

Registered number: 11774969
Charity number: 1186986

Royal Pavilion and Museums Trust
(A company limited by guarantee)

Trustees' report and financial statements

For the period ended 31 March 2021

Royal Pavillon and Museums Trust
(A company limited by guarantee)

Contents

	Page
Reference and administrative details of the Company, its Trustees and advisers	1
Trustees' report	2 - 13
Independent auditors' report on the financial statements	14 - 17
Consolidated statement of financial activities	18
Consolidated balance sheet	19
Company balance sheet	20
Consolidated statement of cash flows	21
Notes to the financial statements	22 - 38

Royal Pavillion and Museums Trust
(A company limited by guarantee)

Reference and administrative details of the Company, its Trustees and advisers
For the period ended 31 March 2021

Trustees	Michael Bedingfield, Chair Lord John Steven Bassam Timothy John Mellor Aspinall Councillor Alan Robins Councillor Phelim MacCafferty (appointed 1 April 2020) Councillor Stephen Bell CBE (appointed 1 April 2020) David James Charles Anderson OBE Jane Avarad Weeks, Vice Chair Rebecca Crook, Chair of RPMT Enterprises Ltd Brad Irwin Sue Wilkinson OBE, Chair Nominations & Remuneration Committee Davinder Dhillon DL Shaun Romain Atiya Gourlay (appointed 1 March 2021) Angela Smith, Chair Finance & General Purpose Committee (appointed 1 April 2020)
Company registered number	11774969
Charity registered number	1186986
Registered office	4-5 Pavilion Buildings Brighton BN1 1EE
Chief executive officer	Hedley Swain
Independent auditors	Kreston Reeves LLP Chartered Accountants Statutory Auditor A2 Yeoman Gate Yeoman Way Worthing West Sussex BN13 3QZ

Royal Pavillion and Museums Trust
(A company limited by guarantee)

Trustees' report
For the period ended 31 March 2021

The Trustees present their annual report together with the audited financial statements of the Company for the period 1 February 2020 to 31 March 2021. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the group and the Company qualify as small under section 383 of the Companies Act 2006, the Group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

2020-21 represented a transition year for the Royal Pavillion & Museums Trust (RPMT). The Trust although incorporated in February 2020 did not take on the running of the Royal Pavillion & Museums service until 1 October 2020. The original transfer date of 1 April was delayed due to the pandemic. These financial statements show a consolidated position which includes the Trust and RPMT Enterprises Ltd, the Trading subsidiary of the RPMT for the period since its incorporation in February 2020 to March 2021. Due to the pandemic trading was minimal and the Trading subsidiary posted a small loss. Finally, the financial statements also bring in the balances of the Royal Pavillion & Museum Foundation from the 1 April 2020. The Foundation, the charity previously linked to the Royal Pavillion & Museums, has since that date had one corporate Trustee, the Royal Pavillion & Museums Trust, and is maintained due to an existing endowment fund.

Objectives and activities

a. Policies and objectives

a) The Objects of the Charity are:

1. The advancement of, including the advancement of public appreciation in, the arts, culture, heritage, and science, in particular (without limitation) by:
 - managing, operating, maintaining and improving the Royal Pavillion & Museums and their permanent collections, including by acquiring suitable objects for the collections;
 - preserving and safeguarding the land and the buildings of the Royal Pavillion & Museums; and providing for, or supporting, the establishment, maintenance, refurbishment and enhancement of other exhibitions and displays of collections in the Brighton and Hove area; and
2. The advancement of education, particularly (but not exclusively), in relation to heritage, culture and the arts; and
3. The maintenance and provision of land and facilities for recreation or other leisure time occupation for the general public in the interests of social welfare and with the object of improving their condition of life.
4. The 'Royal Pavillion Museums' shall mean the Royal Pavillion, Royal Pavillion Garden, Brighton Museum & Art Gallery, Preston Manor, Hove Museum, and Booth Museum.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Royal Pavilion and Museums Trust
(A company limited by guarantee)

Trustees' report (continued)
For the period ended 31 March 2021

Objectives and activities (continued)

b. Strategies for achieving objectives

Following the successful creation of The Royal Pavilion and Museums Trust in October 2020 the Trustees have set targets and goals for our first five years. In five years time we aim to be the best Civic Museum Service in the country, with, at its heart, an Estate of World Heritage site status and an attraction on the must-see list for international visitors to the UK. In addition we want to be a museum service that is bringing true value to all the people of Brighton & Hove who feel a real sense of ownership and involvement in its work.

This work is reliant on a radical root and branch review of the new organisation to ensure it not only emerges from the unparalleled impact of COVID, and the challenges it has presented with a successful business model, but also that it emerges from the long-term uncertainty and working practices of local authority service to become a confident independent and forward-facing business.

Strategic Framework

After transfer on 1 October 2020 and the appointment of a new CEO, starting on 2 November 2020, the Trust in its first year has set out an initial one year working strategy that identified three head-line priorities as benchmarks for a successful service with a series of sub-priorities and three meta- or overarching priorities. These were endorsed by trustees and key stakeholders, shared with staff and formed the basis of the first year's operational plan.

Our priorities

We will

- 1. Be a brilliant museum service for the people of Brighton & Hove:**
 - 1.1. Be inclusive and equitable in all we do, and occasionally be unconventional and disruptive.
 - 1.2. Have galleries, exhibitions, programmes, on-line content, and events that are expert, exciting, innovative, and relevant to all the people of Brighton & Hove and make their lives richer.
 - 1.3. Reflect the values of Brighton & Hove and do all we can to be environmentally sustainable; to source our services locally, be ethical and socially responsible.
 - 1.4. Manage our collections dynamically and look after our collections, buildings and green spaces to the very highest standards.
- 2. Offering world class visitor venues:**
 - 2.1. Ensure as many people as possible know about our venues and as many people as possible visit them.
 - 2.2. Ensure that our venues and everything that goes on in them offer great value for money, are well received and commented on, that people want to come back to them and recommend them to others.
- 3. Be well run, dynamic, resilient and sustainable:**
 - 3.1. Be enterprising, dynamic and fleet-of-foot in looking for opportunities to build our business model.
 - 3.2. Professionally manage our finances, maximizing every opportunity to raise funds for the wellbeing of the service. We will work within our financial means.
 - 3.3. Be receptive to all our stakeholders, most importantly Brighton & Hove City Council.
 - 3.4. Have excellent staff, look after them and make sure they are diverse and reflect the population of contemporary Brighton & Hove. We will take personal and collective responsibility for what we do. We will be kind to each other and those we come into contact with.
- 4. Meta priorities:**
 - 4.1. Be excellent in everything we do and will innovate in museum practice, being part of global museum debates and supporting the museum sector regionally.
 - 4.2. Have a world class reputation for excellence that enhances the position of Brighton nationally and internationally.
 - 4.3. Be a listening and learning organisation. We will always seek to listen to what others have to say. We will always seek to learn from each other and others, so we become a better organisation.

Royal Pavilion and Museums Trust
(A company limited by guarantee)

Trustees' report (continued)
For the period ended 31 March 2021

Objectives and activities (continued)

Although many of the priorities above involve reviews and changes in process, we want all to be focused on long-term outcomes and impacts. For now, we will keep these simple but try to ensure everything we are doing is delivering to one or more of these outcomes:

- Increased wealth generation.
- Higher quality engagement for B&H residents.
- Higher quality engagement for all visitors.
- Higher effectiveness of RPMT staff.

c. Activities undertaken to achieve objectives

For much of the first year due to the COVID pandemic and Government rules and guidance our venues were kept closed to the public and many of our staff were placed on furlough. However, we maintained the security of our buildings and collections, undertook future planning and maintained an on-line presence to provide access to our collections and resources. We did open the Royal Pavilion and Brighton Museum and Art Gallery during December and were pleased to welcome a modest number of visitors. During this time Brighton Museum and Art Gallery featured the temporary exhibition "Rock'n'roll with me" photographs by Geoff McCormack of David Bowie, and at the Royal Pavilion we featured a major loan of items from Buckingham Palace "A Princes Treasure".

Planning during this period included plans for a new financial system, management meeting protocols and structures. We also undertook discussions with the James Henry Green Trust to fund a major new initiative: "Culture Change RPMT" to embed equality and diversity principles and practices across the organisation.

d. Grant-making policies

RPMT does not under normal circumstances make grants to third parties. However, we do act as the managing organisation for the South East England Museum Development Service, funded directly by Arts Council England that is a grant making organization.

e. Volunteers

The Royal Pavilion and Museums Trust relies heavily on volunteers. In a typical year, based on the last full year's data of 2018-19, RPMT had 129 volunteers that contributed 22,000 hours to the organisation working across a variety of roles including Community Engagement, Learning, Gardening, Collections Care, Research, Event Support and Conservation.

Sadly, due to COVID restrictions, RPMT has delivered a reduced volunteer programme. During 2020-21 only 295 hours were recorded across Conservation, Community Engagement and Gardening.

Royal Pavilion and Museums Trust
(A company limited by guarantee)

Trustees' report (continued)
For the period ended 31 March 2021

Objectives and activities (continued)

f. Main activities undertaken to further the Company's purposes for the public benefit

RPMT manages:

The Royal Pavilion (RP) (Grade 1 listed)

The Royal Pavilion Garden (Grade 2 listed on Historic England's register of parks)

Brighton Museum & Art Gallery (BMAG) (Grade 2 listed)

Hove Museum & Art Gallery (HMAG)

Booth Museum of Natural History (Grade 2 listed)

Preston Manor (Grade 2* listed) and garden

RPMT also manages the William IV Gatehouse (Grade 1 listed), India Gate (Grade 1 listed), Northgate House (Grade 2 listed), all located on the RP estate, as well as 4/5 Pavilion Buildings, an off-site collections store, the Old Courthouse and Courtroom (Grade 2 listed) and the Jaipur Gate (Grade 2 listed) at HMAG.

RPMT also operates in the virtual world through our Website, and social media channels providing worldwide access to information about its rich and diverse collections, stories and resources.

We care for c. 1million objects as part of our wide-ranging collections. These are multi-period and multi-subject. They include three Designated collections (World Art, Natural History and decorative Arts). We also hold important collections of archaeology, Egyptology, fine art, social history, toys, musical instruments, early cinematography, and crafts.

In a normal year all of our sites will be open to the public and our collections available for research and study. We will operate a programme of public events and educational sessions (both formal and informal). We will actively seek to research our collections and seek to make new knowledge available. We will loan objects to other museums. We will work with a series of partners and stakeholders to bring value to as many people as possible in Brighton & Hove and beyond.

Achievements and performance

a. Main achievements of the Company

In this exceptional year due to the COVID pandemic our achievements were focused around the creation of the Trust, employment of key personnel and putting place core organisational structures and undertaking future planning while being unable to offer our main services to the public. Nevertheless we did open sites to the public when possible and did maintain an active on-line presence.

b. Key performance indicators

For the period under review our key performance indicators were successfully submitting business plans to Arts Council England and Brighton & Hove City Council.

Royal Pavilion and Museums Trust
(A company limited by guarantee)

Trustees' report (continued)
For the period ended 31 March 2021

Achievements and performance (continued)

c. Review of activities

Collections & Research

- **Collections including Acquisitions**

There were seven acquisitions into the collection (comprising of 19 objects) including Nao Matsunago large ceramic (May 2020) funded by the CAS Omega Fund, a donation of a scrapbook of photographic prints dated c1905-1930 that belonged to a local family (May 2020) and the purchase of eight Matt Smith ceramics and three tapestry works (July 2020) funded by the CAS Rapid Response Fund.

- **Research**

RPMT has been a partner in an AHRC funded research initiative led by the University of Sussex called "Making African Connections: Decolonial Futures for Colonial Collections". The project promotes research into historic African collections held in Sussex and Kent Museums with the aim of furthering both conceptual and applied debates over 'decolonising' public institutions. Collections documentation and research into RPMT's holdings of objects from Botswana (including the collection formed by missionary Charles William Willoughby) has been undertaken with a view to preparing 70 objects for loan to the Khama III Memorial Museum in Serowe, Botswana.

Caroline Hamilton has undertaken doctoral research for a joint PhD with the University of Brighton and Royal Pavilion & Museums Trust looking at the history of the short-lived Les Ballets 1933, which performed six ballets in Paris and London in 1933 funded by Edward James. RPMT's collection has over 400 items of costumes, sets and backdrops in its collections donated by Edward James.

Our Paper Conservator received a £10k grant from the Paul Mellon Foundation to undertake research to re-establishing the historic and international context for the Chinese wallpapers which are unique to the Royal Pavilion and likely to be the most complete set of pictorial Chinese export wallpapers in the UK that depicts the dragon boat festival (only one other fragment is held by the V&A) and hunt scene as well as planning a conservation treatment plan for these.

The Collections team used the closure period to undertake general collections documentation research which included provenance research and transcribing historic accession registers.

- **Loans**

New loans out in the period is 15 (comprising of 97 individual objects) including 18 objects to the National Gallery of Zimbabwe in Bulawayo, a head carving of a Maori ancestor, the leader and chief Hongi Hika, to Te Kongahu Museum, New Zealand, Alice in Wonderland by George Dunlop Leslie, oil painting, to the V&A and The Raising of Lazarus by Jan Lieven to The Mauritshuis, The Hague.

There were three major loans into our collections: 100 First Women Portraits by Anita Corbin (March – May 2020), Queer the Pier (2020 – current) and Rock 'n' Roll with Me: Bowie/MacCormack 1973-76 (18 May 2021 – current).

- **Object Conservation**

RPMT conservation staff have worked on a number of in-house exhibitions including approximately 60 works on paper for a Crace display at BMAG by our paper conservator, the Lost Masterpiece display at Preston Manor was prepared by our painting conservator, the refurbishment of Queen Victoria's apartments in the Royal Pavilion which included graining and decorative work by our assistant conservator and object moves and install work for final group of Princes Treasure loans from the Royal Collection Trust by our object conservator.

The team have helped to prepare 15 outgoing loans including 'Art Deco by the Sea' (Sainsburys Centre/ Laing): Chermayeff sideboard, Dunand screen and Le Verrier lamp.

Royal Pavilion and Museums Trust
(A company limited by guarantee)

Trustees' report (continued)
For the period ended 31 March 2021

Achievements and performance (continued)

The team have undertaken many preventative conservation tasks including environmental monitoring of our buildings and collections, supervision of major filming projects, Integrated Pest Management (quarterly monitoring & reporting) and managing better controls of natural science collections such as the sealing of Entomology cabinets (estimated 500+ drawers), 20 large taxidermy cabinets lined with sealed Tyvek enclosures and approximately 100 Great Kitchen copperware objects were polished in the Royal Pavilion Great Kitchen.

- **Buildings Conservation**

A large building project was undertaken to the north east corner of the Royal Pavilion. This work undertook external maintenance to this part of the building including masonry repairs. Repairs took place to the Port Cochere at the entrance to the Royal Pavilion. This included repairs to the columns and ring beam supporting the structure. RPMT began the process of appointing a Project Manager for the Development Phase of the rejuvenation project of the Royal Pavilion Garden.

Audiences & Engagement

- **Reopening**

COVID, and the necessary steps to limit its spread, meant that the venues was closed for most of 2020/21. There were periods when our buildings were able to open, following careful safety guidelines.

Reopening after the first lockdown - Royal Pavilion 27th July 2020, Brighton Museum 17th October 2020. Preston Manor 11 September 2020. We then had to close our sites in early November, briefly reopening Brighton Museum and the Royal Pavilion on 3rd December and Preston Manor on Friday 4 December before the longer lockdown over Christmas and beyond.

During both opening phases, advance booking was recommended to control numbers and visits followed a distanced, one-way route, with hand-sanitiser stations at entry points, Perspex screens and barriers, social distancing signage, removal of audio guides and reconfigured retail spaces. Despite restrictions, and wariness of the national situation there was a desire to visit. During the periods we were open 36,725 visited our venues.

- **Exhibitions**

The Royal Pavilion reopened in July 2020 with A Prince's Treasure: From Buckingham Palace to the Royal Pavilion - The Royal Collection Returns to Brighton

Brighton Museum & Art Gallery reopened after the first lockdown on 17th October 2020 with Rock 'n' Roll with Me - Bowie/MacCormack 1973-76 as the headline exhibition. Also opening on the same day was Down from London: Spencer Gore and Friends and Designing an Enchanted Palace: The Crace decorators at the Royal Pavilion. We reopened a Covid safe reconfigured Queer the Pier LGBTQAI+ community curated exhibition which had only been open a fortnight before closure

- **Events and Education**

Due to the COVID pandemic RPMT didn't run a live events programmes but offered a selection of online engagement over the summer of 2020 such as the Online Draw. Our schools programme was furloughed during this period.

- **Engagement**

Museum Mentors (a group of individuals with varied critical social needs) continued with a few individual meetings outside and socially distanced, and then moved to postal engagement as the pandemic worsened. Museum Collective (young people 14-25) pivoted online, using Zoom meetings to keep in touch with the group.

Royal Pavilion and Museums Trust
(A company limited by guarantee)

Trustees' report (continued)
For the period ended 31 March 2021

Achievements and performance (continued)

- **Diversity**

RPMT engaged with the BLM narrative across much of the summer of 2020 with a zoom-based event to mark Windrush Day on 22 June 2020, a 'salon' event on 30 July with the Heritage Network (BAME heritage group) with Caine Lewin-Turner, on the subject of "Have we unsettled heritage? Conceiving of a heritage that can salvage the human". Work on the Making African Connections project led to a new protocol for dealing with racist language in historic museum documentation which is being implemented across the organisation. The RPMT Decolonising Museums Working Group hosted a webinar on 23 September 2020. Participants included RPMT staff, activists and community-based partners, which has led to the development of an outline equality and diversity project to be delivered across the next three years.

- **Digital**

RPMT used the lockdown periods to train staff in new digital skills such as Wordpress development. This resulted in the creation of five new websites translating planned programming and new engagement online. These include:

- Close Look Collections: Close Look Collections – Quick peeps at the past (brightonmuseums.org)
- First 100 Women online: <http://firstwomen.brightonmuseums.org/>
- Ocean Blues: Ocean Blues – Royal Pavilion & Museums, Brighton & Hove (brightonmuseums.org)
- Fashioning Africa: The Fashioning Africa Project - Fashioning Africa (brightonmuseums.org)
- WW2 in Brighton: WW2 in Brighton & Hove – Royal Pavilion & Museums, Brighton & Hove (brightonmuseums.org)

A Royal Pavilion audio guide was developed in-house and launched when Royal Pavilion reopened. Page views of the online shop were up 24% on the previous year. This reflects changes to improve navigation on the website to make the shop more visible.

Digital Messaging around reopening was also successful e.g. Royal Pavilion reopening video has been viewed over 1,300 times on YouTube and over 6,000 views on Facebook.

The video explainer for move to Trust has been viewed over 22,000 times on Facebook and over 1,000 times on YouTube. It has also been recognised in the sector as an outstanding example of communicating a governance change and has been cited in Culture 24 and Digital Things newsletters to that effect.

- **Media**

Despite only being open for two of the six months the Royal Pavilion & Museums were in Trust, the Trust achieved good media profile. Coverage was particularly strong around the Bowie Exhibition, Rock 'n' Roll with Me - Bowie/MacCormack 1973-76. The move of the Royal Pavilion & Museums to independent Trust, and appointment of the CEO also attracted significant regional and sector coverage. During the lockdown periods the team were also kept busy with a steady flow of commercial photography and filming requests.

Our People

- **Staff**

2020 - 2021 has been a particularly challenging year for the staff at the Royal Pavilion & Museums and the Trustees acknowledge the work that the staff team have put in despite the challenges. Staff originally expected to move to TUPE from BHCC to Trust on the 1st April 2020 but the process was halted just 7 days before transfer due to the emerging COVID situation. Uncertainty over the future of the Trust continued throughout most of the summer during which many staff were furloughed whilst other had to adapt to new ways of working remotely and new strategies for engaging with audiences.

Transfer finally concluded on the 1 October but ongoing COVID restrictions meant that it was difficult to mark the event and also hold meetings of induction for staff.

Royal Pavilion and Museums Trust
(A company limited by guarantee)

Trustees' report (continued)
For the period ended 31 March 2021

Achievements and performance (continued)

Many staff continued to be furloughed for most of the first six months of the trust playing an important role in reducing the salary burden. The CEO and Executive team have tried to keep staff engaged throughout and ensure feedback and input into forward planning through

- Weekly staff updates
- Staff wellbeing groups
- Fortnightly COVID update meetings
- Regular all staff meetings
- Senior Manager meetings
- Onsite morning briefings when allowed
- On-line training in areas such as Risk Assessment and digital development

Investment from the Heritage Lottery Emergency Fund and Culture Recovery Fund has also supported staff in home working through purchase of laptops rolled out to roles where work could continue remotely. The benefit of COVID is that many staff have felt that home working has improved overall work life balance and staff have learnt to work effectively in teams through on-site meetings where in person meetings have not been feasible. In March 2021 the staff group was consulted on moving to a new hybrid working model which was widely welcomed by those who can work remotely for part of their role. A space review to be implemented in 2021-22 will support this move converting many office spaces to hot desk areas enabling more of the behind the scenes areas to be repurposed for other uses to support the business

- Key appointments

Two significant appointments were made in the first weeks of Trust. Hedley Swain started as CEO on 2 November and Colmar Lewis as Interim Finance Director in early October.

d. Factors relevant to achieve objectives

All plans originally made for 2020/21 were subject to significant disruption as a result of the COVID-19 pandemic, which led to periods of national lockdown with effect from March 2020 and throughout the financial year.

e. Fundraising activities and income generation

During this period business plans were submitted and agreed to our principal external funders Arts Council England and Brighton & Hove City Council. In addition, a successful application was made to Arts Council England for emergency support (received after 1 April) and a new programme of external funding was negotiated with the James Henry Green Trust. Various small business grants were also applied for successfully.

Financial review

a. Going concern

Despite the impact of COVID and after making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The aim of Trustees in the long term to build unrestricted reserves to a level of 25% of planned expenditure over the following 12 months.

Royal Pavillon and Museums Trust
(A company limited by guarantee)

Trustees' report (continued)
For the period ended 31 March 2021

c. Principal risks and uncertainties

The Trust maintains a strategic Risk Register which is reviewed by the Executive Board monthly and FGP quarterly. In the opinion of the Executive Board There were no identifiable risks that need to be reported.

d. Financial risk management objectives and policies

The Executive Board has taken steps to ensure that financial risk is minimized by introducing robust internal controls and sound financial systems which are regularly reviewed. We are supported by a loan facility provided by Brighton & Hove City Council.

e. Principal funding

Our principal regular funding is from Brighton & Hove City Council and as a National Portfolio Organisation of Arts Council England. Other main funding comes from ticket sales, commercial operations, and fundraising.

Structure, governance and management

a. Constitution

Royal Pavillon and Museums Trust is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

b. Methods of appointment or election of Trustees

The management of the Group and the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association. The charity is managed by a Board of Trustee. Trustees are appointed for a term of three years. Trustees can serve for 2. A 3rd term will be possible if they move to a different role on the Board or in extremis.

New trustees are recruited when considered necessary, either to replace a trustee who has retired, or to bring in additional skills and experience where a need has been identified. Recruitment of Trustees is the responsibility of the Nominations and Remuneration committee a permanent sub-committee of the Board. Skills audits of the Board are undertaken on a regular basis to inform future recruitment. Potential trustees meet with the Chair of the Board of Trustees, prior to being appointed by resolution at a meeting of the trustees.

The Trustees are committed to diversification of the Board and in March 2021 appointed two young shadow trustees from diverse backgrounds to be mentored by Board members and give fresh insights to the work of the Trust

Royal Pavillion and Museums Trust
(A company limited by guarantee)

Trustees' report (continued)
For the period ended 31 March 2021

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

The Trustee Board meets quarterly, usually in January, April, July, October.

The Finance & General Purposes Committee has delegated responsibility on behalf of the Board of Trustees for ensuring that there is a framework for reviewing financial strategy, accountability, and financial controls for the Royal Pavilion & Museums Trust. The F&GPC consists of no fewer than three Trustees appointed by the Board of Trustees and includes the CEO, other colleagues with appropriate financial skills and expertise and Mike Woodward an external consultant who advised us on the move from Council to Trust. Chair - Dr Angela Smith.

The Nominations and Remuneration Committee (NRC) has been established as a permanent sub-committee of the Board of Trustees and its remit, on behalf of the Board, is to be responsible for:

- Recruiting the Chair and Deputy of the Board
- Recruiting trustees for the Board and sub committees of the Board
- Recruiting the CEO
- Salary and, if this is something the Trust decides to do, bonus setting for the CEO and senior executive team
- Reviewing the performance of the Chair and Deputy Chair

The trustees have delegated day to day decision making with key operational matters to the CEO Hedley Swain and the Executive Board.

d. Policies adopted for the induction and training of Trustees

Trustees of the charity have been selected to ensure the appropriate mix of skills, knowledge and experience exists to make sure the charity is well governed and is run effectively and efficiently. Trustees are briefed on their legal obligations under charity and company law, the Charity Commission on public benefit, content of the Memorandum and Articles of Association, the committee and decision-making process, the business plan and financial performance. Trustees are made aware of the indemnity provision and insurance in place for them as directors. Training for trustees is organised on a needs basis.

e. Pay policy for key management personnel

Senior staff are covered by annual pay negotiations. CEO salary is set by Trustees.

f. Related party relationships

Royal Pavilion and Museums Trust owns 100% of the share capital of RPMT Enterprises Ltd, a private company limited by share capital. The Company was incorporated on 10 February 2020 under the Company Number 12451429.

Royal Pavilion and Museums Trust is the corporate trustee of Royal Pavilion & Museums Foundation (an unincorporated charity, charity number 275242).

Royal Pavilion and Museums Trust
(A company limited by guarantee)

Trustees' report (continued)
For the period ended 31 March 2021

Plans for future periods

RPMT took on the running of the Royal Pavilion & Museums on 1 October and the new CEO took up post on 2 November 2020. The last six months before becoming an independent trust and the first year of our operation has been dominated by reacting to the ongoing COVID pandemic. For most of the 2020-21 and 2021-22 financial years we will be operating far below predicted visitor numbers and income and dealing with unprecedented challenges in terms of staff and public safety. It is anticipated that 2022-23 will still not see a return to "normal" operations, we are not expecting foreign and group visitors to return to pre-pandemic levels. We will also be dealing with the financial legacy of the previous two years. We re-opened all our sites during summer 2021 and fully expect for them to stay open for the duration of this application period. We currently have reduced opening hours on some sites due to staff shortages brought about by the pandemic. We hope this situation will slowly dissipate and we will be able to open all sites to our standard hours.

For 2021-22 we are completing our first year working strategy and putting in place organisational changes. We have constructed a draft business plan for 2022-23 that has been used to submit a funding application for this period to Arts Council England. This plan will be refined during 2021-22 and a finalised plan for 2022-23 will be in place for 1 April 2022. During winter 2021-22 a business plan for 2023-27 will be developed and submitted to Arts Council England as an application for funding in this period.

Our main business activity for 2022-23 will be the bedding-in of new ways of working and systems developed in 2021-22. This will include a new in-house finance and payroll service; a new website; a new fundraising team and strategy; new organisational structure; new approach to capital and programme planning; new diversity strategy and programme; new community partnerships; new learning strategy and programme; new approach to managing our open spaces, implementation of a "dynamic collections" programme and a "hybrid" staff working model. As you will see from this despite the difficult situation we are still being ambitious in what we want to achieve and our main programmes for 2022-23 are summarised below under Let's Create outcome and investment principle headings.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Royal Pavilion and Museums Trust
(A company limited by guarantee)

Trustees' report (continued)
For the period ended 31 March 2021

Disclosure of information to auditors

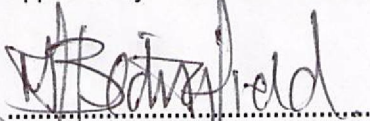
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors


The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Michael Bedingfield
(Chair of Trustees)

Date: 22.10.21



Angela Smith
(Trustee)

Royal Pavilion and Museums Trust

(A Company Limited by Guarantee)

Independent Auditor's Report to the Members of Royal Pavilion and Museums Trust

Opinion

We have audited the financial statements of Royal Pavilion and Museums Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the period ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the period 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 Charities Act 2011.

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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Royal Pavilion and Museums Trust

(A Company Limited by Guarantee)

Independent Auditor's Report to the Members of Royal Pavilion and Museums Trust (continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the parent charitable company has not kept sufficient accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the 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's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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

Royal Pavilion and Museums Trust

(A Company Limited by Guarantee)

Independent Auditor's Report to the Members of Royal Pavilion and Museums Trust (continued)

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

Capability of the audit in detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the group and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and Statement of Recommended Practice applicable to charities. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase income or reduce expenditure, management bias in judgemental areas of the financial statements such as the allocation of funds. Audit procedures performed by the group engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management and internal audit; and
- Assessment of identified fraud risk factors; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Royal Pavilion and Museums Trust

(A Company Limited by Guarantee)

Independent Auditor's Report to the Members of Royal Pavilion and Museums Trust (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's Report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Kreston Reeves LLP
Chartered Accountants
Statutory Auditor

Worthing

Date: 25.11.21.

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

Royal Pavillon and Museums Trust
(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
For the period ended 31 March 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:						
Donations and legacies	3	4,200,424	747,475	-	4,947,899	-
Charitable activities	4	235,520	-	-	235,520	-
Other trading activities	5	67,815	-	-	67,815	-
Other income	6	304,627	172,404	169,375	646,406	-
Total income and endowments		4,808,386	919,879	169,375	5,897,640	-
Expenditure on:						
Raising funds	7	96,370	308	-	96,678	-
Charitable activities	8	2,871,709	552,801	-	3,424,510	-
Total expenditure		2,968,079	553,109	-	3,521,188	-
Net income		1,840,307	366,770	169,375	2,376,452	-
Transfers between funds	17	42,000	(42,000)	-	-	-
Net movement in funds		1,882,307	324,770	169,375	2,376,452	-
Reconciliation of funds:						
Net movement in funds		1,882,307	324,770	169,375	2,376,452	-
Total funds carried forward		1,882,307	324,770	169,375	2,376,452	-

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

The notes on pages 22 to 38 form part of these financial statements.

Royal Pavilion and Museums Trust
(A company limited by guarantee)
Registered number: 11774969

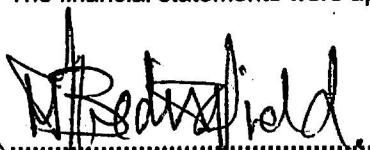
Consolidated balance sheet
As at 31 March 2021

	Note	2021 £	2020 £
Current assets			
Stocks	14	316,757	-
Debtors	15	665,942	-
Cash at bank and in hand		2,253,946	-
		<u>3,236,645</u>	-
Creditors: amounts falling due within one year	16	(860,193)	-
Net current assets		<u>2,376,452</u>	-
Total assets less current liabilities		<u>2,376,452</u>	-
Total net assets		<u>2,376,452</u>	-
Charity funds			
Endowment funds	17	169,375	-
Restricted funds	17	324,770	-
Unrestricted funds	17	1,882,307	-
Total funds		<u>2,376,452</u>	-

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.


The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Michael Bedingfield
 (Chair of Trustees)

Date: 22.10.21



Angela Smith
 (Trustee)

The notes on pages 22 to 38 form part of these financial statements.

Royal Pavillon and Museums Trust
(A company limited by guarantee)
Registered number: 11774969

Company balance sheet
As at 31 March 2021


	Note	2021 £	2020 £
Fixed assets			
Investments	13	1	-
		<u>1</u>	<u>-</u>
Current assets			
Stocks	14	311,274	-
Debtors	15	737,593	-
Cash at bank and in hand		2,022,208	-
		<u>3,071,075</u>	<u>-</u>
Creditors: amounts falling due within one year	16	(845,990)	-
Net current assets		<u>2,225,085</u>	<u>-</u>
Total assets less current liabilities		<u>2,225,086</u>	<u>-</u>
Total net assets		<u><u>2,225,086</u></u>	<u><u>-</u></u>
Charity funds			
Restricted funds	17	324,770	-
Unrestricted funds	17	1,900,316	-
Total funds		<u><u>2,225,086</u></u>	<u><u>-</u></u>

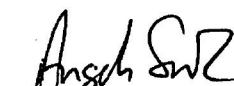
The Company's net movement in funds for the period was £2,225,086.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


Michael Bedingfield
 (Chair of Trustees)
 Date: 22.10.21


Angela Smith
 (Trustee)

The notes on pages 22 to 38 form part of these financial statements.

Royal Pavillion and Museums Trust
(A company limited by guarantee)

Consolidated statement of cash flows
For the period ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	19	2,253,946	-
Change in cash and cash equivalents in the period		2,253,946	-
Cash and cash equivalents at the beginning of the period		-	-
Cash and cash equivalents at the end of the period	20	2,253,946	-

The notes on pages 22 to 38 form part of these financial statements

Royal Pavilion and Museums Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 March 2021

1. General information

The charity is a private company limited by guarantee incorporated in England and Wales. The members of the company are the trustees named on page 1. 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 registered office and principal place of business of the charity is:

4-5 Pavilion Buildings
Brighton
BN1 1EE

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Royal Pavilion and Museums 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.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The subsidiaries included in the consolidation are Royal Pavilion and Museums Foundation (RPMF), a subsidiary by virtue of the Charity being the Corporate Trustee of RPMF; and RPMT Enterprises Ltd a subsidiary by virtue of share capital owned.

RPMF donated its assets and liabilities to Royal Pavilion and Museums Trust during the period.

RPMT Enterprises Ltd was incorporated during the period.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Going concern

Whilst the impact of the COVID pandemic has been assessed by the Board, so far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the organisation's activities. However, taking into consideration the Trust's financial position, the continued support from Brighton and Hove City Council via a loan facility should it be required and the Trust's future planning, the Trustees have a reasonable expectation the Charity will continue in operational existence for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

Notes to the financial statements
For the period ended 31 March 2021

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated statement of financial activities as the related expenditure is incurred.

2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Royal Pavilion and Museums Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 March 2021

2. Accounting policies (continued)

2.8 Debtors

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

2.9 Cash at bank and in hand

Cash at bank and 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.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.11 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

The group's employees are members of the local authority's defined benefit pension scheme. The scheme is a multi employer scheme of which Royal Pavilion and Museums Trust is a 'pass through' member. As such, the burden of any future funding deficit is borne by the local authority, and is not therefore the responsibility of the group. Therefore, as required by FRS102, the group accounts for this scheme as if it was a defined contribution scheme. The amount charged to the Statement of financial activities incorporating income and expenditure account represents contributions payable to the scheme in respect of the accounting period.

Royal Pavillion and Museums Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 March 2021

2. Accounting policies (continued)

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations	1,940,946	215,443	2,156,389
Grants	1,583,156	532,032	2,115,188
Government grants	676,322	-	676,322
	<u>4,200,424</u>	<u>747,475</u>	<u>4,947,899</u>

4. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £
Income from charitable activities.- Maintenance & advancement	<u>235,520</u>	<u>235,520</u>

Royal Pavillon and Museums Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 March 2021

5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Sales	67,815	67,815

6. Other incoming resources

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
CJRS grant	23,502	-	-	23,502
Other activities	27,703	-	-	27,703
Transfer in of RPMF brought forward funds	253,422	172,404	169,375	595,201
	<u>304,627</u>	<u>172,404</u>	<u>169,375</u>	<u>646,406</u>

The transfer in of RPMF brought forward funds represents the fund balances in RPMF at the point at which it became a subsidiary of the group when the Trust was appointed Corporate Trustee (1 April 2020). From 1 April to 30 September 2020 activities continued in RPMF at which point the net assets were transferred to the Trust and from 1 October 2020 all activities were undertaken by the Trust, with the exception of any movement in the permanent endowment fund.

7. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Fundraising costs	21,517	308	21,825
Costs of raising voluntary income	391	-	391
Costs of raising voluntary income - wages and salaries	33,058	-	33,058
Costs of raising voluntary income - social security	3,927	-	3,927
Costs of raising voluntary income - pension costs	8,175	-	8,175
	<u>67,068</u>	<u>308</u>	<u>67,376</u>

Royal Pavilion and Museums Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 March 2021

7. Expenditure on raising funds (continued)

Other trading expenses

	Unrestricted funds 2021 £	Total funds 2021 £
Cost of sales	15,134	15,134
Administration expenses	14,168	14,168
	<u>29,302</u>	<u>29,302</u>

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Maintenance & advancement	<u>2,871,709</u>	<u>552,801</u>	<u>3,424,510</u>

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Maintenance & advancement	<u>3,126,474</u>	<u>298,036</u>	<u>3,424,510</u>

Royal Pavilion and Museums Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 March 2021

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Maintenance & advancement 2021 £	Total funds 2021 £
Staff costs	2,417,163	2,417,163
Materials, collections and conservation	109,857	109,857
Computer costs	114,483	114,483
Payments to other bodies	164,776	164,776
Rent, rates and utilities	144,187	144,187
Establishment costs	18,007	18,007
Security costs	95,139	95,139
Cleaning	18,148	18,148
Repairs and maintenance	9,237	9,237
Advertising	9,955	9,955
Postage and stationery	665	665
Sundry expenses	24,857	24,857
	3,126,474	3,126,474

Analysis of support costs

	Maintenance & advancement 2021 £	Total funds 2021 £
Telephone costs	28,735	28,735
Audit and accountancy fees	19,900	19,900
Insurance	37,048	37,048
Legal and professional costs	86,189	86,189
Recruitment costs	2,305	2,305
Consultancy costs	112,291	112,291
Travel and subsistence	3,468	3,468
Subscriptions	3,827	3,827
Bank charges	73	73
Postage and stationery	2,229	2,229
Sundry expenses	1,971	1,971
	298,036	298,036

Royal Pavilion and Museums Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 March 2021

10. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £14,750, and preparation of financial statements of £5,150.

11. Staff costs

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	1,968,291	-	1,935,233	-
Social security costs	160,551	-	156,624	-
Contribution to pension schemes	333,481	-	325,306	-
	<u>2,462,323</u>	<u>-</u>	<u>2,417,163</u>	<u>-</u>

The average number of persons employed by the Company during the period was as follows:

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Employees	215	-	208	-

No employee received remuneration amounting to more than £60,000 in either year.

In 2021, Royal Pavilion and Museums Trust consider their key management personnel to be:

H Swain, Chief Executive; C Tapping, Head of Collections & Conservation; A Thomas, Director of Enterprise and Visitor Experience, C Evans, Head of Engagement and C Lewis, Finance Director.

The five key management personnel received total aggregate remuneration of £182,900, made up of salaries of £119,699, employers national insurance £14,195 and employers pension contributions of £21,306 and fees to third parties for directors services of £27,700.

12. Trustees' remuneration and expenses

During the period, no Trustees received any remuneration or other benefits.

During the period ended 31 March 2021, no Trustee expenses have been incurred.

Royal Pavilion and Museums Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 March 2021

13. Fixed asset investments

Company	Investments in subsidiary companies £
Cost or valuation	
Additions	1
	<hr/>
At 31 March 2021	1
	<hr/> <hr/>
Net book value	
At 31 March 2021	1
	<hr/> <hr/>

Royal Pavilion and Museums Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 March 2021

13. Fixed asset Investments (continued)

Principal subsidiaries

The following were subsidiary undertakings of the Company:

Names	Company number	Charity registration number	Registered office or principal place of business	Principal activity	Class of shares	Holding	Included in consolidation
RPMT Enterprises Ltd	12451429		4-5 Pavilion Buildings Brighton BN1 1EE	The principal activity is that of operation of the cafes and shops in the historical buildings run by Royal Pavilion and Museums Trust.	Ordinary	100%	Yes
The Royal Pavilion and Museums Foundation		275242	4-5 Pavilion Buildings Brighton BN1 1EE	The principal activity is the advancement of arts, culture and heritage through acquisition of suitable objects and works of art.		-%	Yes

The financial results of the subsidiaries for the period were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the period £	Net assets £
RPMT Enterprises Ltd	91,317	109,326	(18,009)	(18,008)
The Royal Pavilion and Museums Foundation	35,533	461,359	(425,826)	169,375

Royal Pavillon and Museums Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 March 2021

14. Stocks

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Finished goods and goods for resale	316,757	-	311,274	-

15. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Due within one year				
Trade debtors	203,736	-	196,598	-
Amounts owed by group undertakings	-	-	89,005	-
Other debtors	50,240	-	40,024	-
Prepayments and accrued income	411,966	-	411,966	-
	665,942	-	737,593	-

16. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	126,708	-	126,589	-
Other taxation and social security	518,584	-	515,005	-
Other creditors	5,331	-	5,331	-
Accruals and deferred income	209,570	-	199,065	-
	860,193	-	845,990	-

Royal Pavilion and Museums Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 March 2021

17. Statement of funds

Statement of funds - current period

	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Unrestricted funds				
Designated funds				
Learning appeal	2,000	-	-	2,000
Museum Objects Acquisition reserve	64,914	-	-	64,914
Royal Pavilion fund	123,194	-	-	123,194
JHG Botswana	54,748	-	-	54,748
JHG designated	133,203	(34,716)	-	98,487
	378,059	(34,716)	-	343,343
General funds				
General funds	4,430,327	(2,933,363)	42,000	1,538,964
Total Unrestricted funds	4,808,386	(2,968,079)	42,000	1,882,307
Endowment funds				
Permanent endowment	169,375	-	-	169,375
Restricted funds				
Museum development	366,692	(329,897)	-	36,795
Robertson Bequest	15,450	-	-	15,450
Hove Museum	11,560	-	-	11,560
Tomkinson piano restoration	8,792	-	-	8,792
Adelaide Chinese wallpaper	10,000	-	-	10,000
Pagoda conservation	12,667	-	-	12,667
Art Fund new collecting award	30,426	(20,210)	-	10,216
Learning appeal	7,070	-	(2,000)	5,070
Museum association transformers	3,000	-	-	3,000
Schools archaeology fund	3,755	-	-	3,755
Painting conservation fund	1,699	-	-	1,699
Graham Loder legacy	7,509	-	-	7,509
Jack Thompson Hove Museum	185,811	-	-	185,811
Saloon project	80	-	-	80
ACE Catalyst	40,000	-	(40,000)	-

Royal Pavillion and Museums Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 March 2021

17. Statement of funds (continued)

Statement of funds - current period (continued)

	Income	Expenditure	Transfers	Balance at
	£	£	in/out	31 March
			£	2021
				£
RP garden appeal	18,866	(6,500)	-	12,366
Heritage emergency fund	178,472	(178,472)	-	-
Creative Together	16,140	(16,140)	-	-
Archeology gallery	1,890	(1,890)	-	-
	919,879	(553,109)	(42,000)	324,770
Total of funds	5,897,640	(3,521,188)	-	2,376,452

Royal Pavillion and Museums Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 March 2021

17. Statement of funds (continued)

Designated Funds

Learning Appeal 2015-2016 to help children visit museums.

Museum Objects Acquisition Reserve - funds transferred to the Museum Service at time of merger of Brighton & Hove councils in 1996. The Director of Service designated the fund to support collections display, conservation and care.

Royal Pavilion Fund - Ringfenced reserves for use for capital works and improvements to the fabric and presentation of the building.

JHG Botswana - Sum set aside for loan of objects to The Khama III Memorial Museum, Botswana as an outcome of the Making African Connections: Decolonial Futures for Colonial Collections project 2019-21. Object loan deferred due to COVID and travel restrictions.

JHG Designated - Underspends on Annual J H Green Budget accrued over a number of years due to success in finding partnership funding for projects from elsewhere. The funds should be expended in line with the with JHG Charitable Trust's charitable purposes and trustees made aware of how it is being used.

Endowment fund

The Graham Loder legacy endowment fund represents a bequest from former Friend Graham Loder. This generous bequest was received in April 2010. The capital sum of £169,375 must be retained to generate investment income. The resulting income from the interest is restricted to the purchase of contemporary art and craft and is shown as a separate restricted fund. No purchases on behalf of the fund were made in 2020-21.

Restricted funds

In respect of the restricted funds transferred from Royal Pavilion and Museums Foundation, the associated restrictions were also transferred and are detailed below.

The Saloon project fund represents donations from individuals and a private trust towards the restoration of the Saloon at the Royal Pavilion to the original 1823 designs of Robert Jones. This project was completed in September 2018.

The Painting Conservation fund represents income generated specifically from the sale of the Public Catalogue Foundation (East Sussex) catalogue. Money is restricted for use on painting conservation work.

The Graham Loder Legacy is the income from interest on the endowment fund and is restricted to the purchase of contemporary art & craft.

The Royal Pavilion Garden Appeal is a restricted fund from public appeal donations to support the restoration and maintenance of the Royal Pavilion garden.

Learning Appeal 2015-2016 to help children visit museums.

ACE Catalyst grant for collaborative projects between RPM and the Dome.

Constable Exhibition represents monies received towards a learning resource and BSL & audit described events to accompany the Constable Exhibition in 2017.

Hove Museum & Art Gallery - The Hove Museum & Art Gallery fund is restricted for the use of supporting activity at Hove Museum & Art Gallery. It includes funding transferred to the Foundation following the

Royal Pavilion and Museums Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 March 2021

17. Statement of funds (continued)

closure of the Friends of Hove Museum & Art Gallery.

The Pagoda Fund comprises donations to our Pagoda Restoration appeal. This funding is to be used for the restoration of two porcelain pagodas at the Royal Pavilion.

Museums Association's Transformers programme is towards work with young people and social media.

Art Fund New collecting awards towards development of RPM's film & media collection with a focus on contemporary artists moving image. This fund is retained by Art Fund and administered directly by them at the request of the Fine Art Curator.

The Archaeology Gallery Fund is to be used for the creation of a new Archaeology Gallery at Brighton Museum & Art Gallery. It includes donations from one anonymous supporter.

Tomkinson Piano – This new fund is for the appeal towards the restoration of the piano.

Schools Archaeology Fund – a generous donation from a local archaeological charity towards materials and activities related to schools visiting the Archaeology Gallery.

Creative Together - A new project at Hove Museum to engage learning-disabled adults in a structured group activity to increase inclusion and address social isolation using the resources of the museum as inspiration.

Heritage Emergency fund - COVID 19 Royal Pavilion & Museums Heritage Emergency Fund awarded by National Lottery Grants for Heritage for approved purposes outlined in the Grant application August 2020.

Museum development - Arts Council England National Portfolio Organisation funding for South East Museum Development Service to deliver annual business plan as agreed by the Museum Development Coordination Group.

Robertson Bequest - The Robertson Charitable Trust made a charitable donation of £65,000 to the Royal Pavilion & Museums, Brighton & Hove in 2005, in memory of Charles and Barbara Robertson. The grant is held "on trust to apply the capital and income to meet the cost of conserving, displaying and purchasing (or contributing to the purchase of) items held or to be held as part of the 20th Century Decorative Art Collections maintained by the Brighton Museum".

Adelaide Chinese Wallpaper - Grant for Wallpaper conservation and research from the Paul Mellon Charitable Trust

Jack Thompson Hove Museum - Jack Outhwaite Thompson Legacy bequeathed to the Art Fund for the benefit of Hove Museum in 2003. The legacy funds are restricted to use by Hove Museum for acquisitions and/or care of its collections.

Royal Pavillion and Museums Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 March 2021

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Current assets	2,742,500	324,770	169,375	3,236,645
Creditors due within one year	(860,193)	-	-	(860,193)
Total	1,882,307	324,770	169,375	2,376,452

Analysis of net assets between funds - prior period

	Restricted funds 2020 £	Total funds 2020 £
Total	-	-

19. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £	Group 2020 £
Net income for the period (as per Statement of Financial Activities)	2,376,452	
Adjustments for:		
Decrease/(increase) in stocks	(316,757)	-
Decrease/(increase) in debtors	(661,374)	-
Increase in creditors	855,625	-
Net cash provided by operating activities	2,253,946	-

Royal Pavillon and Museums Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 March 2021

20. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand	2,253,946	-
Total cash and cash equivalents	2,253,946	-

21. Analysis of changes in net debt

	Cash flows £	Acquisition and disposal of subsidiaries £	At 31 March 2021 £
Cash at bank and in hand	1,337,485	916,461	2,253,946
	1,337,485	916,461	2,253,946

22. Pension commitments

The pension cost charge represents contributions payable by the group to the fund and amounted to £333,481. Contributions totalling £325,308 were payable at the balance sheet date and are included within creditors.

23. Related party transactions

Group:

No related party transactions during the period.

Charity:

During the period the charity received a donation of £313,470 (2020: Nil) from Royal Pavilion and Museums Foundation in respect of the transfer of the assets and liabilities of the Foundation.

24. Controlling party

The trustees who are also the directors control the charity.