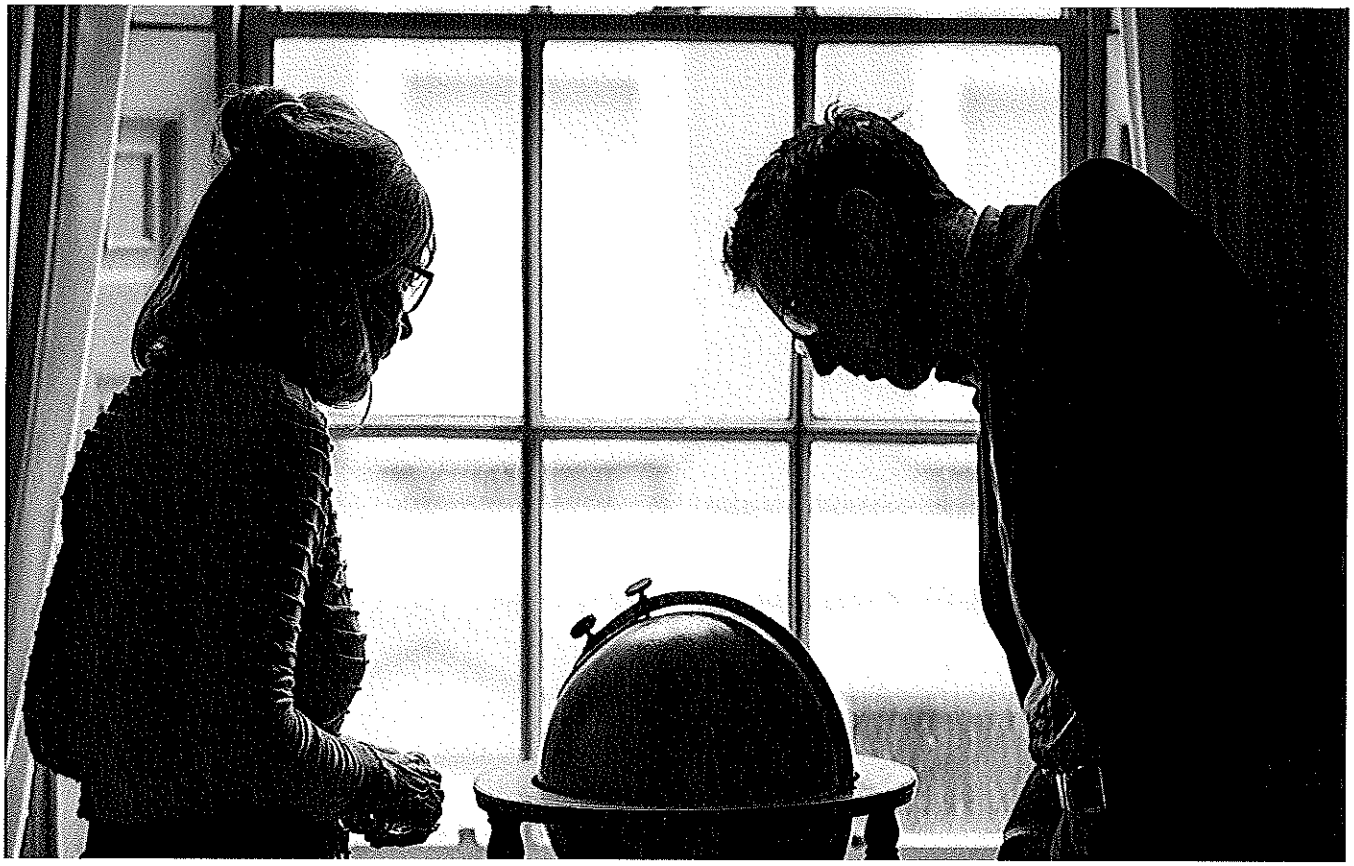
THE HERSCHEL HOUSE TRUST



Trustee's Annual Report and Financial Statements for the Year Ended 31st January 2016

Charity Registration Number 298295

THE HERSCHEL HOUSE TRUST
TRUSTEE'S ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2016

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The Trustee presents its report together with financial statements for the year ended 31 January 2016.

REFERENCE AND ADMINISTRATIVE DETAILS

Trustee
The Trustee of the charity at 31 January 2016, which has been the sole trustee since 31st July 2015 and was one of five institutional trustees prior to that date, was The Bath Preservation Trust Limited (charity number 203048). The directors of The Bath Preservation Trust Limited during the year and since the year end were:

Edward Bayntun-Coward (retired 31 January 2016)	A,B,F,M,H	Chairman (until 31/01/16)
Thomas Sheppard	B,F,H	Chairman (from 01/02/16)
Diane Aderyn (elected June 2015)	F,H	
Kristin Doern	M	
Barry Gilbertson (co-opted January 2016)	A,B	
Robert Hellard	A	
Tom Marshall (elected June 2015)	A,F	
Celia Mead	M	
Simon Morray-Jones	A	
Bill Otley	B,F	
Andrew Pitt (retired June 2015)	F	
Alison Streatfeild-James	F	
Adrian Tinniswood	B,F,M,H	
Mark Wilson Jones	A	

A denotes members of the Architecture and Planning Committee
B denotes members of the Beckford Tower Trust Advisory Committee
F denotes members of the Finance and General Purposes Committee
M denotes members of the Museums and Education Committee
H denotes members of the Herschel Museum Advisory Committee

Trust Curator	Debbie James
Charity Registration Number	298295
Registered office	19 New King Street, Bath, BA1 2BL
Auditors	Bishop Fleming LLP, 16 Queen Square, Bristol BS1 4NT
Bankers	CAF Bank Ltd, 25 Kings Hill Avenue, West Malling, Kent, ME19 4JQ Santander, Customer Service Centre, Bootle, Merseyside, L30 4GB
Investment Managers	M&G Investments, PO Box 9038, Chelmsford, CM99 2XF

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document
The Herschel House Trust is an unincorporated charity (no. 298295) governed by a Declaration of Trust dated 10 March 1987, together with deeds of appointment of trustees dated 1994 and 1997.

As appointed by these deeds, the five trustees of The Herschel House Trust at the beginning of the year were:

Professor Francis Ring	(representing the William Herschel Society)
Bath Preservation Trust	(represented by Edward Bayntun-Coward)
University of Bath	(represented by Diane Aderyn)
Royal Astronomical Society	(represented by Pamela Mortimer)
The Royal Society	(represented by Professor Sir John Enderby)

In July 2015, the five trustees signed a deed of variation appointing The Bath Preservation Trust as sole trustee. Prior to this (8th April 2015) The Bath Preservation Trust applied to, and was granted Trust Corporation status by, the Lord Chancellor permitting its management of multiple charities. The sole Trustee of the charity at year end is therefore The Bath Preservation Trust Limited (Charity No. 203048). In the event it ceases to be sole trustee, the appointment and election of future trustees is in accordance with the governing documents.

Organisation of Committees
The Board of Trustees of The Bath Preservation Trust Ltd, which can have up to eighteen members, administers the charity. The Board meets on a quarterly basis; the principal sub-committees cover Finance & General Purposes (F&GP), Museums & Education (M&E), and Architecture & Planning, and meet on a regular cycle to make financial and management decisions. The Hershel House Trust is a standing item on the agendas of F&GP, M&E and Trustees' meetings. On a matter of major importance, having regard to the objects of the Trust, the Trustees may require any proposed decision by any of the committees to be referred to the full body of Trustees for decision.

The Chief Executive of The Bath Preservation Trust manages the day-to-day operations of The Herschel House Trust through the Curator of the Herschel Museum of Astronomy, who is assisted by office staff and weekend stewards and a newly-founded Herschel Museum Advisory Committee which meets twice annually and includes BPT Trustees, the BPT Chief Executive and Head of Museums, and interested parties currently consisting of representatives of the Royal Astronomical Society, Bath University, the Royal Society and the William Herschel Society.

Key Management Personnel
The key management personnel of The Herschel House Trust are deemed to be the Senior Management Team of The Bath Preservation Trust Ltd, which comprises the Chief Executive, Head of Museums and the Head of Finance & Administration. The members of the Senior Management Team are employed and remunerated by The Bath Preservation Trust Ltd. Total employee costs for key management personnel are disclosed within The Bath Preservation Trust Ltd's consolidated financial statements.

Related parties
The sole trustee, The Bath Preservation Trust Limited, and its subsidiaries No 1 Royal Crescent (Bath) Ltd and the Beckford Tower Trust, are considered to be the only related parties.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk Management

The Trustee has carried out a full risk assessment of all the activities of The Herschel House Trust prior to taking over sole trusteeship covering the major strategic, business and operational risks, the main identified area of risk being the fact that the museum itself operates at a deficit though this is in part mitigated by the rental income from the two flats at the top of the building. As with many small museums the other risks include the dependence on volunteers and the very lean staffing structure. The risks will be monitored regularly and the Trustee is therefore satisfied that appropriate systems are in place to mitigate the risks to the charity.

OBJECTIVES AND ACTIVITIES

The Herschel Museum of Astronomy is the site of the discovery of the planet Uranus in 1781 and is the only surviving residence of the astronomers William Herschel and his sister Caroline. The principal objectives of The Herschel House Trust are to:

a) preserve for public benefit the house at 19 New King Street and its garden as close as possible to the style of the period when it was occupied by William Herschel and his sister;
b) maintain a collection of artefacts relating to the achievements of the Herschel Family with special emphasis on William and Caroline Herschel;
c) provide an international reference source of the collection in relation to music, astronomy and scientific research; and
d) make available to the public special publications about the Herschel family in conjunction with the William Herschel Society.

Volunteers

The charity is dependent on the help and support of a team of volunteers. Committed volunteers give up their time to help staff the ticket desk, run the shop, carry out research, assist with outreach and educational activities and help with the running of the museum. Without this volunteer help the museum would not be able to stay open, and the Trustee is extremely grateful for their support.

ACHIEVEMENTS, PERFORMANCE AND PUBLIC BENEFIT

The Trust has continued to run the Herschel Museum of Astronomy, and has a policy of enhancing the latter by the purchase of exhibits relating to the life and works of William and Caroline Herschel. In the past year it has:

- Held an exhibition, *Waterloo and the March of Science,* funded by the Heritage Lottery Fund, Bath & North East Somerset (B&NES) Heritage Services and Wessex Water as part of the national Waterloo 200 programme. The exhibition explored the scientific advances made during the two decades of war with France but also took as its theme the meeting between Napoleon Bonaparte and William Herschel in 1802;
- As part of this exhibition programme, held a talk in partnership with the Jane Austen Festival at the Mission Theatre by actor Richard Heffer, who played Captain Cavalié Mercer in the epic 1970 film Waterloo;
- Also as part of the exhibition programme ran related educational workshops;

ACHIEVEMENTS, PERFORMANCE AND PUBLIC BENEFIT (continued)

- Welcomed school groups through the Amazing Astronomy programme and trail for families. This was promoted inter alia by The Herschel House Trust's patron Dr Brian May through his twitter account which has nearly 300,000 followers;
- Put together a new interpretation of the dining room at 19 New King Street, with a sumptuous 'victory' dinner;
- Purchased two important autograph letters, one from Sir Joseph Banks to William Herschel concerning a pair of shoes, and one from Astronomer Royal Nevil Maskelyne to Sir Joseph Banks commending Herschel's experiments concerning the magnification of stars which had corrected errors in Halley's earlier work;
- Completed the first phase of giving a new interpretation to the entrance hall, stairs and landings, to make the area more in keeping with its 18th century origins and funded by the Garfield Weston Foundation and another charitable trust;
- Participated in the activities of the William Herschel Society, including attendance at the annual lecture;
- Continued to participate in the Bath Museum Partnership marketing promotions;
- Held volunteer-run free astronomical viewing events in collaboration with the William Herschel Society;
- Successfully renewed the status as a fully accredited museum; and
- Undertook a quinquennial review of the house which resulted in a number of maintenance and repair activities and a costed plan for the future.

In addition, The Herschel House Trust has delivered public benefit in its charged-for museum by:

- Retaining a concessions structure and mechanisms for free or discounted entry to the museums for local residents on several well-publicised occasions during the year;
- Developing and growing a significant learning programme for all ages with concessionary pricing structures for schools;
- Developing a programme of temporary exhibitions which offer the opportunity of collaboration with national and local museums and institutions;
- Developing an outreach programme including free stargazing events, in association with the William Herschel Society;
- Participating in a Bath-wide Science event;
- Placing free downloadable educational information about The Herschels on the website;
- Lending exhibits to other museums;
- Making the venue available for filming;
- Providing a venue for other national collections to showcase particular items relating to the Herschels; and
- Providing speakers for a range of lectures, talks and workshops.

THE HERSCHEL HOUSE TRUST
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FOR THE YEAR ENDED 31 JANUARY 2016

FINANCIAL AND OPERATIONAL REVIEW

Following the deed of variation appointing The Bath Preservation Trust (BPT) as sole trustee in July 2015, the day to day financial procedures and oversight have transferred to the BPT. Given that The Herschel House Trust is now a subsidiary of the BPT this has necessitated a full audit for the first time this year. In addition, in the prior year the accounting period of the Herschel was amended to 31st January to bring them in line with the BPT. Therefore, the comparatives for the Statement of Financial Affairs cover the thirteen months to 31st January 2015.

The total net income for the year was £6,954, comprising £16,150 surplus before £9,196 of losses on investments. In the prior year there was total net income of £3,135, made up of £4,113 surplus before investment losses of £978.

There was a decrease in unrestricted funds of £10,153 this year and an increase in restricted funds of £17,107 (prior year £7,592 increase and £4,457 decrease respectively). The overall result was that total funds increased by £6,954 during the year (prior year increase of £3,135) to amount to £170,696 at the end of the year.

The Trustee is of the opinion that the financial position of the charity is satisfactory and anticipates no difficulty in meeting the immediate obligations of the charity. Ways of increasing sources of unrestricted income and reducing the operating deficit are being considered by the Trustee.

Investment powers and policy
The Trustee has a wide range of investment powers and has appointed professional advisors to manage its portfolio; however The Herschel House Trust holds its investments in a single fund (Charifund - Equities Investment Fund for Charities) which is managed by M&G Investments.

Heritage Assets

Purchased heritage assets: Heritage Assets costing in excess of £1,000 purchased by the Trust since 2013 are recorded at cost and have not been depreciated, as they are deemed to have indefinite lives and are reviewed annually for any impairment. These assets are managed with the same care and rigour as any other items in the collections, and are intended as permanent additions to the collections.

Donated heritage assets: It is the policy of the Trust not to capitalise donated heritage assets held in the collections of the Trust or 19 New King Street itself, which was donated to The Herschel House Trust in 1987. These items are in effect inalienable, held in principle in perpetuity, are mostly irreplaceable, and any financially based valuation would be misleading to the value and significance of the material culture involved. The Trust has a clear duty to care for and make available these assets for the enjoyment and education of the public as far as is possible, commensurate with the long term care of these items. The highest possible standards of collection management are applied, and the catalogues are made available as widely as possible to facilitate all enquiries and requests for information, subject to appropriate security and data protection guidelines. The Herschel Museum of Astronomy has Accredited status.

FINANCIAL AND OPERATIONAL REVIEW (continued)

Reserves policy

The previous Trustees' reserves policy was to maintain sufficient reserves to cover annual deficits for a period of five to ten years. While the reserves held currently meet that policy, the sole trustee's view is that the optimum level of reserves is equivalent to ten months' operational costs (an opening season) plus a designated fund whose purpose is to be invested in order to generate income to support future maintenance of 19 New King Street and to provide a level of unrestricted core income to contribute to the Trust's revenue needs.

The reason for this is that, as an organisation not in receipt of statutory funding and currently primarily dependent on income from its investments which is capable of being affected by factors outside the Trust's control, the Trustee believes that building up a capital fund is appropriate in order to secure the long term future of the Trust and 19 New King Street. This would present a profile of reserves as follows:

Unrestricted (ten months' operational costs exc. repairs)	£50,800
Designated for investment for maintenance of the asset	£210,000
Designated for investment for unrestricted core income	£200,000
Desirable level of unrestricted reserves	£460,800
Current level of unrestricted reserves	£148,925

There is therefore a considerable shortfall from the Trustee's target level of reserves. The Trustee's response to this shortfall is to aim to set surplus budgets if possible and to earmark such surpluses for reserves. In addition, any unrestricted windfalls (legacies, gifts etc.) should pass to reserves if appropriate.

STATEMENT OF TRUSTEE RESPONSIBILITIES

The Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of The Herschel House Trust for the year. In preparing these financial statements, the Trustee is required to:

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

STATEMENT OF TRUSTEE RESPONSIBILITIES (continued)

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts Reports) Regulations 2008 and Trust Deed. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to reappoint Bishop Fleming LLP as auditors to the Trust will be proposed at the next Trustees' Meeting.

Approved by the Trustee on 24 May 2016 and signed on its behalf by:-

WHT Sheppard
Chairman - The Bath Preservation Trust Ltd

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE FOR THE YEAR ENDED 31 JANUARY 2016

We have audited the financial statements of The Herschel House Trust for the year ended 31 January 2016 set out on pages 11 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustee, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustee 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 trustee, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustee and Auditors

As explained more fully in the Trustee's responsibilities statement, the Trustee is responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 145 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustee; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustee's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE
FOR THE YEAR ENDED 31 JANUARY 2016

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 January 2016 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustee's 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.

Bishop Fleming LLP

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT
Date: 24/5/16

THE HERSCHEL HOUSE TRUST
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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JANUARY 2016

		Note	Unrestricted Funds £	Restricted Funds £	Total 2015-16 £	13 months ended 31/01/15 £
Income and Endowments						
From generated funds						
	Grants & legacies	1,12	1,000	27,725	28,725	18,016
	Donations		379	-	379	684
	Income from investments	2	22,536	-	22,536	27,093
	Other trading activities - shop sales		4,476	-	4,476	7,266
			28,391	27,725	56,116	53,059
From charitable activities						
	Museum admissions and similar		33,618	-	33,618	29,197
	Gift Aid receipts		765	-	765	733
	Other income		3,198	-	3,198	1,567
Total income and endowments			65,972	27,725	93,697	84,556
Expenditure						
Expenditure on raising funds		3	2,094	-	2,094	1,918
Expenditure on charitable activities:						
	Museum operations	4	63,815	-	63,815	70,859
	Restricted expenditure	4,12	-	10,618	10,618	7,666
	Governance costs	5	1,020	-	1,020	-
Total expenditure			66,929	10,618	77,547	80,443
Net (expenditure) / income for year before gains/losses on investments			(957)	17,107	16,150	4,113
Net (losses)/gains on investments		9	(9,196)	-	(9,196)	(978)
Net (expediture) / income after gains/losses on investments			(10,153)	17,107	6,954	3,135
Transfers between funds		12	-	-	-	-
Net movement in funds			(10,153)	17,107	6,954	3,135
Fund balances brought forward			159,078	4,664	163,742	160,607
Fund balances carried forward			148,925	21,771	170,696	163,742

The above results relate wholly to continuing activities.
There were no recognised gains or losses other than those included above.
The accompanying accounting policies and notes form an integral part of these financial statements

THE HERSCHEL HOUSE TRUST
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BALANCE SHEET AS AT 31 JANUARY 2016

	Note	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Fixed Assets					
Tangible fixed assets:					
Museum exhibits	8b	20,509	2,625	23,134	18,526
Investments	9	111,679	-	111,679	120,875
		132,188	2,625	134,813	139,401
Current Assets					
Shop stock for resale		5,775	-	5,775	5,766
Debtors	10	3,940	-	3,940	1,815
Current asset investments		-	-	-	59
Bank balances		9,162	19,146	28,308	17,965
		18,877	19,146	38,023	25,605
Creditors: due within one year	11	(2,140)	-	(2,140)	(1,264)
Net current assets		16,737	19,146	35,883	24,341
Total assets less current liabilities		148,925	21,771	170,696	163,742
Income Funds					
Restricted funds	12	-	21,771	21,771	4,664
Unrestricted funds:					
Designated	13	98,125	-	98,125	103,078
Undesignated	13	50,800	-	50,800	56,000
		148,925	21,771	170,696	163,742

These financial statements were approved by the Trustee on 24 May 2016 and were signed on its behalf by:

WHT Sheppard
Chairman - The Bath Preservation Trust Ltd

W Ottley
Chairman - Finance & General Purposes Committee

The accompanying accounting policies and notes form an integral part of these financial statements

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JANUARY 2016

The financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with United Kingdom applicable accounting standards. In preparing their financial statements the Trust follows best practice as set out in the Statement of Recommended Practice: "Accounting and Reporting by Charities" (the SORP) issued in 2015. The principal accounting policies set out below have remained unchanged from the previous year.

Tangible Fixed Assets - Purchased Heritage Assets
Heritage Assets costing in excess of £1,000 purchased by the Trust since 2013 are recorded at cost. These assets are not depreciated as they are deemed to have indefinite lives and are reviewed annually for any impairment. They are intended to be held as permanent additions to the collections.

Tangible Fixed Assets - Donated Heritage Assets
It is the policy of the Trust not to capitalise donated heritage assets in the museum collection. The Trust considers that financial valuations of heritage assets would be misleading to the value and significance of the material culture involved. In many cases reliable cost information is not available or there are significant costs involved in obtaining a valuation that would outweigh any benefits. However, it is very important for a museum to account to the public for the management and care for the collections entrusted to it. High standards of Collections Management are applied to the collection in order to preserve and manage it on behalf of, and to make it available to, the public. A Register and full records are kept on the collection, its provenance, and its donors. These are made available for all enquiries and requests, subject to appropriate security and data protection guidelines. Conservation expenditure incurred on heritage assets, has been written off to the Statement of Financial Activities.

Investments
Quoted securities are stated at their closing market value; surpluses or deficits arising on sales or revaluation have been credited or charged to the Statement of Financial Activities.

Stock for Resale
Shop stock is stated at the lower of cost and net realisable value, provision being made for obsolete or slow-moving stock.

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

Cash at Bank and in Hand
Cash at bank and in hand include 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.

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JANUARY 2016 (continued)

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

Fund Accounting
Restricted Funds - these can only be used for particular restricted purposes within the objects of the Trust. Restrictions arise when specified by donors of the funds.
Unrestricted Funds: these represent the retained annual surpluses, and are available at the discretion of the Trustee for the maintenance of 19 New King Street and other purposes falling within the charitable objects of the Trust.

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

For legacies, entitlement is taken as the earlier of the date on which either: the Trust is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipts of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Trust has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Trust, or the Trust is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Expenditure
Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of VAT which cannot be recovered. Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Taxation
The Herschel House Trust is a registered charity and as such tax exemption applies to the income arising from and expended on charitable activities and to its investment income and gains.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2016

1. Grants & legacies

	Unrestricted Funds £	Restricted Funds £	Total 2015-16 £	13 months ended 31/01/15 £
Arts Council England	-	1,525	1,525	-
B&NES	-	2,000	2,000	1,000
Clark Trust	-	-	-	500
Coutts	-	1,000	1,000	-
Ernest Cook	-	-	-	4,666
Herschel Society	-	-	-	10,750
HLF	-	3,600	3,600	-
Mitchell/Satow	-	500	500	-
Murray Foundation	-	8,000	8,000	-
National Libraries	-	1,100	1,100	-
Royal Astronomical Society	-	10,000	10,000	-
University of Bath	1,000	-	1,000	-
V&A Fund	-	-	-	1,000
Wessex Water	-	-	-	100
	1,000	27,725	28,725	18,016

2. Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2015-16 £	13 months ended 31/01/15 £
Rental income	16,020	-	16,020	15,192
Dividends and interest	6,516	-	6,516	11,901
	22,536	-	22,536	27,093

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2016

3. Costs of generating funds

	Unrestricted Funds £	Restricted Funds £	Total 2015-16 £	13 months ended 31/01/15 £
Purchases for resale in Museum shop	2,094	-	2,094	1,918
	2,094	-	2,094	1,918

4. Direct charitable expenditure

		Unrestricted Funds £	Restricted Funds £	Total 2015-16 £	13 months ended 31/01/15 £
Salaries		35,535	-	35,535	46,172
Premises costs	Insurances	2,426	-	2,426	1,618
	Repairs and maintenance	2,020	4,493	6,513	11,449
	Heat and light	3,995	-	3,995	4,382
	Fire & security alarms	1,309	-	1,309	-
	Rates	1,395	-	1,395	931
	Costs for rental flats	2,407	-	2,407	2,347
	Cleaning costs	2,210	-	2,210	1,840
Opening costs	Leaflets and advertising	565	-	565	490
	Exhibition / interpretation cos	5,773	6,125	11,898	2,806
Administration	Staff travel costs	644	-	644	175
	Memberships / subscriptions	714	-	714	-
	Office costs	1,946	-	1,946	1,799
	Card processing costs	380	-	380	-
	Other costs	2,496	-	2,496	4,516
		63,815	10,618	74,433	78,525

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2016

5. Governance costs

	Unrestricted Funds £	Restricted Funds £	Total 2015-16 £	13 months ended 31/01/15 £
Auditors' remuneration & related costs	1,020	-	1,020	-
	1,020	-	1,020	-

6. Employee information

The Herschel House Trust has two staff members, the Curator and the Administrator. Total staff costs were £35,535 (prior year £46,172, of which £4,534 was restricted expenditure).

7. Trustee remuneration and expenses

The sole Trustee did not receive any remuneration from the charity. During the year the Bath Preservation Trust temporarily transferred £20,000 to The Herschel House Trust to cover day-to-day expenditure whilst their regular bank transactions were transferring from Santander to their new CAF bank account. All amounts owing were settled by the year-end.

8. Tangible fixed assets

a) Freehold land and buildings

19 New King Street, Bath was donated to The Herschel House Trust in 1987. This comprises an historic asset which is integral to the purposes of the Trust. No value was placed on the gift, and there have been no subsequent formal valuations, so no cost or value for the 19 New King Street is included in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2016

b) Museum exhibits

Museum exhibits purchased prior to 2013 were written off as historic assets on the date of purchase. Since this date purchases over £1,000 are capitalised. During the year two important letters were purchased; one from Sir Joseph Banks to William Herschel concerning a pair of shoes, and one from Astronomer Royal Nevil Maskelyne to Sir Joseph Banks commending Herschel's experiments concerning the magnification of stars which had corrected errors in Halley's earlier work.

		Total 2016	Total 2015
		£	£
Cost	At start of the year	18,526	16,026
	Additions	4,608	2,500
	At end of the year	23,134	18,526

9. Investments

	2016	2015
	£	£
Valuation: at beginning of the year	120,875	135,586
Cash withdrawn during the year	-	(13,733)
(Deficit)/surplus arising on revaluation	(9,196)	(978)
Valuation: at end of the year	111,679	120,875

The above was held entirely within Charifund - Equities Investment Fund for Charities (Income).

10. Debtors

	2016	2015
	£	£
Prepayments	1,861	1,815
Other debtors and accrued income	2,079	-
	3,940	1,815

Included within other debtors is a short-term staff loan of £1,131 which is being paid off in instalments. The final repayment will take place in July 2016.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2016

11. Creditors - amounts falling due within one year

	2016	2015
	£	£
Trade creditors	160	-
Accruals and other creditors	1,624	45
HMRC - PAYE	356	388
VAT payable	-	831
	2,140	1,264

12. Restricted funds

	Incoming resources: Grants and donations	Outgoing resources: expenditure in the year	Transfer from unrestricted funds	Movement during the year	Balance brought forward	Balance carried forward
	£	£	£	£	£	£
Museum exhibits						
Letter from Sir Joseph Banks to William Herschel	1,100	-	-	1,100	-	1,100
Letter from Nevil Maskelyne to Sir Joseph Banks	1,525	-	-	1,525	-	1,525
Total held as museum exhibits	2,625	-	-	2,625	-	2,625
Operating activities						
B&NES	2,000	(1,000)	-	1,000	-	1,000
Coutts	1,000	(293)	-	707	-	707
Ernest Cook	-	(981)	-	(981)	4,620	3,639
HLF	3,600	(3,544)	-	56	(56)	-
Mitchell/Satow	500	(500)	-	-	-	-
Murray Foundation	8,000	(4,200)	-	3,800	-	3,800
Royal Astronomical Society	10,000	-	-	10,000	-	10,000
Wessex Water	-	(100)	-	(100)	100	-
Total held as cash	25,100	(10,618)	-	14,482	4,664	19,146
Total restricted funds	27,725	(10,618)	-	17,107	4,664	21,771

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2016

Museum exhibits

During the year £1,100 was received from National Libraries in order to help fund the purchase of a letter from Sir Joseph Banks to William Herschel concerning a pair of shoes. The total cost of the letter was £2,854, of which £1,100 came from restricted funds.

The Arts Council England gave £1,525 for the purchase of a letter from Astronomer Royal Nevil Maskelyne to Sir Joseph Banks commending Herschel's experiments concerning the magnification of stars which had corrected errors in Halley's earlier works. The total cost of the letter was £1,754, of which £1,525 came from restricted funds.

These letters have been capitalised and are shown as additions within note 8b.

Operating activities

Bath & North East Somerset (B&NES) Council – Two restricted grants of £1,000 each were received from B&NES during the year. The first was a contribution towards the costs of the Waterloo exhibition held during the year and the second relates to next year's Science & Spirituality exhibition.

Coutts & Murray Foundation – These relate to grants received for the refurbishment of the entrance area at 19 New King Street. Further works are anticipated next year, including new stair carpets.

Ernest Cook – This relates to grants towards education costs, of which £981 was spent during the year.

Heritage Lottery Fund - £3,600 was received during the year as a contribution towards the Waterloo exhibition.

Mitchell/Satow & Wessex Water – These relate to grants received towards the costs of the Waterloo exhibition held during the year.

Royal Astronomical Society - The £10,000 donation during the year was a contribution towards the running costs of the museum and is restricted for use by The Herschel House Trust in support of its charitable objectives.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2016

13. Unrestricted Funds

As described in the Trustee's Annual Report, the decision has been taken to designate funds in excess of those required as an operating reserve (equal to ten months of operating costs), to be invested in order to generate sufficient income to support future maintenance of 19 New King Street and other assets and to provide a level of unrestricted core income to contribute to the Trust's revenue needs. These are divided as follows:

	2016	2015
	£	£
Designated - to fund future maintenance and income	98,125	103,078
Undesignated - ten months operating costs (excluding repairs)	50,800	56,000
Total unrestricted reserves	148,925	159,078

These fall short of the Trustee's target level of reserves by about £312,000. The Trustee's response to this shortfall is to aim to set surplus budgets if possible and to earmark such surpluses for reserves. In addition, any unrestricted windfalls (legacies, gifts etc.) should pass to reserves if appropriate.

14. Capital Commitments and Contingent Liabilities

There were no capital commitments or contingent liabilities at 31 January 2016 (prior year - none).

15. Ultimate Controlling Party

The Bath Preservation Trust Ltd is the ultimate controlling party; that Trust prepares consolidated financial statements, including the results of The Herschel House Trust, which can be obtained from the Trust's offices at 1 Royal Crescent, Bath BA1 2LR. All amounts owing to The Bath Preservation Trust Ltd had been settled by the year-end.

16. Related Party Transactions

There were no related party transactions during the year.