

**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**  
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For the Year Ended 31 October 2020

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<b>Trustee Directors</b>	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
<b>Chief Executive Officer</b>	T W Mayberry
<b>Charity Number</b>	1158791
<b>Company Number</b>	09053532
<b>Principal Address and Registered Office</b>	Somerset Heritage Centre Brunel Way Taunton Somerset TA2 6SF
<b>Auditors</b>	Albert Goodman LLP Goodwood House Blackbrook Park Avenue Taunton Somerset TA1 2PX
<b>Bankers</b>	NatWest 26-27 Fore Street Taunton Somerset TA1 1JQ
<b>Solicitors</b>	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://somerset-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:

	<b>£'000</b>
Unrestricted general funds	526
Designated funds	234
<b>Total unrestricted funds</b>	<b>760</b>
<b>Restricted funds</b>	<b>375</b>

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

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### **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.

## **The South West Heritage Trust**

Independent Auditors' Report to the Trustees and Members  
For the Year Ended 31 October 2020

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### **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

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### **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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the 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	
		£	£	£	£	£	£
<b>Income from:</b>							
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
<b>Total income</b>		<b>3,222,632</b>	<b>582,522</b>	<b>3,805,154</b>	<b>3,197,801</b>	<b>538,393</b>	<b>3,736,194</b>
<b>Expenditure on:</b>							
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
<b>Total expenditure</b>		<b>3,319,161</b>	<b>526,514</b>	<b>3,845,675</b>	<b>3,656,273</b>	<b>581,642</b>	<b>4,237,915</b>
<b>Net expenditure</b>		<b>(96,529)</b>	<b>56,008</b>	<b>(40,521)</b>	<b>(458,472)</b>	<b>(43,249)</b>	<b>(501,721)</b>
Transfer between funds		68,299	(68,299)	-	(306)	306	-
<b>Other recognised gains</b>							
Actuarial (losses)/gains on defined benefit pension schemes		(1,855,000)	-	(1,855,000)	(694,000)	-	(694,000)
<b>Net movement in funds for the year</b>		<b>(1,883,230)</b>	<b>(12,291)</b>	<b>(1,895,521)</b>	<b>(1,152,778)</b>	<b>(42,943)</b>	<b>(1,195,721)</b>
<b>Reconciliation of funds</b>							
Total funds brought forward		(5,153,598)	387,117	(4,766,481)	(4,000,820)	430,060	(3,570,760)
<b>Total funds carried forward</b>		<b>(7,036,828)</b>	<b>374,826</b>	<b>(6,662,002)</b>	<b>(5,153,598)</b>	<b>387,117</b>	<b>(4,766,481)</b>

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
<b>Fixed assets</b>					
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>
<b>Current assets</b>					
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>
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	13	(991,767)	(982,085)	(1,093,272)	(1,078,618)
		<u>1,006,592</u>	<u>924,377</u>	<u>533,486</u>	<u>498,330</u>
<b>Net current assets</b>					
		<u>1,134,998</u>	<u>1,052,784</u>	<u>816,519</u>	<u>781,364</u>
<b>Net assets excluding pension liabilities</b>					
Defined benefit pension scheme liabilities	17	(7,797,000)	(7,797,000)	(5,583,000)	(5,583,000)
		<u>(7,797,000)</u>	<u>(7,797,000)</u>	<u>(5,583,000)</u>	<u>(5,583,000)</u>
<b>Total net liabilities including pension liabilities</b>		<u><b>(6,662,002)</b></u>	<u><b>(6,744,216)</b></u>	<u><b>(4,766,481)</b></u>	<u><b>(4,801,636)</b></u>
<b>The funds of the charity:</b>					
Unrestricted funds:					
General funds		526,256	444,042	172,574	137,419
Designated funds		233,916	233,916	256,828	256,828
		<u>760,172</u>	<u>677,958</u>	<u>429,402</u>	<u>394,247</u>
Unrestricted funds excluding pension reserve		760,172	677,958	429,402	394,247
Pension reserve		(7,797,000)	(7,797,000)	(5,583,000)	(5,583,000)
		<u>(7,036,828)</u>	<u>(7,119,042)</u>	<u>(5,153,598)</u>	<u>(5,188,753)</u>
Total unrestricted funds	14	(7,036,828)	(7,119,042)	(5,153,598)	(5,188,753)
Restricted funds	14	374,826	374,826	387,117	387,117
		<u>374,826</u>	<u>374,826</u>	<u>387,117</u>	<u>387,117</u>
<b>Total charity funds</b>		<u><b>(6,662,002)</b></u>	<u><b>(6,744,216)</b></u>	<u><b>(4,766,481)</b></u>	<u><b>(4,801,636)</b></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
<b>Cash flows from operating activities</b>					
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)
<b>Cash flows from investing activities</b>					
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
<b>Exceptional government funding</b>						
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 £
<b>Fees for services and grants</b>						
<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**

	<b>Unres- tricted funds £</b>	<b>Res- tricted funds £</b>	<b>2020 Total £</b>	<b>Unres- tricted funds £</b>	<b>Res- tricted funds £</b>	<b>2019 Total £</b>
<b>Merchandising income</b>						
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>
<b>Events and other sales</b>						
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**

	<b>Unres- tricted funds £</b>	<b>Res- tricted funds £</b>	<b>2020 Total £</b>	<b>Unres- tricted funds £</b>	<b>Res- tricted funds £</b>	<b>2019 Total £</b>
Bank interest	-	65	65	-	115	115

## 6 Expenditure

	Unres- tricted £	Res- tricted £	2020 Total £	Unres- tricted £	Res- tricted £	2019 Total £
<b>Cost of raising funds</b>						
Trading costs	29,515	-	29,515	58,188	-	58,188
<b>Charitable activities</b>						
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 £
<b>Cost of raising funds</b>						
Trading costs	-	29,515	29,515	-	58,188	58,188
<b>Charitable activities</b>						
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)**

	<b>2020</b>	<b>Charity</b>	<b>2020</b>	<b>Subsidiary</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>2019</b>	<b>£</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>		<b>£</b>	<b>£</b>	<b>£</b>
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 number	2019 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 £
<b>Cost</b>					
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
<b>Depreciation</b>					
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
<b>Net book value</b>					
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:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Turnover	187,743	307,565
Cost of sales	(29,515)	(58,188)
	<hr/>	<hr/>
Gross profit	158,228	249,377
Administrative expenses	(76,014)	(114,222)
	<hr/>	<hr/>
Operating profit	82,214	135,155
Investment income	-	-
	<hr/>	<hr/>
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)
	<hr/>	<hr/>
Retained earnings carried forward in subsidiary	82,214	35,155
	<hr/>	<hr/>
The assets and liabilities were:		
Current assets	156,031	161,867
Current liabilities	(73,816)	(126,711)
	<hr/>	<hr/>
Total net assets	82,215	35,156
	<hr/>	<hr/>
Called up share capital	1	1
Profit and loss reserve	82,214	35,155
	<hr/>	<hr/>
	<hr/>	<hr/>
	82,215	35,156
	<hr/>	<hr/>

**11 Stocks**

	<b>Group</b>	<b>2020</b>	<b>Group</b>	<b>2019</b>
	<b>£</b>	<b>Charity</b>	<b>£</b>	<b>Charity</b>
		<b>£</b>		<b>£</b>
Goods for resale	20,804	-	19,524	-
	<u>20,804</u>	<u>-</u>	<u>19,524</u>	<u>-</u>

Stock recognised in the Statement of Financial Activities as an expense is £18,153 (2019: £42,641).

**12 Debtors**

	<b>Group</b>	<b>2020</b>	<b>Group</b>	<b>2019</b>
	<b>£</b>	<b>Charity</b>	<b>£</b>	<b>Charity</b>
		<b>£</b>		<b>£</b>
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 £
<b>Unrestricted funds - Group</b>					
General	172,574	3,222,632	(2,937,249)	68,299	526,256
<b>Designated funds - Group and Charity</b>					
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
<b>Total designated funds</b>	<u>256,828</u>	<u>-</u>	<u>(22,912)</u>	<u>-</u>	<u>233,916</u>
<b>Pension fund</b>	<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 £
<b>Restricted funds - Group and Charity</b>					
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
	<b>(4,766,481)</b>	<b>3,805,154</b>	<b>(3,845,675)</b>	<b>(1,855,000)</b>	<b>(6,662,002)</b>

### Summary of movement in funds- Charity

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

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 £
<b>Unrestricted funds - Group</b>					
General	107,413	3,193,945	(3,113,574)	(15,210)	172,574
<b>Designated funds - Group and Charity</b>					
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
<b>Total designated funds</b>	275,767	3,856	(37,699)	14,904	256,828
<b>Pension fund</b>	(4,384,000)	-	(505,000)	(694,000)	(5,583,000)
	(4,000,820)	3,197,801	(3,656,273)	(694,306)	(5,153,598)

**14 Summary of movement in funds – Group (2019) (continued)**

	Opening balance £	Income £	Expenditure £	Transfers & losses £	Closing balance £
<b>Restricted funds - Group and Charity</b>					
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
	<b>(3,570,760)</b>	<b>3,736,194</b>	<b>(4,237,915)</b>	<b>(694,000)</b>	<b>(4,766,481)</b>

**Summary of movement in funds – Charity- 2019**

	<b>Opening balance £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers &amp; losses £</b>	<b>Closing balance £</b>
<b>Unrestricted funds - Charity</b>					
General	(10,362)	3,204,089	(3,041,098)	(15,210)	137,419
<b>Designated funds - Charity</b>	275,767	3,856	(37,699)	14,904	256,828
<b>Pension fund</b>	(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>
 <b>Restricted funds - Charity</b>	 430,060	 538,393	 (581,642)	 306	 387,117
	<u><b>(3,688,535)</b></u>	<u><b>3,746,338</b></u>	<u><b>(4,165,439)</b></u>	<u><b>(694,000)</b></u>	<u><b>(4,801,636)</b></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**

	<b>Tangible fixed assets £</b>	<b>Cash at bank and in hand £</b>	<b>Other net current assets/ (liabilities) £</b>	<b>Creditors more than one year £</b>	<b>Total £</b>
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)
<b>As at 31 October 2020</b>	<b>128,406</b>	<b>1,577,561</b>	<b>(570,969)</b>	<b>(7,797,000)</b>	<b>(6,662,002)</b>

**Analysis of assets between funds – Charity**

	<b>Tangible fixed assets £</b>	<b>Cash at bank and in hand £</b>	<b>Other net current assets/ (liabilities) £</b>	<b>Creditors more than one year £</b>	<b>Total £</b>
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)
<b>As at 31 October 2020</b>	<b>128,407</b>	<b>1,464,480</b>	<b>(540,103)</b>	<b>(7,797,000)</b>	<b>(6,744,216)</b>

**Analysis of assets between funds – Group - 2019**

	<b>Tangible fixed assets £</b>	<b>Cash at bank and in hand £</b>	<b>Other net current assets/ (liabilities) £</b>	<b>Creditors more than one year £</b>	<b>Total £</b>
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)
<b>As at 31 October 2019</b>	<b>283,033</b>	<b>463,630</b>	<b>69,856</b>	<b>(5,583,000)</b>	<b>(4,766,481)</b>

**Analysis of assets between funds – Charity – 2019**

	<b>Tangible fixed assets £</b>	<b>Cash at bank and in hand £</b>	<b>Other net current assets/ (liabilities) £</b>	<b>Creditors more than one year £</b>	<b>Total £</b>
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)
<b>As at 31 October 2019</b>	<b>283,034</b>	<b>344,361</b>	<b>153,969</b>	<b>(5,583,000)</b>	<b>(4,801,636)</b>

## **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:**

	<b>SCC £'000</b>	<b>DCC £'000</b>	<b>Total £'000</b>
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
	<hr/>	<hr/>	<hr/>
Deficit in the schemes	(5,740)	(2,057)	(7,797)
	<hr/>	<hr/>	<hr/>

**Summary of net pension liability as at 31 October 2019:**

	<b>SCC £'000</b>	<b>DCC £'000</b>	<b>Total £'000</b>
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
	<hr/>	<hr/>	<hr/>
Deficit in the schemes	(3,929)	(1,654)	(5,583)
	<hr/>	<hr/>	<hr/>

**Somerset County Council Pension Scheme**

**Principal Actuarial Assumptions**

	<b>At 31 October 2020</b>	<b>At 31 October 2019</b>
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:

	<b>At 31 October 2020</b>	<b>At 31 October 2019</b>
<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**

	<b>As at 31 October 2020</b>		<b>As at 31 October 2019</b>	
	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%
	<hr/>		<hr/>	
Total market value of assets	6,819	100%	6,510	100%
Present value of scheme liabilities - funded	(12,559)		(10,439)	
	<hr/>		<hr/>	
Deficit in the scheme	(5,740)		(3,929)	
	<hr/>		<hr/>	

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

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Current service cost	(339)	(429)
Net interest cost	(77)	(82)
Administration expenses	(5)	(5)
	<hr/>	<hr/>
<b>Total</b>	<b>(421)</b>	<b>(516)</b>
	<hr/>	<hr/>

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

	At 31 October 2020 £'000	At 31 October 2019 £'000
<b>At 1 November 2019</b>	(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)
	<hr/>	<hr/>
<b>At 31 October 2020</b>	<b>(12,559)</b>	<b>(10,439)</b>
	<hr/>	<hr/>

**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
<b>At 1 November 2019</b>	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)
	<hr/>	<hr/>
<b>At 31 October 2020</b>	<b>6,819</b>	<b>6,510</b>
	<hr/>	<hr/>

**Devon County Council Pension Scheme**

**Principal Actuarial Assumptions**

	<b>At 31 October 2020</b>	<b>At 31 October 2019</b>
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:

	<b>At 31 October 2020</b>	<b>At 31 October 2019</b>
<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**

	<b>As at 31 October 2020</b>		<b>As at 31 October 2019</b>	
	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%
	<hr/>		<hr/>	
Total market of assets	3,139	100%	3,096	100%
Present value of scheme liabilities - funded	(5,196)		(4,750)	
	<hr/>		<hr/>	
Defecit in the scheme	(2,057)		(1,654)	
	<hr/>		<hr/>	

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

	<b>At 31 October 2020 £'000</b>	<b>At 31 October 2019 £'000</b>
Current service cost	(112)	(157)
Net interest cost	(32)	(37)
Administration expenses	(2)	(2)
	<hr/>	<hr/>
<b>Total</b>	<b>(146)</b>	<b>(196)</b>
	<hr/>	<hr/>



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

	At 31 October 2020 £'000	At 31 October 2019 £'000
<b>At 1 November 2019</b>	(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)
	<hr/>	<hr/>
<b>At 31 October 2020</b>	<b>(5,196)</b>	<b>(4,750)</b>
	<hr/> <hr/>	<hr/> <hr/>

**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
<b>At 1 November 2019</b>	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)
	<hr/>	<hr/>
<b>At 31 October 2020</b>	<b>3,139</b>	<b>3,096</b>
	<hr/> <hr/>	<hr/> <hr/>

## **18 Obligations under leases**

Operating leases-

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Land and Buildings</b>		
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
<b>Other</b>		
Expiry date:		
Within one year	5,110	6,697
Within two and five years	-	5,110
More than five years	-	-
	<hr/>	<hr/>
	<b>778,964</b>	<b>815,978</b>
	<hr/> <hr/>	<hr/> <hr/>

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

## **19 Related party transactions**

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

There were no other related party transactions other than with members of the group (2019: none).

## 20 Financial Instruments

	<b>Group</b>	<b>2020</b>	<b>Group</b>	<b>2019</b>
	<b>£</b>	<b>Charity</b>	<b>£</b>	<b>Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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)

	<b>Income</b>	<b>Expense</b>	<b>Net gains</b>	<b>Net losses</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>2020</b>				
Financial assets measured at amortised cost	65	-	-	-
Financial liabilities measured at amortised cost	-	-	-	-
	<u>65</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>2019</b>				
Financial assets measured at amortised cost	115	-	-	-
Financial liabilities measured at amortised cost	-	-	-	-
	<u>115</u>	<u>-</u>	<u>-</u>	<u>-</u>