

**Charity number: 275242**

## **The Royal Pavillon and Museums Foundation**

**Trustees' report and financial statements**

**For the year ended 31 March 2021**

# **The Royal Pavilion and Museums Foundation**

## **Contents**

	<b>Page</b>
<b>Reference and administrative details of the foundation, its Trustees and advisers</b>	<b>1</b>
<b>Trustees' report</b>	<b>2 - 5</b>
<b>Independent auditors' report on the financial statements</b>	<b>6 - 9</b>
<b>Statement of financial activities</b>	<b>10</b>
<b>Balance sheet</b>	<b>11</b>
<b>Notes to the financial statements</b>	<b>12 - 22</b>

## **The Royal Pavillion and Museums Foundation**

### **Reference and administrative details of the foundation, its Trustees and advisers For the year ended 31 March 2021**

#### **Trustees**

Lord Bassam of Brighton (resigned 20 October 2020)  
Michael Bedingfield, Chair (resigned 20 October 2020)  
Jenni Lloyd (resigned 22 May 2020)  
Tim Aspinall (resigned 20 October 2020)  
Councillor Alan Robins (resigned 20 October 2020)  
David Anderson (resigned 20 October 2020)  
Janita Bagshawe (resigned 20 October 2020)  
Jane Weeks (resigned 20 October 2020)  
Rebecca Crook (resigned 20 October 2020)  
Brad Irwin (resigned 20 October 2020)  
Sue Wilkinson OBE (resigned 20 October 2020)  
Davinder Dhillon DL (resigned 20 October 2020)  
Shaun Romain (resigned 20 October 2020)  
Royal Pavillion and Museums Trust (appointed 1 April 2020)

#### **Charity registered number**

275242

#### **Principal office**

The Royal Pavillion  
4-5 Pavillion Buildings  
Brighton  
BN1 1EE

#### **Patron**

HRH The Prince of Wales

#### **Independent auditors**

Kreston Reeves LLP  
Chartered Accountants  
Statutory Auditor  
A2 Yeoman Gate  
Yeoman Way  
Worthing  
West Sussex  
BN13 3QZ

#### **Bankers**

Lloyds Bank plc  
171/173 North Street  
Brighton  
BN1 1GL

## **The Royal Pavilion and Museums Foundation**

### **Trustees' report**

**For the year ended 31 March 2021**

The Trustees present their annual report together with the audited financial statements of the charity for the period 1 April 2020 to 31 March 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Trust Deed, the Charities Act 2011 and the Statement of Recommended Practice 'Accounting and Reporting by Charities (SORP 2019), effective from 1 January 2019.

### **Structure, governance and management**

The charity is governed by a trust deed established in 1972 as amended by the Charity Commissioner's schemes on 22 July 1991, 26 November 1998 and 31 December 2010. The charity formally changed its name from Friends of the Royal Pavillion, Art Gallery and Museums, Brighton to The Royal Pavillion and Museums Foundation. This change was approved by the Charity Commission in July 2010.

### **Incorporation of the Royal Pavillion & Museums Foundation**

The Royal Pavilion and Museums Foundation as an independent charity was the fundraising arm of the Royal Pavilion and Museums a department of Brighton & Hove City Council. On 17 December 2019 the Charity Commission registered the Royal Pavilion & Museums Trust (charity number 1186986) in accordance with the long term plan to establish an independent charitable Trust for the RPM service including the Royal Pavilion, Hove Museum & Art Gallery, Preston Manor, the Booth Museum of Natural History and Brighton Museum & Art Gallery. On 1 October 2020 The Royal Pavilion & Museums Trust was formed to take on the responsibilities of RPM and at that time the Foundation stopped any activity, all its functions transferring to the new Trust. The Foundation has remained in place since 1 October 2020 in order to hold an endowment fund and for residual purposes, but has in effect since that time been dormant.

### **Board of Trustees**

Trustees who served during the period 1st April to 30th September were

- Mr David Anderson
- Mr Tim Aspinall\*
- Ms Janita Bagshawe\*, Head of The Royal Pavillion & Museums (Hon Secretary, ex officio)
- Lord Bassam of Brighton
- Mr Michael Bedingfield (Chair)
- Ms Rebecca Crook
- Mr Davinder Dhillon
- Mr Brad Irwin
- Cllr Alan Robins, Brighton & Hove City Council (ex officio)
- Shaun Romain
- Angela Smith\* (Chair of Finance & Governance Committee)
- Ms Jane Weeks (Vice Chair) (since 8 June 2018, Interim chair 26 June 2019 to 5 December 2019)
- Ms Sue Wilkinson OBE

\* Member of the Finance & Governance Committee

From the 1 October the Royal Pavilion & Museums Foundation has just one Trustee

- The Royal Pavilion & Museums Trust (Corporate Trustee)

### **Finance & Governance Purposes Committee (F&GPC)**

The overall responsibility of the F&GPC is to act upon 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 Foundation ("The Foundation"). The F&GPC consists of no fewer than three Trustees appointed by the Board of Trustees and other colleagues with appropriate financial skills and expertise. The F&GPC is chaired by Angela Smith.

## **The Royal Pavilion and Museums Foundation**

### **Trustees' report (continued) For the year ended 31 March 2021**

#### **Risk Management**

The F&GPC have delegated responsibility to develop and monitor a risk register for the Foundation. The risk register identifies the major risks to which the Foundation may be exposed as well as the impact and mitigating actions associated with each risk. The F&GC has agreed to review and update the risk register at every meeting and provide a summary to the trustees.

The trustees are satisfied that risks have been identified and adequately dealt with and that the Foundation's exposure to other risks is kept at a minimum by good working practice by the management team, paid staff and volunteers.

#### **Related parties**

The Foundation received a number of support services from Brighton & Hove City Council (BHCC), notably financial services, IT and HR. This arrangement was terminated with the transfer of staff to the Royal Pavilion & Museums Trust on 1st October 2020.

#### **Objects and activities**

The objects of the charity are:

The advancement of, including the advancement of public appreciation in, the arts, culture, heritage, or science, in particular (without limitation) by:

- a) acquiring and maintaining suitable objects and works of art for inclusion in the permanent collections at the Royal Pavilion Art Gallery and Museums of Brighton and Hove;
- b) providing for, or supporting, the establishment, maintenance, refurbishment and enhancement of exhibitions and displays of the said permanent collections and the buildings in which they are housed; and
- c) providing for, or supporting, the establishment, maintenance, refurbishment and enhancement of other exhibitions and displays of such permanent collections.

The Trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 and have referred to the guidance contained in the Charity Commission guidance on public benefit when reviewing the charity's aims and objectives and in planning the activities of the charity.

The charity seeks to achieve these objects through a range of fundraising activities to support suitable projects across the Royal Pavilion Art Gallery and Museums of Brighton and Hove (the RPM).

#### **Support from Individuals**

- Membership and Patrons scheme
- Member appeals
- Legacies

These schemes have now been transferred to the Royal Pavilion & Museums Trust.

#### **Achievements and Performance**

##### **Achieving our charitable objectives**

During 20-21 the Foundation has provided funding and other support to RPMT in accordance with the charity's objectives. Some of the highlights from the year include:

##### **Acquisitions**

There were no acquisitions in the period.

## **The Royal Pavillion and Museums Foundation**

### **Trustees' report (continued) For the year ended 31 March 2021**

#### **Restoration and Conservation**

Following our Pagoda Restoration Appeal work continues steadily on the restoration of two large porcelain pagodas owned by the Royal Pavillion. Donations continue to come in for work on the restoration which commenced in May 2018. Restoration work continues.

An appeal was launched in December 2019 for the restoration of the Tomkinson Piano previously acquired in auction in 2017. The piano action mechanism needs considerable restoration to be made playable. As at 31st September 2020 members and patrons have generously donated £8,792.

#### **Other Support**

While the Foundation does not employ any staff, in 2020 it did fund the salaries of two members of RPM staff.

#### **Fundraising Performance**

Fundraising activities were mostly suspended for the period although membership and patron subscriptions continued albeit with a reduction in numbers.

#### **Support from Members, Patrons and Appeals**

Snapshot as at 29th February 2020:

- All Memberships - 2,417
- Total members where each guest counts as one and joint counts as two - 3,887
- Income from all Members - £13,608
- Patrons – 24 (Including 4 Honorary Patrons)
- Annual Income from Patrons - £15,000

Pagoda Appeal: The long running fundraising appeal to raise funds for the restoration of the two Royal Pavillion porcelain pagodas stands at a total of £28,610 donated by our Members. This appeal, and related funding, continued in Royal Pavillion and Museums Trust after 30th September 2021.

Tomkinson Piano Appeal: This fundraising appeal, launched in December 2019 to Patrons and Members, for the restoration of the Tomkinson Piano stands at £8,792 as at 30th September 2020 with a target of £25,000 which will enable the piano to be restored by a specialist and subsequently maintained for occasional use. This appeal, and related funding, continued in Royal Pavillion and Museums Trust after 30th September 2021.

#### **Support from Trusts, Foundations and grant awards**

During this period we received an additional £10,000 from the Paul Mellon Foundation for the restoration of the Chinese Wallpaper at the Royal Pavillion.

#### **Financial Review**

The Statement of Financial Activities (SOFA) shows net outgoing resources for the year of 2020-21 £425,826, (2019-20 net outgoing resources £450,399). At 31 March 2021, the Foundation had total net assets of £169,375 (2020: £595,201) and total unrestricted funds of £nil (£293,422 in 2019-20).

#### **Plans for Future Periods**

The previous day to day activities and functions of the Royal Pavillion & Museums Foundation are now incorporated into the Royal Pavillion & Museums Trust. The Foundation has remained in place since 1 October 2020 in order to hold an endowment fund and for residual purposes, but has in effect since that time been dormant.

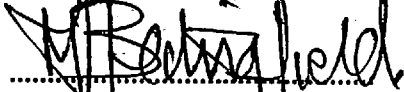
#### **Disclosure of information to the auditor**

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

**The Royal Pavilion and Museums Foundation**

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

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

A handwritten signature in black ink, appearing to read 'M Bedingfield', written over a dotted line.

**Michael Bedingfield**

For and on behalf of Royal Pavilion and Museums Trust, the  
corporate Trustee of the Charity

Date: 22.10.21

## **The Royal Pavilion and Museums Foundation**

### **Independent auditors' report to the Members of The Royal Pavillon and Museums Foundation**

#### **Opinion**

We have audited the financial statements of The Royal Pavilion and Museums Foundation (the 'charity') for the year ended 31 March 2021 which comprise the Statement of financial activities, the Balance sheet, the 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its 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 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity'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.



## **The Royal Pavillion and Museums Foundation**

### **Independent auditors' report to the Members of The Royal Pavillion and Museums Foundation (continued)**

#### **Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' 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
- sufficient accounting records have not been kept; or
- the 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 are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

## **The Royal Pavilion and Museums Foundation**

### **Independent auditors' report to the Members of The Royal Pavllion and Museums Foundation (continued)**

#### **Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 145 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 Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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 charity 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, 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 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 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
- 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.

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

## **The Royal Pavillion and Museums Foundation**

### **Independent auditors' report to the Members of The Royal Pavillion and Museums Foundation (continued)**

- 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.
- 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 charity'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 charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' 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 our Auditors' report. However, future events or conditions may cause the charity 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.

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 charity'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 charity's trustees those matters we are required to state to them in an Auditors' 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

*Kreston Reeves LLP*

**Kreston Reeves LLP**  
Chartered Accountants  
Statutory Auditor  
A2 Yeoman Gate  
Yeoman Way  
Worthing  
West Sussex  
BN13 3QZ

Date:

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

**The Royal Pavillion and Museums Foundation**

**Statement of financial activities  
For the year ended 31 March 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income and endowments from:</b>						
Donations and legacies	2	5,425	16,500	-	21,925	146,396
Charitable activities	3	13,608	-	-	13,608	100,012
<b>Total income and endowments</b>		<b>19,033</b>	<b>16,500</b>	<b>-</b>	<b>35,533</b>	<b>246,408</b>
<b>Expenditure on:</b>						
Raising funds	4	46,973	-	-	46,973	147,908
Charitable activities	5	62,676	38,240	-	100,916	548,899
Assets/liabilities donated to Trust	6	164,806	148,664	-	313,470	-
<b>Total expenditure</b>		<b>274,455</b>	<b>186,904</b>	<b>-</b>	<b>461,359</b>	<b>696,807</b>
<b>Net expenditure</b>		<b>(255,422)</b>	<b>(170,404)</b>	<b>-</b>	<b>(425,826)</b>	<b>(450,399)</b>
Transfers between funds	13	2,000	(2,000)	-	-	-
<b>Net movement in funds</b>		<b>(253,422)</b>	<b>(172,404)</b>	<b>-</b>	<b>(425,826)</b>	<b>(450,399)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		253,422	172,404	169,375	595,201	1,045,600
Net movement in funds		(253,422)	(172,404)	-	(425,826)	(450,399)
<b>Total funds carried forward</b>		<b>-</b>	<b>-</b>	<b>169,375</b>	<b>169,375</b>	<b>595,201</b>

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

The notes on pages 12 to 22 form part of these financial statements.

# The Royal Pavillion and Museums Foundation

## Balance sheet As at 31 March 2021

	Note	2021 £	2020 £
<b>Current assets</b>			
Debtors	11	10,216	58,355
Cash at bank and in hand		195,838	916,461
		<u>206,054</u>	<u>974,816</u>
Creditors: amounts falling due within one year	12	(36,679)	(379,615)
<b>Net current assets</b>		<u>169,375</u>	<u>595,201</u>
<b>Total assets less current liabilities</b>		<u>169,375</u>	<u>595,201</u>
<b>Total net assets</b>		<u><u>169,375</u></u>	<u><u>595,201</u></u>
<b>Charity funds</b>			
Endowment funds	13	169,375	169,375
Restricted funds	13	-	172,404
Unrestricted funds	13	-	253,422
<b>Total funds</b>		<u><u>169,375</u></u>	<u><u>595,201</u></u>

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



Michael Bedingfield

For and on behalf of Royal Pavillion and Museums Trust, the corporate Trustee of the Charity

Date: 22.10.21

The notes on pages 12 to 22 form part of these financial statements.

# **The Royal Pavillion and Museums Foundation**

## **Notes to the financial statements For the year ended 31 March 2021**

### **1. Accounting policies**

#### **1.1 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 Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) effective on 1 January 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Royal Pavillion and Museums Foundation 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.

#### **1.2 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 Charity's limited activity going forward, 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.

#### **1.3 Income**

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

Donated services or facilities are recognised when the foundation has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the foundation of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the foundation which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**Notes to the financial statements  
For the year ended 31 March 2021**

**1. Accounting policies (continued)**

**1.4 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.

Governance costs are those incurred in connection with administration of the foundation and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the Foundation's operations, including support costs and costs relating to the governance of the Foundation apportioned to charitable activities.

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

**1.5 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.

**1.6 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.

**1.7 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 foundation 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 Statement of financial activities as a finance cost.

**1.8 Financial instruments**

The foundation 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.

# The Royal Pavilion and Museums Foundation

## Notes to the financial statements For the year ended 31 March 2021

### 1. Accounting policies (continued)

#### 1.9 Pensions

The Foundation pays the employers contributions for the BHCC employees that work on the Foundation but are employees of Brighton & Hove City Council, as detailed in note 15 of the financial statements. The pension scheme is a Brighton & Hove City Council defined contribution scheme and the pension scheme charge represents the amounts payable by the Foundation in respect of the contributions due in the year.

#### 1.10 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 foundation 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 foundation 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.

### 2. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	5,425	16,500	21,925	146,396
Total 2020	109,304	37,092	146,396	

### 3. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Maintenance and advancement of museums	13,608	13,608	84,868
Income from events	-	-	15,144
	13,608	13,608	100,012
Total 2020	100,012	100,012	



**The Royal Pavilion and Museums Foundation**

**Notes to the financial statements  
For the year ended 31 March 2021**

**4. Expenditure on raising funds**

**Costs of raising funds**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Fundraising costs	1,422	1,422	18,872
Office expenses	391	391	9,494
Wages and salaries	33,058	33,058	95,577
National insurance	3,927	3,927	8,842
Pension costs	8,175	8,175	15,123
	<b>46,973</b>	<b>46,973</b>	<b>147,908</b>
Total 2020	<b>147,908</b>	<b>147,908</b>	

**5. Analysis of expenditure on charitable activities**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Maintenance and advancement of museums	62,676	38,240	100,916	548,899
Total 2020	<b>471,618</b>	<b>77,281</b>	<b>548,899</b>	

**6. Other expenditure**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
	164,806	148,664	313,470	-

**The Royal Pavillion and Museums Foundation**

**Notes to the financial statements  
For the year ended 31 March 2021**

**7. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2021 £</b>	<b>Support costs 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Maintenance and advancement of museums	38,240	62,676	100,916	548,899
Total 2020	154,931	393,968	548,899	

**Analysis of direct costs**

	<b>Maintenance and advancement 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Establishment costs	38,240	38,240	154,931
Total 2020	154,931	154,931	

**Analysis of support costs**

	<b>Maintenance and advancement 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Auditors' remuneration	9,900	9,900	6,920
Interest payable	-	-	2,833
Legal and professional costs	52,776	52,776	255,687
Travel expenses	-	-	528
IT costs	-	-	128,000
	62,676	62,676	393,968
Total 2020	393,968	393,968	

**8. Auditors' remuneration**

The auditors' remuneration amounts to an auditor fee of £9,900 (2020 - £6,920).

# **The Royal Pavillion and Museums Foundation**

## **Notes to the financial statements For the year ended 31 March 2021**

### **9. Staff costs**

	2021 £	2020 £
Wages and salaries	33,058	95,577
Social security costs	3,927	8,842
Contribution to defined contribution pension schemes	8,175	15,123
	<u>45,160</u>	<u>119,542</u>

The average number of persons employed by the foundation during the year was as follows:

	2021 No.	2020 No.
Total	<u>4</u>	<u>4</u>

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

All of the staff who work on the Royal Pavilion and Museum Foundation are employees of Brighton & Hove City Council, but are funded by the Foundation.

### **10. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, travel expenses totalling £NIL were reimbursed to 1 Trustee (2020 - £528).

### **11. Debtors**

	2021 £	2020 £
Due within one year		
Other debtors	10,216	58,355
	<u>10,216</u>	<u>58,355</u>

### **12. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Amounts owed to group undertakings	32,429	-
Other creditors	-	330,868
Accruals and deferred income	4,250	48,747
	<u>36,679</u>	<u>379,615</u>

**The Royal Pavilion and Museums Foundation**

**Notes to the financial statements  
For the year ended 31 March 2021**

**13. Statement of funds**

**Statement of funds - current year**

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers In/out £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Designated Funds - all funds	2,000	-	(2,000)	-	-
<b>General funds</b>					
General Funds - all funds	251,422	19,033	(272,455)	2,000	-
<b>Total Unrestricted funds</b>	<b>253,422</b>	<b>19,033</b>	<b>(274,455)</b>	<b>2,000</b>	<b>-</b>
<b>Endowment funds</b>					
Permanent Endowment	169,375	-	-	-	169,375
<b>Restricted funds</b>					
Saloon Project	80	-	(80)	-	-
Robertson Bequest	15,450	-	(15,450)	-	-
Painting Conservation Fund	1,699	-	(1,699)	-	-
Graham Loder Legacy	7,509	-	(7,509)	-	-
RP Garden Appeal	12,366	6,500	(18,866)	-	-
Learning Appeal	5,070	-	(5,070)	-	-
ACE Catalyst Grant	40,000	-	(40,000)	-	-
Constable Exhibition	2,000	-	-	(2,000)	-
Hove Museum & Art Gallery	11,560	-	(11,560)	-	-
The Pagoda Fund	12,667	-	(12,667)	-	-
Museums Association's Transformers programme	3,000	-	(3,000)	-	-
Art Fund New Collecting award	30,426	-	(30,426)	-	-
Archaeology Gallery	1,890	-	(1,890)	-	-
Schools Archaeology Fund	3,755	-	(3,755)	-	-
Tomkinson Piano Restoration	8,792	-	(8,792)	-	-
Creative Together	16,140	-	(16,140)	-	-
Adelaide Chinese Wallpaper	-	10,000	(10,000)	-	-
	<b>172,404</b>	<b>16,500</b>	<b>(186,904)</b>	<b>(2,000)</b>	<b>-</b>
<b>Total of funds</b>	<b>595,201</b>	<b>35,533</b>	<b>(461,359)</b>	<b>-</b>	<b>169,375</b>

**The Royal Pavilion and Museums Foundation**

**Notes to the financial statements  
For the year ended 31 March 2021**

**13. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 April 2019 £	Income £	Expenditure £	Balance at 31 March 2020 £
<b>Unrestricted funds</b>				
<b>Designated funds</b>				
Learning appeal	2,000	-	-	2,000
<b>General funds</b>				
General Funds	661,632	209,316	(619,526)	251,422
<b>Total Unrestricted funds</b>	<b>663,632</b>	<b>209,316</b>	<b>(619,526)</b>	<b>253,422</b>
<b>Endowment funds</b>				
Permanent Endowment	169,375	-	-	169,375
<b>Restricted funds</b>				
Saloon Project	-	-	80	80
Robertson Bequest	15,450	-	-	15,450
Painting Conservation Fund	1,699	-	-	1,699
Graham Loder Legacy	7,509	-	-	7,509
RP Garden Appeal	5,973	6,500	(107)	12,366
Fashioning Africa	24,230	-	(24,230)	-
Learning Appeal	5,070	-	-	5,070
ACE Catalyst Grant	40,000	-	-	40,000
Constable Exhibition	2,000	-	-	2,000
Hove Museum & Art Gallery	11,560	-	-	11,560
The Pagoda Fund	18,712	45	(6,090)	12,667
Museums Association's Transformers programme	3,000	-	-	3,000
Art Fund New Collecting award	75,500	-	(45,074)	30,426
Archaeology Gallery	1,890	-	-	1,890
Schools Archaeology Fund	-	3,755	-	3,755
Tomkinson Piano Restoration	-	8,792	-	8,792
Creative Together	-	18,000	(1,860)	16,140
	<b>212,593</b>	<b>37,092</b>	<b>(77,281)</b>	<b>172,404</b>
<b>Total of funds</b>	<b>1,045,600</b>	<b>246,408</b>	<b>(696,807)</b>	<b>595,201</b>

## **The Royal Pavillion and Museums Foundation**

### **Notes to the financial statements For the year ended 31 March 2021**

#### **Designated Funds**

Learning Appeal 2015-2016 to help children visit museums.

#### **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**

During the period, all restricted fund balances were transferred to Royal Pavillion and Museums Trust, the restrictions associated with each of those funds, detailed below, remain.

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

The Twentieth Century Collection fund represents a grant from the CJ Robertson Charitable Trust (former Trustee) for conserving, displaying, purchasing or contributing to the purchase of items held or to be held as part of the twentieth century decorative arts collections maintained by Brighton Museum.

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

The John Ellerman Foundation represents monies received to support research and collections work with the film & media collection.

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 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 Pavillion.

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.

## The Royal Pavilion and Museums Foundation

### Notes to the financial statements

For the year ended 31 March 2021

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.

#### 14. Analysis of net assets between funds

##### Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Current assets	36,679	169,375	206,054
Creditors due within one year	(36,679)	-	(36,679)
<b>Total</b>	<b>-</b>	<b>169,375</b>	<b>169,375</b>

##### Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Current assets	633,037	172,404	169,375	974,816
Creditors due within one year	(379,615)	-	-	(379,615)
<b>Total</b>	<b>253,422</b>	<b>172,404</b>	<b>169,375</b>	<b>595,201</b>

#### 15. Pension commitments

The Foundation pays the employers contributions to the pension scheme operated by Brighton & Hove City Council for the employees that work on the Foundation in the year as detailed in note 12. These amounted to £8,175 (2020: £15,123) for the year.

## **The Royal Pavillion and Museums Foundation**

### **Notes to the financial statements For the year ended 31 March 2021**

#### **16. Related party transactions**

The Foundation does receive a number of support services from BHCC, notably office accommodation and admin support. Four members of staff, employed by BHCC, provide fundraising support to the foundation. The Foundation then reimburses BHCC for their time by funding their salaries as below. In 2020/21 the staff costs totalled £45,160 (2020: £119,542).

##### **J Weeks**

During the year, a total of £nil (2020: £528) was reimbursed to J Weeks for travel expenses. At the year end, a balance of £nil was owed (2020: £nil).

##### **Royal Pavillion and Museums Trust**

During the year, the charity donated its assets and liabilities to Royal Pavillion and Museums Trust (with the exception of the endowment fund). The total transferred was £313,470 (2020: Nil).

#### **17. Controlling party**

The ultimate controlling party is Royal Pavillion and Museums Trust.