

Charity number: 298295

THE HERSCHEL HOUSE TRUST

TRUSTEE'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2021



HERSCHEL
MUSEUM OF
ASTRONOMY

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THE HERSCHEL HOUSE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEE AND ADVISERS FOR THE YEAR ENDED 31 JANUARY 2021

The Trustee of the charity at 31 January 2021, which has been the sole Trustee for the whole year ended on that date and since the year-end, 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:

Trustees	Thomas Sheppard, Chair ^{2,3,5} Diane Aderyn ^{3,5} Robert Dunton ¹ Julie Finch ^{2,3,4,5} David Hall ^{2,3} Peta Hall ^{1,2,4} Bruce Haines ^{3,4} Robert Hellard ¹ Tom Marshall ^{1,2,3} Rachel Johnston (resigned 31 January 2021) ⁴ Colin Johnston ⁴ Simon Morray-Jones ¹ Robert Tavernor (resigned 2 July 2020) ¹ Victoria Thornton ^{1,3}
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- ¹ denotes members of the Architecture and Planning Committee
- ² denotes members of the Beckford Tower Trust Advisory Committee
- ³ denotes members of the Finance Committee
- ⁴ denotes members of the Museums and Education Committee
- ⁵ denotes members of the Herschel Museum Advisory Committee

Charity registered number	298295
Registered office	1 Royal Crescent Bath BA1 2LR
Independent auditors	Bishop Fleming LLP Chartered Accountants 10 Temple Back Bristol BS1 6FL
Bankers	CAF Bank Limited 25 Kings Hill Avenue West Malling Kent ME19 4JQ
Investment managers	M&G Investments PO Box 9038 Chelmsford CM99 2XF

THE HERSCHEL HOUSE TRUST

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 JANUARY 2021

The Trustee presents its annual report together with the audited financial statements for the year 1 February 2020 to 31 January 2021.

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 Caroline;
- (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.

OVERVIEW: THE IMPACT OF COVID-19 ON THE TRUST FOR THE YEAR

There is a full report of the impact of COVID-19 on the Bath Preservation Trust Group, of which the Herschel House Trust is a part, in the Directors' Report for that charity.

For the Herschel House Trust specifically, the closure of the museum reduced its income stream from visitors although its rental income remained. The Herschel House Trust Trustee was obliged to take a number of rapid steps to stabilise the organisation's finances including the use of the furlough scheme for its staff and the identification of redundancies of its front-of-house staff through a business case.

In addition, the significant international conference planned for 2020 to be held in Bath to celebrate the 200th anniversary of the Royal Astronomical Society, and associated events, were cancelled.

Re-opening the Herschel Museum in a COVID-secure manner is particularly challenging due to its small size, the single staircase and the limited ability to create a one-way route.

Support for the BPT group from the National Lottery Heritage Fund Emergency Grant scheme and then from the Government's Culture Recovery Fund (CRF) enabled a member of staff to be brought off furlough to develop and then run astronomy events and limited household visits to the museum during the period between the end of the first lockdown and the instigation of the second. The museum has remained closed since the end of October and will remain closed until legally able to re-open in May 2021.

Achievements, Performance and Public Benefit

After 2019's flurry of awards, 2020 saw a further award for the Herschel Museum of Astronomy - the VisitEngland Awards for Excellence Silver Award in the category 'Small Visitor Attraction of the Year'.

The Trust has continued to enjoy and develop partnerships with the Royal Astronomical Society, the Royal Society, the National Maritime Museum and Greenwich Observatory, the University of Bath, the Science Museum, the Herschel Society and Bath Astronomers.

The Trust has continued to run the Herschel Museum of Astronomy. Despite COVID-19, in the past year it has:

- Opened the museum in a COVID-secure way to the public between August and October for approx. 330 people enjoying small household-group visits and outdoor astronomical events;
- Continued to produce educational material for school-age children and to provide links to online output from other providers such as NASA and The Royal Observatory Greenwich as well as creating online activities and resources for families;
- Hosted in the garden of the museum, with Bath Astronomers, telescope observing sessions;

THE HERSCHEL HOUSE TRUST

TRUSTEE'S REPORT (continued) FOR THE YEAR ENDED 31 JANUARY 2021

- Continued to use the 'Sparks' grant from the Science and Technology Funding Council, to upgrade the cinema for education and events and diversify the museum programme for post COVID audiences;
- Participated in the activities of the Herschel Society, including attendance at the society meetings and AGM (held online);
- Hosted entertaining online lectures for both adult and family audiences about Sir Isaac Newton;
- Continued the improvement of the presentation of the core collection while the museum was closed; and
- Undertook a number of necessary maintenance activities to the property.

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

- Developing the learning programme by extending the online provision and creating resources that can be enjoyed outside of lockdown
- Developing an outreach programme including stargazing events, in association with Bath Astronomers and the William Herschel Society;
- Placing free downloadable educational information about the Herschel family on the website; and
- Making the venue available for filming.

Financial Review

The financial performance of the Trust was impacted by the closure of the Museum for much of the year. The operations generated a net unrestricted surplus of £10,199 prior to a loss on investments of £15,537 resulting in a net unrestricted loss of £5,338. In the prior year there was a net surplus of £23,040 and an investment gain of £13,647 leading to a net unrestricted surplus of £36,687. Museum income was £11,816 for the year, a decrease of £51,879 compared to the previous year, which was partially offset by the receipt of £31,004 of coronavirus related grants.

There was a small increase in restricted funds of £86 (prior year decrease £3,431). The overall result was that total funds decreased by £5,252 during the year (prior year: £33,256 increase) to amount to £212,080 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 are being considered by the Trustee.

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.

Following the deed of variation signed in July 2015 by the then Trustees, the sole Trustee of the charity at year end is 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 Bath Preservation Trust administers the Trust. In a normal year, the Board meets on a quarterly basis; the principal sub-committees cover Finance, Museums & Education, and Architecture, Planning and Place, and meet on a regular cycle to make policy, financial and management decisions. In addition, an Environs of Bath Sub-Committee reports to the Architecture, Planning and Place Committee on matters affecting the fourteen parishes around the City.

The crisis which the pandemic precipitated led to a change in these practices. An Emergency Committee was formed consisting of 5 Trustees, the CEO, deputy CEO and other staff when appropriate. This committee met fortnightly throughout 2020, renaming itself the Transition Committee after the successful securing of the CRF

THE HERSCHEL HOUSE TRUST

TRUSTEE'S REPORT (continued) FOR THE YEAR ENDED 31 JANUARY 2021

grant. The Architecture, Planning and Place Committee, and the Environs sub-Committee, continued to meet on their regular cycle and Museums and Education Committee met twice. All significant matters were reported to the Trustees at regular intervals and the substantive Trustee Board continued to meet quarterly.

The Chief Executive manages the day-to-day operations of the Trust assisted by paid staff.

Key Management Personnel and staffing matters

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, BPT Director of Museums and BPT Senior Curator. 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.

The Chief Executive of The Bath Preservation Trust manages the day-to-day operations of The Herschel House Trust through the BPT Director of Museums, Claire Dixon, and the BPT Senior Curator, Dr Amy Frost. The management team is assisted by a Museum Administrator and Weekend Stewards, and the museum also benefits from being part of the wider BPT museums 'family' which supports the Trust through education, marketing and finance staff support. External advice is provided by the members of the Herschel Museum Advisory Committee which includes interested parties currently consisting of representatives of the Royal Astronomical Society, University of Bath, the Royal Society and the William Herschel Society.

During the year, 3 part time front of house staff members of the Herschel House Trust took voluntary redundancy or were made compulsorily redundant. In addition, the post of Museum Administrator was made redundant and a new post of Herschel Activities Officer created. These changes were in recognition of the substantially curtailed activity of the Trust as a result of the pandemic and had the effect of reducing the ongoing cost base.

Volunteers

The charity had been dependent on the help and support of a team of volunteers. All volunteers (other than Board/committee members) were 'stood down' in 2020. The way in which volunteers will be re-integrated into the work of the Herschel House Trust will be developed in 2021.

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.

Risk Management

The Trustee has carried out a full risk assessment of all the activities of The Herschel House Trust covering the major strategic, business and operational risks, the main identified area of risk being the fact that the museum operations themselves have historically operated 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 latter risk has been substantially mitigated by the restructuring of BPT's entire museums team which means that there are much better opportunities for cover and for mutual support. A risk management framework for the whole BPT group which also identifies specific risks relating to the Herschel Museum of Astronomy has been produced and adopted by the Trustee. The risks are monitored regularly and the Trustee is therefore satisfied that appropriate systems are in place to mitigate the risks to the charity.

Risks examined by the Trustees in previous years were eclipsed by the unprecedented risk presented by Coronavirus. Regular updating of the risk this presented to the organisation were undertaken by the BPT Emergency Committee. The anticipated risk of COVID-19 to the investments, both to their valuation and ability to generate income, proved short-lived; however the concentration of the Herschel investments in a single fund which is over-weighted to the UK market was disproportionately impacted by Brexit. An investment review for the whole group has recently been undertaken to examine this approach.

THE HERSCHEL HOUSE TRUST

TRUSTEE'S REPORT (continued) FOR THE YEAR ENDED 31 JANUARY 2021

A strategic plan has been developed to manage an appropriately measured recovery process once museums are again legally permitted to open. The greatest risk to this recovery remains the possibility of future lockdowns; the likely slow recovery of the tourism market, particularly international tourism; and the extent to which social distancing will limit the number of visitors able to access a small building like the Herschel Museum. The stabilisation of the Trust's finances and the reduction of its cost base means that it is possible nevertheless to move forward with this plan with reasonable confidence.

Investments 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. This investment policy is currently being reviewed.

Heritage Assets

Purchased heritage assets: Heritage Assets costing £1,000 and above 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.

Reserves Policy

The Trustee's reserves policy is that as an organisation not in receipt of statutory funding and currently dependent on admissions and rental income, the optimum level of reserves should be sufficient to cover the impact of a loss of fifty percent of annual income, plus a designated fund to cover future maintenance costs.

Given the financial obligations arising from the responsibilities of maintaining a listed building, together with the unpredictable nature of visitor income upon which the Trust is dependent, the Trustee believes that building up a fund is appropriate in order to secure the long-term future of the Trust.

As disclosed fully in note 16 the current level of unrestricted funds totalling £171,354 may not be sufficient to meet all future maintenance requirements. Therefore, the Trustee aims to set surplus budgets if possible and to earmark such surpluses for future designated reserves. In addition, any unrestricted windfalls (legacies, gifts etc.) should pass to reserves if appropriate.

In this financial year, the unrestricted net loss of £5,338 was met from the Future Loss of Income reserve.

TRUSTEE'S RESPONSIBILITIES STATEMENT

The Trustee is responsible for preparing the Trustee's 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 & 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 of the charity for that period. 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustee is responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the 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.

This report was approved by the Trustee on 28 May 2021 and signed on its behalf by:



WHT Sheppard,
Chair - The Bath Preservation Trust Ltd

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF THE HERSCHEL HOUSE TRUST

OPINION

We have audited the financial statements of The Herschel House Trust (the 'Charity') for the year ended 31 January 2021 which comprise the Statement of Financial Activities, the Balance Sheet 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 Charity's affairs as at 31 January 2021 and of the Charity's incoming resources and application of resources, including its income and expenditure 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 trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 trustee with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF THE HERSCHEL HOUSE TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report.

We have nothing to report in respect of the following matters in relation to which we to report to you if, in our opinion:

- the Charity has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charity 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 TRUSTEE

As explained more fully in the trustee's responsibilities statement, the trustee is 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 trustee determines 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 trustee is 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 trustee either intends to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management and the trustee in relation to their own identification and assessment of the risk of irregularities within the entity; and
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation.
- we have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained understanding of the legal and regulatory frameworks that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011, Charity SORP 2019, FRS 102 and the terms and conditions attaching to material grants received by the Charity.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF THE HERSCHEL HOUSE TRUST

In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charity's ability to operate or avoid a material penalty. These included data protection regulations, health and safety regulations and employment legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Enquiring of management in relation to actual and potential claims or litigations;
- Performing detailed transactional testing in relation to the recognition of revenue, specifically grants, with a particular focus around year-end cut off; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments.

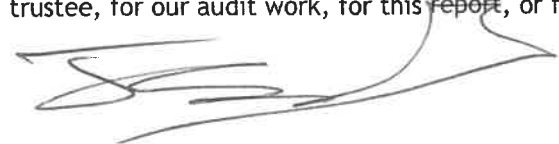
We also communicated identified laws and regulations and potential fraud risks to the trustee of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in financial statements or non-compliance with regulation, will be detected by us. The risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

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

USE OF OUR REPORT

This report is made solely to the trustee, in accordance with section 144 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 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 trustee, for our audit work, for this report, or for the opinions we have formed.



Joseph Scaife FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

10 Temple Back

Bristol

BS1 6FL

Date: 6/6/21

THE HERSCHEL HOUSE TRUST

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JANUARY 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
	Note					
INCOME AND ENDOWMENTS FROM:						
Donations, legacies and grants	2	26,087	20,002	-	46,089	15,869
Charitable activities	3	11,816	-	-	11,816	63,695
Other trading activities	4	938	-	-	938	7,828
Investments	5	21,724	-	-	21,724	23,511
TOTAL INCOME		60,565	20,002	-	80,567	110,903
EXPENDITURE ON:						
Raising funds	7	5,036	-	-	5,036	6,315
Charitable activities	6	45,330	19,916	-	65,246	84,979
TOTAL EXPENDITURE		50,366	19,916	-	70,282	91,294
NET INCOME BEFORE INVESTMENT GAINS		10,199	86	-	10,285	19,609
Net gains/(losses) on investments	12	(15,537)	-	-	(15,537)	13,647
NET INCOME/(EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(5,338)	86	-	(5,252)	33,256
NET MOVEMENT IN FUNDS		(5,338)	86	-	(5,252)	33,256
RECONCILIATION OF FUNDS:						
Total funds brought forward		176,692	40,640	-	217,332	184,076
TOTAL FUNDS CARRIED FORWARD		171,354	40,726	-	212,080	217,332

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

THE HERSCHEL HOUSE TRUST

**BALANCE SHEET
AS AT 31 JANUARY 2021**

	Note	£	2021 £	£	2020 £
FIXED ASSETS					
Tangible Assets	11		50,937		55,995
Investments	12		<u>94,846</u>		<u>110,383</u>
			145,783		166,378
CURRENT ASSETS					
Stocks	13	1,699		1,905	
Debtors	14	6,389		8,383	
Cash at bank and in hand		<u>62,537</u>		<u>44,101</u>	
		70,625		54,389	
CREDITORS: amounts falling due within one year	15	<u>(4,328)</u>		<u>(3,435)</u>	
NET CURRENT ASSETS			<u>66,297</u>		<u>50,954</u>
NET ASSETS			<u>212,080</u>		<u>217,332</u>
CHARITY FUNDS					
Restricted funds	16		40,726		40,640
Unrestricted funds	16		<u>171,354</u>		<u>176,692</u>
TOTAL FUNDS			<u>212,080</u>		<u>217,332</u>

The financial statements were approved and authorised for issue by the Trustee on 28 May 2021 and signed on their behalf, by:



**WHT Sheppard,
Chair - The Bath Preservation Trust Ltd**



**D Aderyn,
Chair - Finance Committee**

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

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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) 2019 published in October 2019.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

The Herschel House Trust constitutes a public benefit entity as defined by FRS 102.

1.2 INCOME

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 charity 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. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity 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.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity 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 guides is not recognised; please refer to the Trustee's report for more information about their contribution.

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

1.3 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.

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

Costs of raising funds are costs incurred in raising funds for the Trust's charitable purposes.

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

1.4 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 of 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.

1.5 PURCHASED HERITAGE ASSETS

Heritage Assets costing £1,000 or above 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.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing £1,000 or above are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold Property	-	not depreciated
Heritage assets	-	not depreciated
Fixtures and fittings	-	20% straight line

1.7 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 fair 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 shown in the heading 'Net gains/(losses) on investments' in the Statement of Financial Activities.

1.8 INTEREST RECEIVABLE

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

1.9 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.10 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.

1.11 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.

1.12 CREDITORS

Creditors 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 charity 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.

1.13 FINANCIAL INSTRUMENTS

The Trust 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.

1.14 FUND ACCOUNTING

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

Designated funds comprise unrestricted funds that have been set aside by the Trustee 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 charity 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.

1.15 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.

1.16 GOING CONCERN

The Trustee assesses whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustee makes this assessment in respect of a period of one year from the date of approval of the financial statements.

The Trustee continues to monitor the impact that COVID-19 is having on operations and is taking actions to minimise their effect on the long-term reserves of the charity. Under all the scenarios reviewed, the charity has sufficient reserves to enable it to continue as a going concern for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

THE HERSCHEL HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

2. INCOME FROM DONATIONS, LEGACIES AND GRANTS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	2,550	-	-	2,550	1,473
Grants - coronavirus related	21,537	9,467	-	31,004	-
Grants - other	2,000	10,535	-	12,535	14,396
Total donations, legacies and grants	26,087	20,002	-	46,089	15,869
Total 2020	3,473	12,396	-	15,869	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Museum admissions income	8,753	-	-	8,753	62,373
Other museum income	3,063	-	-	3,063	1,322
Total income from charitable activities	11,816	-	-	11,816	63,695
Total 2020	63,695	-	-	63,695	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Shop income	938	-	-	938	7,828
Total 2020	7,828	-	-	7,828	

5. INVESTMENT INCOME

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment income - rent	17,171	-	-	17,171	17,870
Investment income - listed investments and bank interest	4,553	-	-	4,553	5,641
	21,724	-	-	21,724	23,511
Total 2020	23,511	-	-	23,511	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

6. ANALYSIS OF DIRECT EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted £	Restricted £	2021 £	2020 £
Wages and salaries	24,028	8,900	32,928	42,238
Premises costs:				
Insurances	1,995	-	1,995	1,793
Repairs and maintenance	1,727	85	1,812	5,042
Heat and light	4,705	-	4,705	4,875
Other premises costs	3,019	-	3,019	5,774
Opening costs:				
Conservation/enhancements	10	4,136	4,146	2,260
Leaflets and advertising	-	-	-	555
Guides and other opening costs	2,026	4,553	6,579	9,262
Administration:				
Office and other costs	1,769	567	2,336	5,509
Accountancy	1,200	-	1,200	1,200
Auditors' remuneration	1,468	-	1,468	1,414
Depreciation	3,383	1,675	5,058	5,057
	45,330	19,916	65,246	84,979

7. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2021 £	Depreciation 2021 £	Other costs 2021 £	Total 2021 £	Total 2020 £
Expenditure on raising funds					
Shop expenditure	-	-	653	653	3,539
Rental property costs	-	-	4,383	4,383	2,776
	-	-	5,036	5,036	6,315
Expenditure on charitable activities	32,928	5,058	25,792	63,778	83,565
Expenditure on governance	-	-	1,468	1,468	1,414
	32,928	5,058	32,296	70,282	91,294
Total 2020	42,238	5,057	43,999	91,294	

8. NET INCOME/(EXPENDITURE)

During the year, no Trustee received any remuneration (2020: £NIL).

During the year, no Trustee received any benefits in kind (2020: £NIL).

During the year, the Trustee, The Bath Preservation Trust, reimbursed expenses of £33,000 (2020: £43,012).

THE HERSCHEL HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

9. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to an Audit fee of £1,468 (2020 - £1,414).

10. STAFF COSTS

No persons were directly employed by the charity but recharges for staff costs of £32,928 (2020: £42,238) were made by The Bath Preservation Trust Limited.

11. TANGIBLE FIXED ASSETS

	Heritage assets £	Fixtures and fittings £	Total £
COST			
At 1 February 2020	44,634	20,841	65,475
At 31 January 2021	44,634	20,841	65,475
DEPRECIATION			
At 1 February 2020	-	9,480	9,480
Charge for the year	-	5,058	5,058
At 31 January 2021	-	14,538	14,538
NET BOOK VALUE			
At 31 January 2021	44,634	6,303	50,937
At 1 February 2020	44,634	11,361	55,995

Freehold land and Buildings (Heritage assets) - 19 New King Street, Bath, was donated to The Herschel House Trust in 1987. This comprised 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 19 New King Street is included in the financial statements.

Museum exhibits (Heritage assets) - purchased prior to 2013 were written off as historic assets on the date of purchase. Since this date purchases over £1,000 are capitalised.

THE HERSCHEL HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

12. FIXED ASSET INVESTMENTS

	Listed securities £
MARKET VALUE	
At 1 February 2020	110,383
Revaluations	(15,537)
At 31 January 2021	<u>94,846</u>

INVESTMENTS AT MARKET VALUE COMPRISE:

	2021 £	2020 £
Listed investments	<u>94,846</u>	<u>110,383</u>

All the fixed asset investments are held in the UK.

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

13. STOCKS

	2021 £	2020 £
Goods for resale	<u>1,699</u>	<u>1,905</u>

14. DEBTORS

	2021 £	2020 £
Trade debtors	2,000	667
Prepayments and accrued income	4,389	7,716
	<u>6,389</u>	<u>8,383</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	336	1,480
Amounts owed to group undertakings	2,273	-
Accruals and deferred income	1,719	1,955
	<u>4,328</u>	<u>3,435</u>

THE HERSCHEL HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

16. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 February 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 January 2021 £
DESIGNATED FUNDS						
Short term maintenance	72,530	-	-	-	-	72,530
Medium to long term maintenance	54,909	-	-	-	-	54,909
Future loss of income	49,253	-	-	(5,338)	-	43,915
	176,692	-	-	(5,338)	-	171,354
GENERAL FUNDS	-	60,565	(50,366)	5,338	(15,537)	-
TOTAL UNRESTRICTED FUNDS	176,692	60,565	(50,366)	-	(15,537)	171,354
RESTRICTED FUNDS						
	Balance at 1 February 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 January 2021 £
HHT Assets:						
Museum Exhibits	23,825	-	-	-	-	23,825
Display cases	4,512	-	(1,674)	-	-	2,838
HHT Funds:						
B&NES	1,000	-	-	-	-	1,000
School visits	200	500	-	-	-	700
Ernest Cook	943	-	(79)	-	-	864
Royal Astronomical Society	8,974	-	-	-	-	8,974
William Herschel Society	244	-	-	-	-	244
NLHF PPIC exhibition	(514)	514	-	-	-	-
AIM Conservation Audit	(1,287)	1,287	-	-	-	-
Spark grant	2,743	6,176	(4,560)	-	-	4,359
AIM Collection Care	-	2,058	(4,136)	-	-	(2,078)
NLHF Covid grants	-	9,467	(9,467)	-	-	-
	40,640	20,002	(19,916)	-	-	40,726
TOTAL OF FUNDS	217,332	80,567	(70,282)	-	(15,537)	212,080

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

16. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 February 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 January 2020 £
DESIGNATED FUNDS						
Short term maintenance	72,530	-	-	-	-	72,530
Medium to long term maintenance	27,559	-	-	27,350	-	54,909
Future loss of income	39,916	-	-	9,337	-	49,253
	140,005	-	-	36,687	-	176,692
GENERAL FUNDS	-	98,507	(75,467)	(36,687)	13,647	-
TOTAL UNRESTRICTED FUNDS	140,005	98,507	(75,467)	-	13,647	176,692
RESTRICTED FUNDS						
HHT Assets:						
Museum Exhibits	23,825	-	-	-	-	23,825
Display cases	6,186	-	(1,674)	-	-	4,512
HHT Funds:						
B&NES	-	2,000	(1,000)	-	-	1,000
School visits	400	-	(200)	-	-	200
Ernest Cook	3,530	-	(2,587)	-	-	943
Royal Astronomical Society	8,974	-	-	-	-	8,974
William Herschel Society	1,156	-	(912)	-	-	244
NLHF PPIC exhibition	-	4,220	(4,734)	-	-	(514)
AIM Conservation Audit	-	-	(1,287)	-	-	(1,287)
Spark grant	-	6,176	(3,433)	-	-	2,743
	44,071	12,396	(15,827)	-	-	40,640
TOTAL OF FUNDS	184,076	110,903	(91,294)	-	13,647	217,332

DESIGNATED FUNDS

As described more fully in the Trustee's Annual Report, the Trustee's reserves policy is that as an organisation not in receipt of statutory funding and currently dependent on admissions and rental income, the optimum level of reserves should be sufficient to cover the impact of a loss of fifty percent of annual income, plus a designated fund to cover future maintenance costs.

The current level of unrestricted funds may not be sufficient to meet all future maintenance requirements. Therefore, the Trustee aims to set surplus budgets if possible and to earmark such surpluses for further designated reserves. In addition, any unrestricted windfalls (legacies, gifts etc.) should pass to reserves if appropriate. The Unrestricted net loss of £5,338 in 2021 was met from the Future loss of Income reserve.

THE HERSCHEL HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

16.STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

Museum exhibits - relate to heritage assets purchased for display in the museum.

Bath & North East Somerset (B&NES) Council - The grant was a contribution to the cost of exhibitions at the museum.

Ernest Cook - This grant supported the cost of education equipment for stargazing and related activities.

Royal Astronomical Society - This relates to a grant towards the running costs of the museum.

Spark grant - This grant from the Science and Technology Facilities Council is a contribution to the cost of upgrading the planetarium and related visitor events.

AIM Collection Care - This grant supported the upgrading of environmental conditions at the Herschel Museum following a Collections Care audit. The deficit will be met by AIM after the year end.

NLHF Covid grants - This represents the salaries and other costs that were met from the National Lottery Heritage Fund Emergency Grant scheme and Cultural Recovery Fund grants held by The Bath Preservation Trust.

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 February 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 January 2021 £
Designated funds	176,692	-	-	(5,338)	-	171,354
General funds	-	60,565	(50,366)	5,338	(15,537)	-
	176,692	60,565	(50,366)	-	(15,537)	171,354
Restricted funds	40,640	20,002	(19,916)	-	-	40,726
	217,332	80,567	(70,282)	-	(15,537)	212,080

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 February 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 January 2020 £
Designated funds	140,005	-	-	36,687	-	176,692
General funds	-	98,507	(75,467)	(36,687)	13,647	-
	140,005	98,507	(75,467)	-	13,647	176,692
Restricted funds	44,071	12,396	(15,827)	-	-	40,640
	184,076	110,903	(91,294)	-	13,647	217,332

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	23,903	27,034	50,937
Fixed asset investments	94,846	-	94,846
Current assets	56,933	13,692	70,625
Creditors due within one year	(4,328)	-	(4,328)
	<u>171,354</u>	<u>40,726</u>	<u>212,080</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	27,287	28,708	55,995
Fixed asset investments	110,383	-	110,383
Current assets	42,457	11,932	54,389
Creditors due within one year	(3,435)	-	(3,435)
	<u>176,692</u>	<u>40,640</u>	<u>217,332</u>

18. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There were no capital commitments or contingent liabilities at 31 January 2021 (2020: none).

19. RELATED PARTY TRANSACTIONS

At the year-end Herschel House Trust owed The Bath Preservation Trust Limited £2,273 (2020: £NIL).

20. ULTIMATE PARENT UNDERTAKING

The Bath Preservation Trust Limited is the immediate and ultimate parent. The 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.