35%
Discount rate	1.75%	1.60%

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 2021	At 31 October 2020
<i>Retiring today</i>		
Males	23.1	23.4
Females	24.6	24.8
<i>Retiring in 20 years</i>		
Males	24.4	24.7
Females	26.1	26.2

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

Pension Commitments - Assets/liabs in SCC Pension Fund

	As at 31 October 2021		As at 31 October 2020	
	Fair value £'000	% of total scheme assets	Fair value £'000	% of total scheme assets
Equities	6,356	70%	4,793	70%
Gilts	461	5%	455	7%
Other bonds	888	10%	706	10%
Property	623	7%	483	7%
Cash	360	4%	382	6%
Total market value of assets	8,688	100%	6,819	100%
Present value of scheme liabilities - funded	(14,062)		(12,559)	
Deficit in the scheme	(5,374)		(5,740)	

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

	2021	2020
	£'000	£'000
Current service cost	(400)	(339)
Net interest cost	(91)	(77)
Administration expenses	(5)	(5)
Total	(496)	(421)

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

	At 31 October 2021 £'000	At 31 October 2020 £'000
At 1 November 2020	(12,559)	(10,439)
Current service cost	(400)	(338)
Interest cost	(201)	(209)
Past service costs	-	(1)
Estimated benefits paid	65	84
Employee contributions	(52)	(70)
Actuarial gains/(losses)	(915)	(1,586)
At 31 October 2021	<u>(14,062)</u>	<u>(12,559)</u>

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

	At 31 October 2021 £'000	At 31 October 2020 £'000
At 1 November 2020	6,819	6,510
Interest income	110	132
Expected return on Fund assets less interest	1,617	(61)
Other actuarial gains/(losses)	-	106
Employer contributions	160	151
Employee contributions	52	70
Estimated benefits paid	(65)	(84)
Administrative expenses	(5)	(5)
At 31 October 2021	<u>8,688</u>	<u>6,819</u>

Devon County Council Pension Scheme

Principal Actuarial Assumptions

	At 31 October 2021	At 31 October 2020
Salary increases	3.95%	3.40%
Pension increases	2.95%	2.40%
Discount rate	1.75%	1.55%

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 2021	At 31 October 2020
<i>Retiring today</i>		
Males	22.7	22.9
Females	24.0	24.1
<i>Retiring in 20 years</i>		
Males	24.0	24.3
Females	25.4	25.6

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

Pension Commitments - Assets/liabs in DCC Pension Fund

	As at 31 October 2021		As at 31 October 2020	
	Fair value £'000	% of total scheme assets	Fair value £'000	% of total scheme assets
Gilts	487	13%	127	4%
UK equities	322	8%	316	10%
Overseas equities	2,091	55%	1,540	49%
Property	320	8%	273	9%
Infrastructure	162	4%	140	4%
Target return portfolio	307	8%	330	10%
Cash	49	1%	27	1%
Other bonds	70	2%	159	5%
Alternative assets	-	n/a	227	7%
Private equity	9	0%	-	n/a
Total market of assets	3,817	100%	3,139	100%
Present value of scheme liabilities - funded	(5,508)		(5,196)	
Defecit in the scheme	(1,691)		(2,057)	

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

	At 31 October 2021 £'000	At 31 October 2020 £'000
Current service cost	(106)	(112)
Net interest cost	(31)	(32)
Administration expenses	(2)	(2)
Total	(139)	(146)

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

	At 31 October 2021 £'000	At 31 October 2020 £'000
At 1 November 2020	(5,196)	(4,750)
Current service cost	(106)	(112)
Past service costs	-	-
Interest cost	(80)	(92)
Estimated benefits paid	77	81
Employee contributions	(15)	(15)
Actuarial gains/(losses)	(188)	(308)
At 31 October 2021	(5,508)	(5,196)

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

	At 31 October 2021 £'000	At 31 October 2020 £'000
At 1 November 2020	3,139	3,096
Interest income	49	60
Expected return on Fund assets	643	(91)
Other actuarial gains	-	85
Employer contributions	50	57
Employee contributions	15	15
Estimated benefits paid	(77)	(81)
Administrative expenses	(2)	(2)
At 31 October 2021	3,817	3,139

18 Obligations under leases

Operating leases-

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

	2021 £	2020 £
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	591,897	622,214
Other		
Expiry date:		
Within one year	-	5,110
Within two and five years	-	-
More than five years	-	-
	743,537	778,964
	743,537	778,964

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 (2020: none).

20 Financial Instruments

	Group £	2021 Charity £	Group £	2020 Charity £
Financial assets that are debt instruments measured at amortised cost	2,506,759	2,446,474	1,936,531	1,865,440
	<u>2,506,759</u>	<u>2,446,474</u>	<u>1,936,531</u>	<u>1,865,440</u>
Financial liabilities measured at amortised cost	271,199	266,348	189,923	186,674
	<u>271,199</u>	<u>266,348</u>	<u>189,923</u>	<u>186,674</u>

Items of income, expenditure, gain and loss (group and charity)

	Income £	Expense £	Net gains £	Net losses £
2021				
Financial assets measured at amortised cost	5	-	-	-
Financial liabilities measured at amortised cost	-	-	-	-
	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>
2020				
Financial assets measured at amortised cost	65	-	-	-
Financial liabilities measured at amortised cost	-	-	-	-
	<u>65</u>	<u>-</u>	<u>-</u>	<u>-</u>

THE SOUTH WEST HERITAGE TRUST

England & Wales - Charity number 1158791

Accounts

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

Annual Report and Financial Statements

For the Year Ended 31 October 2020

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

The South West Heritage Trust
Contents
For the Year Ended 31 October 2020

	<u>Page</u>
Reference and Administrative Details	1
Trustee Directors' Report	2 – 20
Independent Auditors' Report	21 – 23
Consolidated Statement of Financial Activities	24
Balance Sheet and Consolidated Balance Sheet	25 – 26
Statement of Cash Flows and Consolidated Statement of Cash Flows	27
Notes to Financial Statements	28 – 57

Trustee Directors	Rev. P M Beacham G L Craig 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 Lt Col. 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 Goodwood House Blackbrook Park Avenue Taunton Somerset TA1 2PX
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 2020, 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 2019).

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:

- Rev. P M Beacham
- G L Craig
- 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
- Lt Col. M J R Motum
- A M D Smallwood

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 as Patrons 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 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.

During its early years the Trust has been seeking 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. The current funding terms are in place until 31 October 2024.

Organisational Management

The Board of Trustees meets on a quarterly basis to discuss the progress of the organisation and to agree strategic direction. A Chief Executive Officer is appointed by the Trustees to manage the day-to-day operation of the Trust and to provide leadership and direction for the implementation of the Business Plan.

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 Audience Engagement 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 23 April 2020 at which Peter Beacham, Henry French, Sam Hunt and Anthony Smallwood retired from the Board. All four trustees were re-appointed to serve a second term by agreement of the remaining trustees.

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 of 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.

As described above, the emergence of Covid-19 in March 2020 prompted a very rapid response from the Trust to limit health risks to staff, volunteers and visitors and to the organisation collectively.

OBJECTIVES, STRATEGY AND ACTIVITIES OF THE TRUST

Objectives

Our Vision and Mission in fulfilling our objectives are as follows:

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.

Strategy

The Board of Trustees and Leadership Team have created a new five-year strategy entitled *Moving Forward: 2020-2025*. It focuses on three major outcomes to be delivered through a one-Trust philosophy.

Focusing on outcomes

During the next five years we will fulfil our vision and mission by focusing on three major outcomes:



In achieving these outcomes we will be:

Inclusive and relevant

Our services are for everyone and will help people feel valued, respected and included. We will use our collections and heritage resources to make a difference for people of all ages and to benefit their wellbeing.

Collaborative and connected

Working with others is at the heart of how we do things. We will seek opportunities to enable rich and diverse heritage outcomes through creative partnerships of many kinds.

Sustainable and responsible

Our values and principles are expressed in the way we offer services. We will strive in all we do to be environmentally, socially and financially sustainable and responsible.

The strategy is supported by the following additional documents:

- Audience Development Strategy
- Equalities Action Plan (in development)
- Fundraising and Enterprise Strategy
- Business Delivery Plan

Activities

Through our **Museums Service** we run three Accredited Museums – the Museum of Somerset and Somerset Military Museum in Taunton and Somerset Rural Life Museum in Glastonbury. We manage the Brick and Tile Museum in Bridgwater and provide curatorial support to Weston-Super-Mare's revitalised museum. Three million museum objects, ranging from outstanding geological, Iron Age and Roman collections to textiles and fine art, tell the remarkable story of Somerset and the South West.

We are the major custodians of written evidence about Devon and Somerset. Our Accredited **Archive and Local Studies Services** have centres in Taunton, Exeter and Barnstaple where we care for over 10 million archives dating from the 8th century to the present day. 200,000 printed reference works about the South West are held in the Local Studies collections. We also run the archive services on behalf of the unitary authorities of North Somerset and Torbay. Online access is being transformed through enhanced catalogues and indexes, and thousands of people use our digitised resources. We are taking a lead nationally in preserving digital archives and making them available.

Our **Historic Environment and Estates Service** supports local authorities, partners and the public by offering planning-related advice and information about Somerset's archaeology and built heritage. We also provide services to Bath & North East Somerset Council. We are a Registered Archaeological Organisation and are responsible for over 400 acres of historic landscapes, including Cothelstone Hill in the Quantock Hills and Deer Leap in the Mendips.

Our **Learning Service** provides opportunities for people of all ages, including those with learning disabilities or affected by dementia. Over 10,000 children participate each year in workshops for Key Stages 1 and 2. We make authentic heritage objects available to schools for use in the classroom. Partnership projects to enhance learning take place with secondary schools and further and higher education institutions.

Our organisational culture is one of working together as a single trust to provide a diversity of heritage services. To achieve this aim we rely on our amazing staff and depend fundamentally on our wonderful volunteers, our Friends organisations, our Supporters and partners, and all those who champion our work. Our services are funded by core grants from Devon and Somerset County Councils, by a wide range of contracts and by commercial activity. We also raise new income and attract grant investment from generous funders.

STRATEGIC REPORT

Highlights and achievements

Despite the very significant disruption caused by the global Covid-19 pandemic, the Trust has experienced many positive outcomes and reached the end of the year in a relatively stable position. The health and wellbeing of staff, volunteers and the public was made the Trust's priority and this principle guided it through some difficult experiences and decisions. We believe the Trust has emerged from the year as a stronger and more cohesive organisation that communicates better both externally and internally and seeks more than ever to be inclusive, relevant and innovative.

In broad terms, the year had three phases. From November to the end of February since key highlights and achievements included the following:

- 'Landscapes of the Mind: the Art of Tristram Hillier' was installed at the Museum of Somerset and was the most complex and high-profile temporary exhibition ever attempted by the Museums Service. Reaching national attention and international audiences, the exhibition was made possible by loans from galleries and private collectors throughout the UK.
- The Trust benefited from *pro bono* architectural concept design work which examined the potential and opportunities presented by the Brick and Tile Museum.
- A series of new on-line indexes to Somerset archive sources was launched at the end of November as the culmination of more than a decade of work. The indexes are transformative in terms of the access they provide to some key sources. <https://someset-cat.swheritage.org.uk/indexes>
- Working with Bristol Culture and the British Library, the Trust was invited to contribute recordings from its very extensive oral history archive for preservation in the national collection. The initiative is part of the 'Unlocking Our Sound Heritage' project, funded by the National Lottery Heritage Fund to address the threat facing the UK's sound heritage. <https://www.bl.uk/projects/unlocking-our-sound-heritage>
- A newly-discovered Iron Age and Roman site at Somerton continued to yield important archaeology in November and December 2019. The site was the focus of attention from the national press in January. <https://www.theguardian.com/uk-news/2020/jan/07/archaeologists-discover-graves-high-status-romans-somerton-somerset>
- Working on behalf of Bath and North East Somerset Council, the on-line Historic Environment Record (HER) for the B&NES area was launched on the Trust's website in January and contains over 7,000 entries. <https://www.somersetheritage.org.uk/#>
- It was announced by the National Lottery Heritage Fund that the Quantock Landscape Partnership Scheme had been successful in its application for funding. The Trust is a partner in this major £2.6m initiative through the involvement of Somerset Archives and Local Studies and the Historic Environment Services.

Between March and July the Trust experienced the full impact of Covid-19, leading to site closures, a fundamental shift in the method of working for all staff and some uncertainty about the future. Despite the challenges there continued to be many highlights:

- A new online exhibitions portal was commissioned as one of several initiatives to present engaging and compelling digital experiences for audiences. Efforts were also focused on social media engagement and the period saw significant growth in our online audiences. Many of the new initiatives will continue to diversify the way the Trust delivers its services.
- During the period of lockdown much curatorial work continued with special care being taken to ensure the safety of premises and collections. Torrential rain on 25 June resulted in a significant flood inside the Museum of Somerset. Thanks to the swift action of those who identified the problem on CCTV and those who immediately attended on site, the damage was limited.
- During May, in the midst of the lockdown, members of the Somerset Archives and Local Studies team rescued an extensive and important archive from a lock-up in Wiltshire. It relates to the 20th-century administration of Lundy Island and will be cared for at the North Devon Record Office.
- An online coronavirus community archive was launched online to capture people's experiences of the emergency. The archive was featured on Radio Somerset and Radio Devon. <https://swheritage.org.uk/news/coronavirus-community-archive/>
- A successful bid was made to The National Archives for Testbed Funding to explore options for a managed digital preservation system. The system would provide access for small organisations which would not otherwise be able to afford digital preservation. The success of the bid recognised the Trust's growing reputation as a leader nationally in the digital preservation of archives.
- Reminiscence DVDs were created and sent to care homes, and reminiscence content was also posted on the Trust's social media channels. It was very well received.
- The Trust's landscape heritage sites at Cothelstone Hill on the Quantock Hills and Deer Leap near Westbury-sub-Mendip were very popular throughout lockdown and have demonstrated the potential of such sites as locally-important visitor attractions.
- A short film for the Trust's YouTube channel was created during lockdown to explain the Historic Environment Record: <https://www.youtube.com/watch?v=uwfwU3zMwcs>. A second film describes the uses of aerial photography in identifying and interpreting buried heritage: <https://www.youtube.com/watch?v=A9kTd7XinC>

The period from August to October saw some respite from the restrictions experienced throughout lockdown:

- All our sites were subject to significant review and adaptation and new systems were introduced to ensure they were Covid-safe, meeting the 'We're Good to Go' industry standard endorsed by VisitBritain.
- The Heritage Centres in Exeter and Taunton, and North Devon Record Office in Barnstaple, reopened to the public in early August. The Museum of Somerset, Somerset Rural Life Museum and Somerset Brick and Tile Museum reopened in mid-August. Reopening was only made possible by implementing pre-booked ticketing and effective track and trace procedures.
- An exhibition held in partnership with Somerset Artworks was installed at Somerset Rural Life Museum. 'Somerset Reacquainted' brought together digital imagery, film, writing and artists' objects to offer an insight into the creative processes of more than 60 Somerset-based artists during the Covid-19 lockdown.

- During Black History Month we published a series of blogs on the website. These were shared on our social media platforms and via email marketing. The content was most widely-viewed on Instagram.
- As part of the Creative North Devon Project, work was undertaken to clean and repackage a collection of Shapland and Petter glass plate negatives. The firm appointed were an Arts and Crafts furniture manufacturer in Barnstaple and the glass plates record their designs. The work enabled the collection to be fully catalogued and digitised.
- The Trust was successful in its bid to the Museum Futures programme, led by the British Museum, and will host a trainee for 12 months during 2021. It will also host a trainee through the Bridging the Digital Gap programme, led by The National Archives. The post will be based at the Devon Heritage Centre.
- The Historic Environment Service was commissioned to prepare a strategic archaeological planning assessment for the Hicks Gate area north-west of Keynsham and also prepared a Conservation Area Study relating to the Haines Hill area of Taunton. Conservation advice was regularly provided to the Bath & Wells Diocesan Advisory Committee in relation to Anglican church buildings.
- Conservation repairs took place at several sites around the county including Wells Cathedral Green and Somerset Rural Life Museum.
- Volunteers continued to be enthusiastic and essential contributors to work at the Avalon Archaeology Park.

Coronavirus (Covid-19)

The Trust financial year commenced on 1 November 2019 and there were well-founded expectations of a positive year. Trading performance in the first quarter was modestly above average across all areas of the Trust and many projects were being delivered or were in development. By mid-February, however, the reality of a global pandemic was becoming unavoidable and by early March visitor numbers were rapidly declining.

On 18 March 2020 all Trust sites closed to the public and all staff began working remotely from 23 March. Those staff whose jobs involved visitor services and independent trading activity were entered into the Coronavirus Job Retention Scheme (furlough). The remaining staff were able to continue their jobs while working from home, assisted by a flexible ICT system. Although all sites closed, the majority of services provided by the Trust were able to continue. For many staff, activity intensified.

An emergency response budget was created and presented to the Board of Trustees on 23 April. This focused on realising significant savings on expenditure, understanding the scale of lost trading income, and forecasting new income from emergency furlough and from retail, hospitality and leisure grants. The Trust was also successful in its applications for Covid-19 response funding from the National Lottery Heritage Fund and the Culture Recovery Fund offered by Arts Council England. These grants enabled the Trust to invest in new, more flexible methods of service delivery including digital assets, physical site adaptations and equipment purchase.

A virtual public programme was created providing online engagement with audiences through activities, preparation of new content, the creation of a digital exhibitions platform and online talks. Core activities including collections-based and curatorial work, responses to enquiries, and preparation of learning materials continued, as did design work related to future exhibitions, maintenance of the Historic Environment Record, the Trust's regulatory and advisory role for the historic environment, and some public realm works. The work of the Business Team concerning financial processing and HR was not seriously affected and media engagement continued. Work to ensure the safety of our sites and collections was prioritised during the emergency.

When the Trust's museums and heritage centres reopened to the public in August they provided managed access through a pre-booked entry system. Although average visitor numbers were only 50% of those recorded in previous years, they exceeded expectations. Spend per head was higher than average at the museums, following the installation of more contactless donation points.

At year end it was evident that the Trust had achieved financial stability for the short-term. More than £150k savings were achieved in the revenue budget and emergency response grants meant the Trust could continue to employ its work force.

The ability of the Trust to respond so effectively was testament to the resilience and will of its staff, supported by a robust ICT system which provided a strong platform for communication and collaboration even when all staff were working remotely.

Performance

For the first time since its creation in 2014 the Trust experienced a major down-turn in its main performance indicators, wholly attributable to the restrictions imposed in response to Covid-19.

In the year ending 31 October 2020, the following was achieved (the arrows indicate whether the figure stated was an increase or a decrease on the previous year):

Visitors to our sites	↓	42,907
School children attending learning sessions	↓	7,234
Number of learning sessions for schools	↓	295
People at informal learning sessions	↓	2,566
Number of informal learning sessions	↓	45
Visitors to our websites	↑	740,241
Social media subscribers	↑	28,078
Days of volunteer time	↓	260
Heritage events held	↓	142
People attending our heritage events	↓	5,106
Cubic metres of archives accessioned	↓	11.26
Archive documents repaired	↓	152
Formal written external requests for information	↑	13,713
Service complaints received	–	6
Combined social media review (out of 5)	–	4.6

Equalities, Diversity and Inclusion

The heritage sector in England often struggles to embrace the benefits of equality or to reflect or engage with the diversity of its local populations. This is true in terms of workforces, programming and audiences.

The South West Heritage Trust experiences the same difficulty as the wider sector. The profile of its workforce and audiences does not match that of its local communities and areas of operation when viewed in relation to the nine protected characteristics stated in the Equality Act 2010.

The trustees, Leadership Team and staff want to identify and take practical, realistic and deliverable steps to make our services more appealing and accessible to a broader, more representative demographic. In 2021, the Trust will commission an independent specialist consultancy to assist with the preparation of an Equalities Action Plan. The plan will need to reflect the collective ambitions of the Trust, to suggest ways of removing barriers to inclusion and actively to target ways of making our services more accessible and relevant.

The Trust is committed to providing services where all staff, volunteers and visitors are treated, and treat others, with dignity, fairness and respect and which is free from harassment and bullying. All those who work for, volunteer with or access any of the services of the Trust are of equal importance and should be respected and valued for their contribution and commitment and for the role they fulfil.

Following the death of George Floyd on 25 May 2020, the Trust issued the following statement on Social Media:

South West Heritage Trust is committed to fairness and equality, and rejects racism in all its forms. We're listening and we're learning. #BlackLivesMatter

The creation and implementation of an Equalities Action Plan is the next step on our journey.

Partnerships and sector support

We have continued to provide support to a wide range of organisations.

We are an active participant in the South West Museum Development Programme and employ a full-time Museums Development Officer. The Programme provides support to 34 community museums in Somerset, offering advice and guidance about funding, training and cooperative projects. The importance of this work has been particularly demonstrated throughout a very challenging year.

In partnership with the British Museum and Local Authorities in Devon, Dorset and Somerset, the Trust provides the Portable Antiquities Scheme in the three counties. The number of finds reported has remained largely consistent throughout the year.

The Trust works closely with Weston Town Council to provide curatorial support and a temporary exhibitions programme for Weston Museum.

We look after the Archives of North Somerset Council and Torbay Council and are the designated repository for the Diocese of Bath and Wells. The Archives and Local Studies Services in Somerset and Devon are engaged with many partnership projects involving many community groups, societies and larger organisations including Exeter Cathedral and North Devon Athenaeum.

The Historic Environment Service advises the Bath and Wells Diocesan Advisory Committee and provides heritage-related planning advice to the District Councils in Somerset and to Bath and North East Somerset Council. It publishes the Somerset Archaeological Handbook which is the central reference point for developers, advisors and Local Authorities.

A three-year Memorandum of Understanding with Exeter University is in place and the relationship and opportunity for collaboration is highly valued by both partners.

FINANCIAL REVIEW AND RESERVES POLICY

Unrestricted income in the year totalled £3,222,632, with restricted income totalling £582,522. Of the £3,845,675 total expenditure, £3,816,160 (99.2%) 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 Trust employees are members of the Local Government Pension Schemes (LGPS) managed by Devon and Somerset County Councils. Full details of these schemes are given in notes 1.14 and 1.15 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 2020. Actual contributions payable are calculated by the actuary on a triennial basis, the latest valuation having been carried out at 31 March 2019 with changes to contribution rates becoming effective from 1 April 2020. Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The next actuarial valuation of the Fund will be carried out at 31 March 2022 and will set contributions for the period from 1 April 2023 to 31 March 2026.

The LGPS funding valuations at 31 October 2020 show a combined deficit of £7.80m compared to £5.58m at 31 October 2019 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.

The aggregate cash contributions to the two funds in the year ended 31 October 2020 were £208k compared to an actuarially-calculated expense charged in the Statement of Financial Activities of £359k.

The potential financial liability to the Trust, arising from the Local Government Pension Scheme indicative deficit, is monitored annually by the Finance Committee and the Board of Trustees in consultation with the Chief Executive. The risk proximity of any deficit crystallising is currently 36 years for the Somerset fund and 27 years for the Devon fund.

Trustees are aware that there may be significant fluctuations in the indicative deficit and the level of liability may go up or down from year to year. Any deficit reported in respect of either scheme will crystallise at the time when the final member leaves that scheme.

The trustees will seek the most advantageous repayment schedules from each of the lead fund administrators when it becomes known or predictable that a liability may become payable. The matter will be kept under review with trustees and with principal funders including during the review of any grant agreement.

Staff are protected from any risks because the total pension fund value is indemnified against the consequences of company dissolution.

The trustees remain of the opinion that the current pension arrangements are the best option for employees as well as for the financial stability of the Trust, and that risks are being effectively managed.

Reserves

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

	£'000
Unrestricted general funds	526
Designated funds	234
Total unrestricted funds	760
Restricted funds	375

At 31 October 2020, excluding the pension reserve, the Trust had unrestricted reserves of £760k including £208k of specific designated reserves and £48k of fixed assets to leave free reserves of £504k.

The Trust established a Reserves Policy during its first year of operation. 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.

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 other major funders, including Arts Council England and the National Lottery Heritage Fund, as well as to individual donors and the Trust's Founder Members and Supporters. Their generosity and support are very greatly appreciated.

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.

FUTURE PLANS

The work and ambitions of the Trust are informed by six on-going strategic priorities:

- Audience Development
- Emergency Planning
- Enterprise and Income Generation
- Environmental Sustainability
- Equalities, Diversity and Inclusion
- Partnerships

The strategies and other documents setting out those priorities are subject to regular review and refreshment.

In addition, the Trust is seeking to achieve a wide range of specific project goals over the next three years. They are grouped below according to the strategic outcomes set out in our 5-year strategy 'Moving Forward'.

1. Supporting People and Communities

North Devon Record Office Development. The Trust will further develop its role as a trusted provider of heritage services in North Devon and aim to increase the resilience of the service. Acting as a catalyst and innovator for new projects, the Trust will work in partnership with other local services to develop new activities and means of engagement, seeking funding as appropriate.

The Stories that Make Us. An overarching theme, 'The Stories That Make Us', is proposed as a way of focusing and coordinating the public programme in the immediate post-COVID-19 world. It is a theme reflecting the Trust's role as the teller and facilitator of many stories arising from our collections, our sites and our audiences.

The Trust's Audience Development Strategy will be used to shape the organisation's work with audiences and to drive an inclusive approach to community engagement and programming.

Digital Content and Infrastructure. We will use and develop digital infrastructure and skills to reach new and existing audiences through access to heritage collections and the creation of new dynamic content. Digital technology will also be used to drive up income, improve the use of data and help the Trust grow as a charity and heritage business.

Wellbeing and Inclusion. To aid recovery from the pandemic we will promote wellbeing and inclusion for individuals and communities through programmes and projects to support people, including reminiscence sessions, social prescribing, and support for underserved communities. We will seek to include new sites and resources in our portfolio of visitor opportunities.

Avalon Archaeology Park. The Avalon Archaeology Park at the Avalon Marshes Centre (AMC) near Glastonbury includes full-size replicas of a Romano-British building with a working hypocaust, a Saxon long hall, a Viking long boat and the Bulleid and Gray excavation hut. The Avalon Archaeology Park will be operated as a new visitor attraction in the mid-Somerset area, telling the story of the heritage of the Avalon Marshes and providing unique themed learning and wellbeing experiences.

2. Protecting Our Heritage

Digital Preservation. We will develop skills, knowledge and capacity to facilitate care of and access to digital archives. We will pilot the receipt of large and complex datasets, exploring options for a shared services model and for managing the historic backlog.

Future Development of Archive Conservation. We will ensure a strong future for conservation and preservation work related to collections, including through succession planning, strategic delivery across both counties, and support for project work and volunteering. We will invest in our strongroom accommodation to ensure collections are kept in excellent conditions.

Collections Development. Archive and museum collections cared for by the Trust will continue to be the focus of development and research. We will prioritise partnerships, including with the University of Exeter, and will seek to find new ways of understanding and interpreting the history of the West Country.

Cataloguing projects will be prioritised. Work will be undertaken towards creating full location indexes for the Devon Heritage Centre and North Devon Record Office and we will support the long-term management of County Council collections.

West Country Studies Library. The West Country Studies Library (WCSL) will be moved to a new location within Great Moor House, providing high quality storage on bespoke mobile shelving. The move will be a catalyst for raising the profile of the Library, enabling increased engagement and public access to this rich resource.

Dynamic Collections. We will engage new audiences in rural and coastal communities through a programme of external events in non-heritage settings.

Somerset Brick and Tile Museum. We will commission an architect to explore a deliverable new future for the Brick and Tile Museum. Partnership and community participation will be at the heart of the project, which will include the redevelopment of the museum site and the continuation of the unique relationship with Discovery (Learning Disability Services). The venue will become an innovative multi-use site which actively contributes to the cultural regeneration of Bridgwater.

Norton Hillfort. Norton Fitzwarren Hillfort is the latest addition to the landscape sites managed by the Trust. The hillfort will be the setting for a landscape project to interpret the site and provide learning experiences and health and wellbeing opportunities for local people. External funding will be secured for the project, which will act as a pilot to develop our ability in realising the potential of the Trust's other heritage landscape sites.

Local Heritage List. The Trust will complete the pilot Local Heritage Listing project, engaging with communities and groups to celebrate and protect for future generations heritage assets and features valued by local people.

Conservation Projects. We will undertake heritage asset management and enhancement, working in partnership with communities to protect the public realm.

3. Making an Impact

National Portfolio Organisation (NPO) status. The Trust intends to apply to Arts Council England (ACE) to be recognised as a National Portfolio Organisation (NPO). Applications are likely to be invited in 2021 for a new funding round starting in 2022 and preparatory work will be undertaken in the coming year.

The Trust's relationship with ACE has developed significantly through successful participation in the Museums and Schools programme. The Trust strategy is closely aligned with the emergent national strategy for arts and heritage and NPO status would enable significant new benefits for people and collections.

Renewal of the Museum of Somerset. In 2021/2022 the Trust will seek investment in facilities and infrastructure at the Museum of Somerset to ensure the site continues to provide a high-quality visitor experience.

A wider project will be initiated, led by an options appraisal, to revitalise the widely-praised Museum of Somerset and extend its reach and relevance to the people of Somerset and visitors to the South West region.

Maximise Potential of Learning Offer to Schools. We will respond to the needs resulting from the pandemic to provide a rich learning offer to schools, through onsite and in-school workshops and loans. We will work to expand the offer, the potential partnership opportunities, new outdoor classroom facilities and continued development through the Museums and Schools programme, and the Take One, Arts Award and Takeover schemes.

Development and promotion of the HER. We will extend the use of the Historic Environment Record for Somerset and Bath & North East Somerset as a learning and engagement tool. We will add more data and layers of information.

Quantock Landscape Partnership Scheme. We will support wider access and engagement through the cataloguing and indexing of key Quantock archive collections and will create volunteer opportunities.

Review Financial Management system. Following an internal review process, we will implement a refreshed Financial Management System for the Trust. The refresh will seek to address the many of shortfalls of the current system and to enable direct access to data by project managers and budget holders.

Managed digitisation of services. We will prepare and implement a digitisation plan to manage data proliferation and to harness opportunities provided by the increased digitisation of service delivery, for example in relation to metrics.

PUBLIC BENEFIT

Social Benefits

Our services are major contributors to personal wellbeing and a sense of place. We want our services to be accessible, to address issues of diversity and to promote and enable equality of opportunity for everyone.

Our large community of knowledgeable and dedicated volunteers are crucial to what we do. Volunteering also contributes directly to people's physical, emotional and mental wellbeing. We seek to ensure that volunteering takes place in an environment which is inclusive and which supports and respects the needs of individuals.

Experiencing heritage enhances wellbeing and brings people together, whether through learning activities for children, access to inspirational art and exhibitions, the discovery of family or community history, dementia-friendly reminiscence sessions or visiting a landscape site.

Economic Benefits

We are significant contributors to the local economy, fostering tourism, research, and the cultural and creative industries.

- Our museums are major tourist destinations in Somerset, attracting new visitors and actively promoting the county. The Museum of Somerset alone is estimated to provide £2.3 million of economic benefit to Somerset from 72,000 visits in a typical year.
- The heritage centres in Exeter, Barnstaple and Taunton attract researchers from around the world.
- Our heritage landscape sites have many tens of thousands of visitors each year and actively contribute to individual wellbeing and the local economy.

We prioritise local services and employment to ensure that we support our local economy. We are always seeking new sources of income through the provision of commercial services and trading activities. The profits we generate are reinvested to increase the public benefit we provide.

Environmental Sustainability

We are committed to local procurement wherever possible in order to support the economy and livelihoods of people in Devon and Somerset. This also helps us to reduce our carbon footprint.

Our sites, including two Grade I listed buildings and a Victorian farmhouse, are managed carefully to ensure that their environmental footprint is minimised. Somerset Heritage Centre is an A+ rated building, optimised for energy efficiency.

The Historic Environment Service works to ensure that developers in Somerset operate ethically in relation to the county's built heritage and archaeology. The Service seeks to protect and promote the historic environment as an essential component in making communities economically and environmentally sustainable.

The Trust manages over 400 acres of historic landscape sites across Somerset which provide open-access enjoyment to the public. The sites also offset more than 25% of the total carbon emissions produced by the Trust.

We continue to seek ways to eliminate our use of single-use plastics by actively finding more sustainable options.

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: 28 July 2021

The South West Heritage Trust

Independent Auditors' Report to the Trustees and Members
For the Year Ended 31 October 2020

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 2020, 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 2020 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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.

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 2020

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 19, 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.

Michelle Ferris BSC (Hons) FCA DChA (Senior Statutory Auditor)

For and on behalf of Albert Goodman LLP, Statutory Auditor

Goodwood House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Date: 29 July 2021

The South West Heritage Trust

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

For the Year Ended 31 October 2020

				2020			2019
		Unres-	Res-	Total	Unres-	Res-	Total
	Notes	tricted	tricted		tricted	tricted	
		£	£	£	£	£	£
Income from:							
Donations and legacies	2	211,800	30,065	241,865	85,636	48,950	134,586
Charitable activities	3	2,804,084	551,735	3,355,819	2,763,308	485,324	3,248,632
Other trading activities	4	206,748	657	207,405	348,857	4,004	352,861
Investments	5	-	65	65	-	115	115
Total income		3,222,632	582,522	3,805,154	3,197,801	538,393	3,736,194
Expenditure on:							
Raising funds	6	29,515	-	29,515	58,188	-	58,188
Charitable activities	6	3,289,646	526,514	3,816,160	3,598,085	581,642	4,179,727
Total expenditure		3,319,161	526,514	3,845,675	3,656,273	581,642	4,237,915
Net expenditure		(96,529)	56,008	(40,521)	(458,472)	(43,249)	(501,721)
Transfer between funds		68,299	(68,299)	-	(306)	306	-
Other recognised gains							
Actuarial (losses)/gains on defined benefit pension schemes		(1,855,000)	-	(1,855,000)	(694,000)	-	(694,000)
Net movement in funds for the year		(1,883,230)	(12,291)	(1,895,521)	(1,152,778)	(42,943)	(1,195,721)
Reconciliation of funds							
Total funds brought forward		(5,153,598)	387,117	(4,766,481)	(4,000,820)	430,060	(3,570,760)
Total funds carried forward		(7,036,828)	374,826	(6,662,002)	(5,153,598)	387,117	(4,766,481)

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

All income and expenditure derive from continuing activities.

		2020 £	2020 £	2019 £	2019 £
	Notes	Group	Charity	Group	Charity
Fixed assets					
Tangible fixed assets	9	128,406	128,406	283,033	283,033
Investments	10	-	1	-	1
		<u>128,406</u>	<u>128,407</u>	<u>283,033</u>	<u>283,034</u>
Current assets					
Stock	11	20,804	-	19,524	-
Debtors	12	399,994	441,982	1,143,604	1,232,587
Cash at bank and in hand		1,577,561	1,464,480	463,630	344,361
		<u>1,998,359</u>	<u>1,906,462</u>	<u>1,626,758</u>	<u>1,576,948</u>
Liabilities:					
Creditors: amounts falling due within one year	13	(991,767)	(982,085)	(1,093,272)	(1,078,618)
Net current assets		<u>1,006,592</u>	<u>924,377</u>	<u>533,486</u>	<u>498,330</u>
Net assets excluding pension liabilities		<u>1,134,998</u>	<u>1,052,784</u>	<u>816,519</u>	<u>781,364</u>
Defined benefit pension scheme liabilities	17	(7,797,000)	(7,797,000)	(5,583,000)	(5,583,000)
Total net liabilities including pension liabilities		<u><u>(6,662,002)</u></u>	<u><u>(6,744,216)</u></u>	<u><u>(4,766,481)</u></u>	<u><u>(4,801,636)</u></u>
The funds of the charity:					
Unrestricted funds:					
General funds		526,256	444,042	172,574	137,419
Designated funds		233,916	233,916	256,828	256,828
Unrestricted funds excluding pension reserve		<u>760,172</u>	<u>677,958</u>	<u>429,402</u>	<u>394,247</u>
Pension reserve		<u>(7,797,000)</u>	<u>(7,797,000)</u>	<u>(5,583,000)</u>	<u>(5,583,000)</u>
Total unrestricted funds	14	<u>(7,036,828)</u>	<u>(7,119,042)</u>	<u>(5,153,598)</u>	<u>(5,188,753)</u>
Restricted funds	14	<u>374,826</u>	<u>374,826</u>	<u>387,117</u>	<u>387,117</u>
Total charity funds		<u><u>(6,662,002)</u></u>	<u><u>(6,744,216)</u></u>	<u><u>(4,766,481)</u></u>	<u><u>(4,801,636)</u></u>

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 28 - 57 form part of these accounts.

Approved by the Board for issue on 28 July 2021 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 2020

		2020 £	2020 £	2019 £	2019 £
	Notes	Group	Charity	Group	Charity
Cash flows from operating activities					
Net expenditure for the year		(40,521)	(87,580)	(501,721)	(419,101)
Adjustments to cash flows from non-cash items:					
Depreciation and amortisation	9	154,627	154,627	164,403	164,403
Profit on disposal of fixed assets		-	-	-	-
Interest receivable	5	(65)	(65)	(115)	(115)
Defined benefit pension scheme cost less contributions payable		109,000	109,000	119,000	119,000
Defined benefit pension scheme finance cost		250,000	250,000	386,000	386,000
		473,041	425,982	167,567	250,187
Working capital adjustments					
Decrease / (increase) in stocks	11	(1,280)	-	10,082	-
(Increase) / decrease in debtors	12	743,610	790,605	(662,765)	(686,097)
Increase / (decrease) in creditors	13	(101,505)	(96,533)	187,620	185,027
Net cash flow from operations		1,113,866	1,120,054	(297,496)	(250,883)
Cash flows from investing activities					
Purchase of tangible fixed assets	9	-	-	(14,870)	(14,870)
Interest received	5	65	65	115	115
		65	65	(14,755)	(14,755)
Net increase in cash and cash equivalents		1,113,931	1,120,119	(312,251)	(265,638)
Cash and cash equivalents at the beginning of the reporting period		463,630	344,361	775,881	609,999
Cash and cash equivalents at the end of the reporting period		1,577,561	1,464,480	463,630	344,361
Cash & Cash equivalents reconciliation:					
Cash at bank		1,577,561	1,464,480	463,630	344,361
Total cash & cash equivalents at the end of the reporting period		1,577,561	1,464,480	463,630	344,361

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 2019) - (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.

The Trustees have considered the implications of Covid-19 on the charity. Taking into accounts the adjusted net asset position (before LGPS pension liabilities but considering annual employer payments) of the charity and given reserves and cash available, the Trustees consider that the charity remains a going concern.

1.4 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 this is recognised upon physical receipt.

1.5 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.

1.6 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.

1.7 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.

1.8 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.

1.9 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

1.10 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.

1.11 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.

1.12 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.

1.13 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.

1.14 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.

1.15 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.

1.16 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 2019 has been used by the actuary in valuing the pensions liability at 31 October 2020. 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.

1.17 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.

1.18 Covid-19

The Trustees have considered the implication of the Covid-19 pandemic on the operations of the charity. The charity has been able to continue to deliver a number of its charitable services, although some have been curtailed by the pandemic. A slight reduction in income has been forecast however there are sufficient reserves to cover the temporary reduction. Taking into account all reasonable circumstances, the trustees believe that the charity remains a going concern and no adjustments to the accounts are necessary

1.19 Financial Instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and liabilities of the charity and their measurements are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost and details in note 20. Prepayments are not financial instruments.

Cash at bank and deposit accounts– is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost and detailed in note 20. Taxation and social security and the LGPS are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2 Donations and legacies

	Unres- tricted funds £	Res- tricted funds £	2020 Total £	Unres- tricted funds £	Res- tricted funds £	2019 Total £
Donations and bequests	71,192	26,178	97,370	85,636	48,950	134,586
Exceptional government funding						
Coronavirus Job Retention Scheme grant*	140,608	3,887	144,495	-	-	-
Other Covid grants*	30,000	-	30,000	-	-	-
	211,800	30,065	241,865	85,636	48,950	134,586

The charity has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under “exceptional government funding”.

The charity furloughed some of its staff under the governments CJRS. The funding received £144,495 relates to staff costs which are included within note 8 as appropriate. Staff entered into the furlough scheme were those directly involved with trading activity at the sites which were required to close in line with Government lockdown rules.

*Donates government grants

3 Income from charitable activities

	Unres- tricted funds £	Res- tricted funds £	2020 Total £	Unres- tricted funds £	Res- tricted funds £	2019 Total £
Fees for services and grants						
<u>Heritage services</u>						
Somerset County Council*	1,626,688	-	1,626,688	1,596,688	-	1,596,688
Devon County Council*	411,521	-	411,521	389,806	-	389,806
North Somerset Council*	150,517	-	150,517	146,989	-	146,989
Weston-Super-Mare Town Council*	68,092	-	68,092	61,366	-	61,366
Torbay Council*	91,418	-	91,418	96,647	-	96,647
<u>Other services</u>						
SCC - Registration*	14,650	-	14,650	14,277	-	14,277
SCC - Records*	56,217	-	56,217	55,266	-	55,266
<u>Grant income</u>						
Bath & North East Somerset Council*	45,719	-	45,719	46,944	-	46,944
South Somerset District Council*	47,936	-	47,936	70,042	-	70,042
National Art Collection Fund	-	-	-	-	19,800	19,800
Heritage Lottery Fund*	-	47,000	47,000	-	37,173	37,173
The British Museum*	-	63,670	63,670	-	71,709	71,709
Somerset County Council*	30,328	122,549	152,877	30,328	201,878	232,206
Arts Council England*	1,375	243,676	245,051	-	91,923	91,923
DEFRA*	9,709	-	9,709	32,320	-	32,320
Devon County Council*	-	35,971	35,971	-	35,196	35,196
Emily Estate	125,494	-	125,494	87,419	-	87,419
Under £10k	91,160	38,869	130,029	95,254	27,645	122,899
	2,770,824	551,735	3,322,559	2,723,346	485,324	3,208,670
Memberships and subscriptions	33,260	-	33,260	39,962	-	39,962
	2,804,084	551,735	3,355,819	2,763,308	485,324	3,248,632

*Donates government grants

Government grants

Income from government grants comprises grants made by local authorities to fund the principal activities and objectives of the charity via core funding and funding for specific projects. See above and note 2 for more information, including the amount and source of these grants. There are no unfulfilled conditions or other contingencies attached to these grants.

4 Other trading activities

	Unres- tricted funds £	Res- tricted funds £	2020 Total £	Unres- tricted funds £	Res- tricted funds £	2019 Total £
Merchandising income						
Shop sales	66,383	-	66,383	158,481	-	158,481
Café concession	7,676	-	7,676	31,415	-	31,415
	<u>74,059</u>	<u>-</u>	<u>74,059</u>	<u>189,896</u>	<u>-</u>	<u>189,896</u>
Events and other sales						
Digital images, publications and research income	74,674	552	75,226	74,630	3,035	77,665
Room hire	3,017	-	3,017	9,907	-	9,907
Education income	15,988	-	15,988	28,523	-	28,523
Rental income	18,682	-	18,682	17,586	-	17,586
Other income	20,328	105	20,433	28,315	969	29,284
	<u>132,689</u>	<u>657</u>	<u>133,346</u>	<u>158,961</u>	<u>4,004</u>	<u>162,965</u>
	<u>206,748</u>	<u>657</u>	<u>207,405</u>	<u>348,857</u>	<u>4,004</u>	<u>352,861</u>

5 Investment income

	Unres- tricted funds £	Res- tricted funds £	2020 Total £	Unres- tricted funds £	Res- tricted funds £	2019 Total £
Bank interest	-	65	65	-	115	115

6 Expenditure

	Unres- tricted £	Res- tricted £	2020 Total £	Unres- tricted £	Res- tricted £	2019 Total £
Cost of raising funds						
Trading costs	29,515	-	29,515	58,188	-	58,188
Charitable activities						
Archives and local studies	931,220	73,092	1,004,312	1,095,667	29,971	1,125,638
Museums	849,671	261,000	1,110,671	926,422	302,156	1,228,578
Historic environment and estates services	457,314	91,592	548,906	394,073	182,038	576,111
Heritage services	893,362	-	893,362	969,923	-	969,923
Learning	141,909	-	141,909	163,255	-	163,255
Closed projects	16,170	100,830	117,000	48,745	67,477	116,222
	<u>3,319,161</u>	<u>526,514</u>	<u>3,845,675</u>	<u>3,656,273</u>	<u>581,642</u>	<u>4,237,915</u>

	Staff costs £	Other Direct costs £	2020 Total £	Staff costs £	Other Direct costs £	2019 Total £
Cost of raising funds						
Trading costs	-	29,515	29,515	-	58,188	58,188
Charitable activities						
Archives and local studies	901,099	103,213	1,004,312	982,326	143,312	1,125,638
Museums	846,950	263,721	1,110,671	855,607	372,971	1,228,578
Historic environment and estates services	485,731	63,175	548,906	410,654	165,457	576,111
Heritage services	430,572	462,790	893,362	429,365	540,558	969,923
Learning	132,379	9,530	141,909	149,629	13,626	163,255
Closed projects	11,646	105,354	117,000	64,671	51,551	116,222
	<u>2,808,377</u>	<u>1,037,298</u>	<u>3,845,675</u>	<u>2,892,252</u>	<u>1,345,663</u>	<u>4,237,915</u>

6 Expenditure (continued)

	2020	Charity 2019	2020	Subsidiary 2019	Total 2020	Total 2019
	£	£	£	£	£	£
Depreciation of owned assets	154,627	164,403	-	-	154,627	164,403
Operating lease expenses	37,218	37,218	-	-	37,218	37,218
Auditors' remuneration for:						
Current auditors						
- Audit services	8,036	8,189	1,961	1,547	9,997	9,736
- Other services	2,715	1,507	-	-	2,715	1,507

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 (2019: £nil).

Four charity trustees were reimbursed £487 for travel expenses during the year (2019: three trustees - £1,230).

No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

8 Employees

Number of employees

The average monthly head count was 97 staff (2019: 97 staff) and the average number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

	2020	2019
Management	5.0	5.0
Finance and admin	8.5	9.5
Service provision	57.0	59.2
	<u>70.5</u>	<u>73.7</u>

Employment costs

	2020	2019
	£	£
Wages and salaries	2,028,976	1,946,698
Social security costs	158,534	164,739
Pension costs	612,861	755,026
Staff redundancy costs	8,006	25,789
	<u>2,808,377</u>	<u>2,892,252</u>

During the year, total costs of £8,006 were paid in respect of one employee redundancy (2019: four employees - £25,789). The amounts were full and final with no outstanding amounts due at the balance sheet date.

The number of employees whose annual emoluments were £60,000 (excluding employer pension costs) or more were:

	2020	2019
	number	number
£60,000 - £70,000	-	1
£70,000 - £80,000	1	-

This employee is a member of the defined benefit pension scheme, into which contributions of £12,824 (2019: £10,885) 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 £91,590 (2019: £88,106).

Employees (continued)

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 £29,449 (2019 - £28,771) 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 2019	511,275	234,932	37,000	35,516	818,723
Additions	-	-	-	-	-
At 31 October 2020	511,275	234,932	37,000	35,516	818,723
Depreciation					
At 1 November 2019	302,807	171,700	37,000	24,183	535,690
Charge for the year	102,255	46,107	-	6,265	154,627
At 31 October 2020	405,062	217,807	37,000	30,448	690,317
Net book value					
At 31 October 2020	106,213	17,125	-	5,068	128,406
At 31 October 2019	208,468	63,232	-	11,333	283,033

The above assets are all held by the charity.

10 Investments

	Charity	
	Total 2020 £	Total 2019 £
South West Heritage Trust Trading Limited Ordinary shares of £1 each	1	1

Investments (continued)

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:

	2020	2019
	£	£
Turnover	187,743	307,565
Cost of sales	(29,515)	(58,188)
Gross profit	158,228	249,377
Administrative expenses	(76,014)	(114,222)
Operating profit	82,214	135,155
Investment income	-	-
Profit before tax & profit for the financial year	82,214	135,155
Retained earnings brought forward in subsidiary	35,155	117,775
Gift aid to The South West Heritage Trust	(35,155)	(217,775)
Retained earnings carried forward in subsidiary	82,214	35,155
The assets and liabilities were:		
Current assets	156,031	161,867
Current liabilities	(73,816)	(126,711)
Total net assets	82,215	35,156
Called up share capital	1	1
Profit and loss reserve	82,214	35,155
	82,215	35,156

11 Stocks

	Group	2020	Group	2019
	£	Charity	£	Charity
		£		£
Goods for resale	20,804	-	19,524	-

Stock recognised in the Statement of Financial Activities as an expense is £18,153 (2019: £42,641).

12 Debtors

	Group	2020	Group	2019
	£	Charity	£	Charity
		£		£
Trade debtors	200,074	183,882	940,873	924,118
Prepayments and accrued income	199,920	193,966	202,731	196,412
Amounts owed by group undertakings	-	64,134	-	112,057
	<u>399,994</u>	<u>441,982</u>	<u>1,143,604</u>	<u>1,232,587</u>

13 Creditors: Amounts falling due within one year

	2020		2019	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	48,460	46,894	84,989	83,108
Other creditors	31,268	31,268	31,372	31,372
Accruals and deferred income	750,319	747,828	770,123	767,026
Taxation and social security	161,720	156,095	206,788	197,112
	<u>991,767</u>	<u>982,085</u>	<u>1,093,272</u>	<u>1,078,618</u>

Deferred Income

	2020		2019	
	Group	Charity	Group	Charity
	£	£	£	£
Deferred income at 1 November 2019	688,287	687,411	583,543	583,111
Released from previous years	(688,287)	(687,411)	(583,543)	(583,111)
Resources deferred in the year	610,693	609,886	688,287	687,411
	<u>610,693</u>	<u>609,886</u>	<u>688,287</u>	<u>687,411</u>
Deferred Income at 31 October 2020	<u>610,693</u>	<u>609,886</u>	<u>688,287</u>	<u>687,411</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	172,574	3,222,632	(2,937,249)	68,299	526,256
Designated funds - Group and Charity					
Somerset Rural Life Museum (Leasehold improvements fund)	49,005	-	(22,912)	-	26,093
National Archives	7,823	-	-	-	7,823
Project development fund	100,000	-	-	-	100,000
Capital reserve	100,000	-	-	-	100,000
Total designated funds	<u>256,828</u>	<u>-</u>	<u>(22,912)</u>	<u>-</u>	<u>233,916</u>
Pension fund	<u>(5,583,000)</u>	<u>-</u>	<u>(359,000)</u>	<u>(1,855,000)</u>	<u>(7,797,000)</u>
	<u>(5,153,598)</u>	<u>3,222,632</u>	<u>(3,319,161)</u>	<u>(1,786,701)</u>	<u>(7,036,828)</u>

14 Summary of movement in funds- Group (continued)

	Opening balance £	Income £	Expenditure £	Transfers & losses £	Closing balance £
Restricted funds - Group and Charity					
Somerset Rural Life Museum (Leasehold improvements fund)	159,463	-	(79,343)	-	80,120
Archive and museum donations	53,850	65	-	-	53,915
Castle House Project	40,116	-	-	-	40,116
Historic Environment and Estates	38,727	61,300	(68,542)	-	31,485
Somerset Levels	11,752	(213)	(2,319)	-	9,220
HES Hinkley	859	8,686	(6,915)	-	2,630
Portable Antiques	-	72,907	(72,907)	-	-
North Devon Record Office	609	45,613	(47,531)	-	(1,309)
Exeter Cathedral	2,280	2,083	(2,683)	-	1,680
Museum Development Officer	-	28,000	(36,102)	8,102	-
North Somerset Collections	1,401	-	(703)	-	698
Museums and Schools	16,748	42,580	(59,328)	-	-
Charthouse/Blackmoor Land Holding	8,000	-	(5,650)	-	2,350
Avalon Archaeology Park	-	32,211	(31,966)	(245)	-
Painter Pilgrim	26,427	23,330	(67,772)	18,015	-
West Country Studies	6,181	2,700	-	-	8,881
Gravity project	19,444	-	(8,166)	-	11,278
Wild Hares & Hummingbirds Public Engagement Project	1,260	(392)	-	(868)	-
Norman Garden	-	1,955	(4,955)	3,000	-
Banner Project	-	773	(1,091)	318	-
Culture Recovery Fund	-	178,762	-	(96,621)	82,141
North Devon Athenaeum	-	22,224	(17,876)	-	4,348
Heritage Emergency Fund	-	47,000	(12,196)	-	34,804
Somerset Pottery Fabric Type Series	-	12,938	(469)	-	12,469
	387,117	582,522	(526,514)	(68,299)	374,826
	(4,766,481)	3,805,154	(3,845,675)	(1,855,000)	(6,662,002)

Summary of movement in funds- Charity

	Opening balance £	Income £	Expenditure £	Transfers & losses £	Closing balance £
Unrestricted funds - Charity					
General	137,419	3,131,602	(2,893,278)	68,299	444,042
Designated funds - Charity	256,828	-	(22,912)	-	233,916
Pension fund	(5,583,000)	-	(359,000)	(1,855,000)	(7,797,000)
	<u>(5,188,753)</u>	<u>3,131,602</u>	<u>(3,275,190)</u>	<u>(1,786,701)</u>	<u>(7,119,042)</u>
Restricted funds - Charity	<u>387,117</u>	<u>582,522</u>	<u>(526,514)</u>	<u>(68,299)</u>	<u>374,826</u>
	<u>(4,801,636)</u>	<u>3,714,124</u>	<u>(3,801,704)</u>	<u>(1,855,000)</u>	<u>(6,744,216)</u>

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

Summary of movement in funds – Group (2019)

	Opening balance £	Income £	Expenditure £	Transfers & losses £	Closing balance £
Unrestricted funds - Group					
General	107,413	3,193,945	(3,113,574)	(15,210)	172,574
Designated funds - Group and Charity					
Somerset Rural Life Museum (Leasehold improvements fund)	71,917	-	(22,912)		49,005
National Archives	-	3,856	-	3,967	7,823
New Burdens	3,850		(14,787)	10,937	-
Project development fund	100,000	-	-	-	100,000
Capital reserve	100,000	-	-	-	100,000
Total designated funds	<u>275,767</u>	<u>3,856</u>	<u>(37,699)</u>	<u>14,904</u>	<u>256,828</u>
Pension fund	<u>(4,384,000)</u>	<u>-</u>	<u>(505,000)</u>	<u>(694,000)</u>	<u>(5,583,000)</u>
	<u>(4,000,820)</u>	<u>3,197,801</u>	<u>(3,656,273)</u>	<u>(694,306)</u>	<u>(5,153,598)</u>

14 Summary of movement in funds – Group (2019) (continued)

	Opening balance £	Income £	Expenditure £	Transfers & losses £	Closing balance £
Restricted funds - Group and Charity					
Somerset Rural Life Museum					
(Leasehold improvements fund)	238,815	-	(79,352)	-	159,463
Archive and museum donations	57,702	115	-	(3,967)	53,850
Castle House Project	44,381	-	(4,265)	-	40,116
Historic Environment and Estates	39,136	16,239	(41,906)	25,258	38,727
Somerset Levels	9,038	6,950	(4,236)	-	11,752
HES Hinkley	1,101	84,567	(52,647)	(32,162)	859
Portable Antiques	-	79,418	(79,418)	-	-
Devon Remembers	-	25,956	(25,518)	(438)	-
North Devon Record Office	-	48,249	(52,178)	4,538	609
Exeter Cathedral	1,355	2,083	(1,158)	-	2,280
Museum Development Officer	-	28,000	(36,218)	8,218	-
North Somerset Collections	1,856	-	(455)	-	1,401
Sidmouth Collection Conservation	-	4,767	(7,372)	2,605	-
Somerset in the Home Front	5,303	(1,745)	(3,388)	(170)	-
Getting to Know You					
Small Grant Big Improvement	-	(126)	(2,068)	2,194	-
Our Town, Our Museum,					
Our Place	287	-	-	(287)	-
Museums and Schools	23,723	73,539	(80,401)	(113)	16,748
Ready to Borrow	7,363	-	(7,484)	121	-
Makers in Museums					
Progamme	-	7,117	(1,626)	(5,491)	-
Charthouse/Blackmoor					
Land Holding	-	8,000	-	-	8,000
Avalon Archaeology Park	-	82,691	(82,691)	-	-
Painter Pilgrim	-	39,970	(13,543)	-	26,427
West Country Studies	-	6,181	-	-	6,181
Gravity project	-	20,000	(556)	-	19,444
Wild Hares & Hummingbirds					
Public Engagement Project	-	4,650	(3,390)	-	1,260
Norman Garden	-	45	(45)	-	-
Banner Project	-	1,727	(1,727)	-	-
	430,060	538,393	(581,642)	306	387,117
	(3,570,760)	3,736,194	(4,237,915)	(694,000)	(4,766,481)

Summary of movement in funds – Charity- 2019

	Opening balance £	Income £	Expenditure £	Transfers & losses £	Closing balance £
Unrestricted funds - Charity					
General	(10,362)	3,204,089	(3,041,098)	(15,210)	137,419
Designated funds - Charity	275,767	3,856	(37,699)	14,904	256,828
Pension fund	(4,384,000)	-	(505,000)	(694,000)	(5,583,000)
	<u>(4,118,595)</u>	<u>3,207,945</u>	<u>(3,583,797)</u>	<u>(694,306)</u>	<u>(5,188,753)</u>
 Restricted funds - Charity	 430,060	 538,393	 (581,642)	 306	 387,117
	<u>(3,688,535)</u>	<u>3,746,338</u>	<u>(4,165,439)</u>	<u>(694,000)</u>	<u>(4,801,636)</u>

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

14 Summary of movement in funds (continued)

Purpose of material funds:

- 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 balances held in designated funds and restricted funds represent the Net Book Value of the Fixed Asset.
- 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.
- 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.
- 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.
- Avalon Archaeology Park- showcases the archaeological reconstruction buildings at the Avalon Marshes Centre. The project, funded by the local Leader scheme and other donations, included the creation of a new education building adjacent to the Park and provided resources for learning and volunteers.
- Painter Pilgrim- a major temporary exhibition at the Museum of Somerset presenting the largest retrospective of the art of Tristram Hillier since his death in 1983, funded by Arts Council England and the Art Fund.
- Culture Recovery Fund- provided by Arts Council England to help support the Museums during re-opening, replace lost income, invest in priority areas of work and replenish financial reserves. The transfer £96,621 to unrestricted funds is to reflect the proportion of the grant contributable towards core costs.

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	22,193	1,153,975	(649,912)	-	526,256
Designated funds	26,093	207,823	-	-	233,916
Restricted funds	80,120	215,763	78,943	-	374,826
Pension reserve	-	-	-	(7,797,000)	(7,797,000)
As at 31 October 2020	128,406	1,577,561	(570,969)	(7,797,000)	(6,662,002)

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	22,194	1,040,894	(619,046)	-	444,042
Designated funds	26,093	207,823	-	-	233,916
Restricted funds	80,120	215,763	78,943	-	374,826
Pension reserve	-	-	-	(7,797,000)	(7,797,000)
As at 31 October 2020	128,407	1,464,480	(540,103)	(7,797,000)	(6,744,216)

Analysis of assets between funds – Group - 2019

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Creditors more than one year £	Total £
Unrestricted funds	74,565	107,096	(9,087)	-	172,574
Designated funds	49,005	207,823	-	-	256,828
Restricted funds	159,463	148,711	78,943	-	387,117
Pension reserve	-	-	-	(5,583,000)	(5,583,000)
As at 31 October 2019	283,033	463,630	69,856	(5,583,000)	(4,766,481)

Analysis of assets between funds – Charity – 2019

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Creditors more than one year £	Total £
Unrestricted funds	74,566	(12,173)	75,026	-	137,419
Designated funds	49,005	207,823	-	-	256,828
Restricted funds	159,463	148,711	78,943	-	387,117
Pension reserve	-	-	-	(5,583,000)	(5,583,000)
As at 31 October 2019	283,034	344,361	153,969	(5,583,000)	(4,801,636)

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 £122,735 (2019 - expenditure £523,876) based on income of £3,678,969 (2019 - £3,528,563). Gift aid distributions from trading subsidiary of £35,155 (2019: £217,775) were received in the year, in which the amount relates to the prior year trading profits plus an additional distribution during the year.

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 2019, with the next valuations being undertaken as at 31 March 2022.

At the year end there were outstanding contributions due to the schemes totalling £23,220 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 2020 were £293,000 of which employer's contributions totalled £208,000 and employees' contributions totalled £85,000. The current employer contribution rates for future years are:

- Somerset County Council 20% (April 2020 to March 2021), 21% (April 2021 to March 2022) and 22.2% (April 2022 to March 2023)
- Devon County Council 22.7% (April 2020 to March 2023).

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 2020:

	SCC	DCC	Total
	£'000	£'000	£'000
Present value of defined benefit obligations	(12,559)	(5,196)	(17,755)
Fair value of share of scheme assets	6,819	3,139	9,958
Deficit in the schemes	(5,740)	(2,057)	(7,797)

Summary of net pension liability as at 31 October 2019:

	SCC	DCC	Total
	£'000	£'000	£'000
Present value of defined benefit obligations	(10,439)	(4,750)	(15,189)
Fair value of share of scheme assets	6,510	3,096	9,606
Deficit in the schemes	(3,929)	(1,654)	(5,583)

Somerset County Council Pension Scheme

Principal Actuarial Assumptions

	At 31 October 2020	At 31 October 2019
Salary increases	3.35%	3.75%
Pension increases	2.35%	2.25%
Discount rate	1.60%	2.00%
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 2020	At 31 October 2019
<i>Retiring today</i>		
Males	23.4	23.3
Females	24.8	24.7
<i>Retiring in 20 years</i>		
Males	24.7	24.7
Females	26.2	26.1

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

Pension Commitments - Assets/liabs in SCC Pension Fund

	As at 31 October 2020		As at 31 October 2019	
	Fair value £'000	% of total scheme assets	Fair value £'000	% of total scheme assets
Equities	4,793	70%	4,535	70%
Gilts	455	7%	394	6%
Other bonds	706	10%	624	9%
Property	483	7%	587	9%
Cash	382	6%	370	6%
Total market value of assets	6,819	100%	6,510	100%
Present value of scheme liabilities - funded	(12,559)		(10,439)	
Deficit in the scheme	(5,740)		(3,929)	

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

	2020	2019
	£'000	£'000
Current service cost	(339)	(429)
Net interest cost	(77)	(82)
Administration expenses	(5)	(5)
Total	(421)	(516)

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

	At 31 October 2020 £'000	At 31 October 2019 £'000
At 1 November 2019	(10,439)	(9,018)
Current service cost	(338)	(316)
Interest cost	(209)	(252)
Past service costs	(1)	(113)
Estimated benefits paid	84	97
Employee contributions	(70)	(59)
Actuarial gains/(losses)	(1,586)	(778)
At 31 October 2020	(12,559)	(10,439)

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

	At 31 October 2020 £'000	At 31 October 2019 £'000
At 1 November 2019	6,510	6,019
Interest income	132	170
Expected return on Fund assets less interest	(61)	226
Other actuarial gains/(losses)	106	-
Employer contributions	151	138
Employee contributions	70	59
Estimated benefits paid	(84)	(97)
Administrative expenses	(5)	(5)
At 31 October 2020	6,819	6,510

Devon County Council Pension Scheme

Principal Actuarial Assumptions

	At 31 October 2020	At 31 October 2019
Salary increases	3.40%	3.80%
Pension increases	2.40%	2.30%
Discount rate	1.55%	1.95%

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 2020	At 31 October 2019
<i>Retiring today</i>		
Males	22.9	22.5
Females	24.1	24.4
<i>Retiring in 20 years</i>		
Males	24.3	24.2
Females	25.6	26.2

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

Pension Commitments - Assets/liabs in DCC Pension Fund

	As at 31 October 2020		As at 31 October 2019	
	Fair value £'000	% of total scheme assets	Fair value £'000	% of total scheme assets
Gilts	127	4%	108	4%
UK equities	316	10%	502	16%
Overseas equities	1,540	49%	1,357	44%
Property	273	9%	263	8%
Infrastructure	140	4%	117	4%
Target return portfolio	330	10%	430	14%
Cash	27	1%	46	1%
Other bonds	159	5%	57	2%
Alternative assets	227	7%	161	5%
Private equity	-	n/a	55	2%
Total market of assets	3,139	100%	3,096	100%
Present value of scheme liabilities - funded	(5,196)		(4,750)	
Defecit in the scheme	(2,057)		(1,654)	

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

	At 31 October 2020 £'000	At 31 October 2019 £'000
Current service cost	(112)	(157)
Net interest cost	(32)	(37)
Administration expenses	(2)	(2)
Total	(146)	(196)

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

	At 31 October 2020 £'000	At 31 October 2019 £'000
At 1 November 2019	(4,750)	(4,246)
Current service cost	(112)	(123)
Past service costs	-	(34)
Interest cost	(92)	(116)
Estimated benefits paid	81	65
Employee contributions	(15)	(18)
Actuarial gains/(losses)	(308)	(278)
At 31 October 2020	(5,196)	(4,750)

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

	At 31 October 2020 £'000	At 31 October 2019 £'000
At 1 November 2019	3,096	2,861
Interest income	60	79
Expected return on Fund assets	(91)	136
Other actuarial gains	85	-
Employer contributions	57	69
Employee contributions	15	18
Estimated benefits paid	(81)	(65)
Administrative expenses	(2)	(2)
At 31 October 2020	3,139	3,096

18 Obligations under leases

Operating leases-

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

	2020 £	2019 £
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	622,214	652,531
Other		
Expiry date:		
Within one year	5,110	6,697
Within two and five years	-	5,110
More than five years	-	-
	778,964	815,978

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 (2019: none).

20 Financial Instruments

	Group	2020	Group	2019
	£	Charity	£	Charity
	£	£	£	£
Financial assets that are debt instruments measured at amortised cost	1,936,531	1,865,440	1,562,916	1,534,629
	<u>1,936,531</u>	<u>1,865,440</u>	<u>1,562,916</u>	<u>1,534,629</u>
Financial liabilities measured at amortised cost	189,923	186,674	169,426	165,324
	<u>189,923</u>	<u>186,674</u>	<u>169,426</u>	<u>165,324</u>

Items of income, expenditure, gain and loss (group and charity)

	Income	Expense	Net gains	Net losses
	£	£	£	£
2020				
Financial assets measured at amortised cost	65	-	-	-
Financial liabilities measured at amortised cost	-	-	-	-
	<u>65</u>	<u>-</u>	<u>-</u>	<u>-</u>
2019				
Financial assets measured at amortised cost	115	-	-	-
Financial liabilities measured at amortised cost	-	-	-	-
	<u>115</u>	<u>-</u>	<u>-</u>	<u>-</u>