

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

Annual Report and Financial Statements

For the Year Ended 31 October 2022

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

The South West Heritage Trust
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Trustee Directors	Rev. P M Beacham G L Craig Cllr A Davis Prof. H R French D H Gwyther J Loader S V Maberley Lt Col. M J R Motum (Chair) A M D Smallwood Dr S A Windsor Cllr A R Wyke Prof. A Zalewska
Chief Executive Officer	T W Mayberry
Charity Number	1158791
Company Number	09053532
Principal Address and Registered Office	Somerset Heritage Centre Brunel Way Taunton Somerset TA2 6SF
Auditors	Albert Goodman LLP Goodwood House Blackbrook Park Avenue Taunton Somerset TA1 2PX
Bankers	NatWest 26-27 Fore Street Taunton Somerset TA1 1JQ
Solicitors	Bates Wells Braithwaite 10 Queen Street Place London EC4R 1BE

The Trustees, who are also directors for the purposes of the Companies Act, present their report and the financial statements of the charity for the year ended 31 October 2022, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

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

References and Administrative Details

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

Directors and Trustees

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

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

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

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

Patrons

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and Formation of the South West Heritage Trust

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

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

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

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

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

Organisational Management

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

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

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

The Leadership Team meets formally not less than ten times a year to ensure consistent and collaborative management of services across the Trust and to progress the delivery of the Business Plan.

Selection and Training of Trustees

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

The Annual Retirement Meeting for Trustees of the Trust took place on 28 April 2022. Michael Motum was appointed as Chair. Sam Hunt, Peter Gunner retired from the board. Sandy Maberley was appointed to a third term under the provisions of Article 26.12. Jill Loader, Dr Stuart Windsor and Professor Ania Zalewska were appointed to the board.

The induction process for all new Trustees includes:

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

Risk and Risk Management

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

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

OBJECTIVES, STRATEGY AND ACTIVITIES OF THE TRUST

Objectives

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

Our Vision

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

Our Mission

Access, Learning and Enjoyment

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

Care, Conservation and Protection

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

Resilience

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

Staff and Volunteers

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

Strategy

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

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

The strategy is supported by the following documents:

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

Service Areas

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

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

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

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

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

ACTIVITY REPORT

Highlights and Achievements

Context

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

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

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

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

Archives and Local Studies

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

Historic Environment and Estates

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

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

Learning

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

Museums

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

Museum of Somerset

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

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

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

Somerset Rural Life Museum

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

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

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

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

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

Partnerships and Sector Support

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

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

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

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

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

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

FINANCIAL REVIEW AND RESERVES POLICY

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

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

Pension schemes

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

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

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

Reserves

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

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

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

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

Major Income Sources

The Trustees are extremely grateful for the financial support and commitment of all funders of the Trust. In particular, the financial and other support provided by Somerset Council and Devon County Council is fundamental to the Trust's success and allows it to celebrate, preserve and make accessible the remarkable heritage of the two counties. We here express our thanks to both local authorities for their continued support. In the Trust year ending 31 October 2022, the core grants from the two Councils accounted for £2,041,729 of the Trust's total income (65% of the unrestricted income, 56% of the total income).

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

Traded Income and Fundraising

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

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

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

Looking Forward

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

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

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

PUBLIC BENEFIT

Social Benefits

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

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

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

Economic Benefits

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

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

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

Environmental Sustainability

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

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

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

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

Statement of Trustees' Responsibilities

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

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

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

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

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

Statement as to disclosure to our auditors

In so far as the Trustees are aware:

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

AUDITORS

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

SMALL COMPANY PROVISIONS

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

By order of the Trustees.

Lt Col. M J R Motum

Trustee

The South West Heritage Trust

Date: 27 April 2023

The South West Heritage Trust

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

Opinion

We have audited the financial statements of The South West Heritage Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 October 2022, which comprise the consolidated Statement of Financial Activities, the consolidated and parent charitable company Balance Sheets, the consolidated and parent charitable company Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 October 2022 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

The South West Heritage Trust

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

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 13], the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

The South West Heritage Trust

Independent Auditors' Report to the Trustees and Members

For the Year Ended 31 October 2022

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

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

Use of our report

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

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

For and on behalf of Albert Goodman LLP, Statutory Auditor

Goodwood House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Date: 27 April 2023

The South West Heritage Trust

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

For the Year Ended 31 October 2022

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

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

All income and expenditure derive from continuing activities.

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

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

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

The notes on pages 23 - 52 form part of these accounts.

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

Lt Col. M J R Motum
Trustee

The South West Heritage Trust
Statement of Cash Flows and Consolidated Statement of Cash Flows

For the Year Ended 31 October 2022

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

1 Accounting Policies

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

1.1 Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

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

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

1.2 Legal status of the Trust

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

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

1.3 Going Concern

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

1.4 Income

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

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

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

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

The charity receives income from its subsidiary under gift aid and this is recognised upon physical receipt.

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

1.5 Interest receivable

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

1.6 Expenditure

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

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

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

1.7 Operating leases

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

1.8 Fund accounting

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

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

1.9 Tangible fixed assets and depreciation

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

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

1.10 Debtors

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

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

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

1.11 Stock

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

1.12 Cash at bank and in hand

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

1.13 Creditors

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

1.14 Defined contribution pension

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to defined contribution plans are recognised as staff pension expense through the profit and loss when they are due.

1.15 Defined benefit pension obligation

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

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

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

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

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

1.16 Critical accounting estimates and areas of judgement

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 October 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

1.17 Taxation

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

1.18 Financial Instruments

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

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

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

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

2 Donations and legacies

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

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

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

*Denotes government grants

3 Income from charitable activities

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

*Denotes government grants

Government grants

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

4 Other trading activities

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

5 Investment income

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

6 Expenditure

Split by fund:

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

Split by cost:

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

6 Expenditure (continued)

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

7 Trustee directors

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2021: £nil).

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

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

8 Employees

Number of employees

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

Number of employees

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

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

Employment costs

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

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

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

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

The key management personnel of the group comprise those of the Trust and the key management personnel of its wholly owned subsidiary South West Heritage Trust Trading Company Ltd. The key management personnel of the group comprises of the Chief Executive Officer. The total employee benefits (includes gross pay, employer pension and employer national insurance) of the key management personnel of the Trust were £96,824 (2021: £93,687).

Employees (continued)

Pension costs

The company operates both defined benefit and defined contribution pension schemes. The charge to the Statement of Financial Activities for the year is shown above.

Contributions totalling £31,377 (2021 - £29,973) were payable to the schemes at the end of the year and are included in creditors. Further details of the defined benefit schemes are given in note 17.

9 Tangible fixed assets

Group

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

The above assets are all held by the charity.

10 Investments

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

Investments (continued)

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

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

A summary of the trading results is shown below:

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

11 Stocks

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

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

12 Debtors

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

13 Creditors: Amounts falling due within one year

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

Deferred Income

	2022		2021	
	Group	Charity	Group	Charity
	£	£	£	£
Deferred income at 1 November 2021	697,683	697,683	610,693	609,886
Released from previous years	(697,683)	(697,683)	(610,693)	(609,886)
Resources deferred in the year	704,466	704,466	697,683	697,683
	<u>704,466</u>	<u>704,466</u>	<u>697,683</u>	<u>697,683</u>

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

14 Summary of movement in funds- Group

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

14 Summary of movement in funds- Group (continued)

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

Summary of movement in funds- Charity

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

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

Summary of movement in funds – Group (2021)

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

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

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

Summary of movement in funds – Charity- 2021

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

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

Purpose of material funds:

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

14 Summary of movement in funds (continued)

Purpose of material funds (continued):

- Somerset Rural Life Museum – Project to undertake the interpretive design and fit-out of the newly refurbished museum, funded by Viridor Environmental Credits, HLF and Somerset County Council. The works are being undertaken as an appendix to the main five-year Grant Agreement in place with Somerset County Council. The balances held in designated funds and restricted funds represent the Net Book Value of the Fixed Asset.
- Historic Environment and Estates – Remaining funds from discrete projects which continue to have a low level of activity, including Somerset Churchyard Grant Scheme, Taunton Heritage project and Somerset Levels publications.
- North Devon Record Office – Archive service provided in Barnstaple to serve the North Devon area. Although linked to the Devon Archive and Local Studies Team, the funding is provided through a separate arrangement.
- Museums and Schools - a project entitled 'Adventures in Time' funded by Arts Council England Museums and Schools programme. The project has enabled work with pupils and schools located in isolated rural areas.
- Avalon Archaeology Park- showcases the archaeological reconstruction buildings at the Avalon Marshes Centre. The project, funded by the local Leader scheme and other donations, included the creation of a new education building adjacent to the Park and provided resources for learning and volunteers.
- Culture Recovery Fund - provided by Arts Council England to help support the Museums during re-opening, replace lost income, invest in priority areas of work and replenish financial reserves. The transfer £96,621 in 2021 to unrestricted funds is to reflect the proportion of the grant contributable towards core costs.
- Culture Recovery Fund Round 2 – A further round of Arts Council England funding to help support the Museums service during re-opening. The Trust received a further grant award of £63,500 for eligible expenditure to the end of December 2021.
- North Devon Athenaeum - The Trust provides archive services for the North Devon Athenaeum, which includes purchasing materials on their behalf for conservation and preservation. The Trust also operates a payroll service on behalf of the North Devon Athenaeum for their staff.
- Castle House Project - A capital fund was provided to the Trust by Somerset Building Preservation Trust which is to be used for maintenance or works which enhance Castle House, or enable a contribution to the viability of the business.
- West Country Studies - A capital project to rehouse the WCSL in a more appropriate space within Great Moor House, with new mobile shelving, and a range of outreach and engagement to open up and celebrate the collections.
- Local Heritage List - A Ministry of Housing, Communities and Local Government funded pilot project for the establishment of a local heritage list, or lists, in Somerset, in partnership with the statutory planning authorities in the county.

15 Analysis of assets between funds – Group

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

Analysis of assets between funds – Charity

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

Analysis of assets between funds – Group - 2021

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

Analysis of assets between funds – Charity – 2021

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

16 Income and expenditure account of the Trust

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

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

17 Pension commitments

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation for both LGPSs was 31 March 2019, with the next valuations being undertaken as at 31 March 2022.

At the year end there were outstanding contributions due to the schemes totalling £23,462 which are included within creditors.

The schemes are funded defined benefit pension schemes, with assets held in separate Trustee-administrated funds. The total contributions made for the year ended 31 October 2022 were £282,000 of which employer's contributions totalled £215,000 and employees' contributions totalled £67,000. The current employer contribution rates for future years are:

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

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

Summary of net pension liability as at 31 October 2022:

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

Summary of net pension liability as at 31 October 2021:

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

Principal Actuarial Assumptions

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

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

The assumed life expectations on retirement age 65 are:

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

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

Pension Commitments - Assets/liabs in SCC Pension Fund

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

	2022 £'000	2021 £'000
Current service cost	(438)	(400)
Net interest cost	(93)	(91)
Administration expenses	(5)	(5)
	<hr/>	<hr/>
Total	(536)	(496)
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Movements in the present value of defined benefit obligations were as follows:

	At 31 October 2022 £'000	At 31 October 2021 £'000
At 1 November 2021	(14,062)	(12,559)
Current service cost	(438)	(400)
Interest cost	(246)	(201)
Past service costs	-	-
Estimated benefits paid	67	65
Employee contributions	(53)	(52)
Actuarial gains/(losses)	8,056	(915)
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At 31 October 2022	(6,676)	(14,062)
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Movements in the fair value of the charity's share of scheme assets were as follows:

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

Principal Actuarial Assumptions

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

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

The assumed life expectations on retirement age 65 are:

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

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

Pension Commitments - Assets/liabs in DCC Pension Fund

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

	At 31 October 2022 £'000	At 31 October 2021 £'000
Current service cost	(102)	(106)
Net interest cost	(29)	(31)
Administration expenses	(2)	(2)
	<hr/>	<hr/>
Total	(133)	(139)
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Movements in the present value of defined benefit obligations were as follows:

	At 31 October 2022 £'000	At 31 October 2021 £'000
At 1 November 2021	(5,508)	(5,196)
Current service cost	(102)	(106)
Past service costs	-	-
Interest cost	(95)	(80)
Estimated benefits paid	180	77
Employee contributions	(14)	(15)
Actuarial gains/(losses)	2,479	(188)
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At 31 October 2022	(3,060)	(5,508)
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Movements in the fair value of the charity's share of scheme assets were as follows:

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

Operating leases-

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

	2022	2021
	£	£
Land and Buildings		
Expiry date:		
Within one year	30,328	30,328
Within two and five years	121,312	121,312
More than five years	561,580	591,897
Other		
Expiry date:		
Within one year	3,073	-
Within two and five years	9,732	-
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	726,025	743,537
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The rent payable above is funded by the Council. The funding from Council to the Trust to pay for the rent on leased and sub-leased properties shall be a sum equivalent to the full value of the rent. This sum is ring-fenced and is not included in the core funding it receives from the Council for charitable activities.

19 Related party transactions

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

There were no other related party transactions other than with members of the group (2021: none).