

REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016
FOR
THE SALISBURY AND SOUTH WILTSHIRE MUSEUM TRUST
A COMPANY LIMITED BY GUARANTEE

TUESDAY



A68J4A5C

A25

13/06/2017

#285

COMPANIES HOUSE

THE SALISBURY AND SOUTH WILTSHIRE MUSEUM TRUST
A COMPANY LIMITED BY GUARANTEE

INDEX TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016

	Page
Company Information	1
Report of the Trustees	2
Report of the Auditors	7
Consolidated Statement of Financial Activities	9
Balance Sheets	10
Consolidated Statement of Cash Flows	11
Notes to the Financial Statements	12

THE SALISBURY AND SOUTH WILTSHIRE MUSEUM TRUST
A COMPANY LIMITED BY GUARANTEE

COMPANY INFORMATION
for the year ended 31 December 2016

TRUSTEES:

S M Denniston (Chairman)
A H Beckwith-Smith
C H Elmer
A X T Green
J D Hutton
S Jackson
P Marland
J G R Perry
P J Pleydell-Bouverie
R J Wadey

Nominated

E C Probert – *Dean and Chapter*
A N Deane – *Wiltshire Council*
W R Moss – *Wiltshire Council*
D Dawson – *Wiltshire Archaeological and Natural
History Society*

SECRETARY:

J D Hutton

REGISTERED OFFICE:

The King's House
65 The Close
Salisbury
SP1 2EN

REGISTERED NUMBER:

1826436 (England and Wales)

**REGISTERED
CHARITY NUMBER:**

289850

AUDITORS:

Fawcetts
Chartered Accountants
and Statutory Auditors
Windover House
St Ann Street
Salisbury
SP1 2DR

THE SALISBURY AND SOUTH WILTSHIRE MUSEUM TRUST
A COMPANY LIMITED BY GUARANTEE

REPORT OF THE TRUSTEES
for the year ended 31 December 2016

The trustees present their report with the financial statements of the company for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the trusteeship and management of a museum in the city of Salisbury.

STATUS

The Salisbury and South Wiltshire Museum Trust (the Trust) was incorporated on 20 June 1984. The Trust is a registered charity, number 289850. Its registered company number is 1826436.

TRUSTEES

The trustees during the period from 1 January 2016 to the date of this report were:

S M Denniston (Chairman)
A H Beckwith-Smith
J C Eager (until 7 July 2016)
C H Elmer
A X T Green
J D Hutton (Hon. Treasurer)
S Jackson (from 23 June 2016)
P G Jeffreys (until 18 April 2016)
P Marland (from 23 June 2016)
R E Newman (until 28 April 2016)
R A Pemberton (until 28 April 2016)
J G R Perry (from 23 June 2016)
P J Pleydell-Bouverie
R J Wadey

Nominated

E C Probert	- Dean and Chapter
A N Deane	- Wiltshire Council
W R Moss	- Wiltshire Council
D Dawson	- Wiltshire Archaeological and Natural History Society

PROFESSIONAL ADVISERS AND KEY PERSONNEL

Director/Curator : A X T Green BA MA AMA

Address : The King's House
65 The Close
Salisbury, SP1 2EN

Bankers : Lloyds Bank Plc
38 Blue Boar Row
Salisbury, SP1 1DB

Solicitors : Wilsons Solicitors LLP
Alexandra House
St Johns Street
Salisbury, SP1 2SB

**THE SALISBURY AND SOUTH WILTSHIRE MUSEUM TRUST
A COMPANY LIMITED BY GUARANTEE**

**REPORT OF THE TRUSTEES
for year ended 31 December 2016**

Investment advisers: Cazenove Capital Management Limited
6 Worcester Street
Oxford
OX1 2BX

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

Salisbury Museum is an unincorporated charity. It is controlled by the Salisbury and South Wiltshire Museum Trust, a company limited by guarantee. This company is also a registered charity, but it has no assets. The collections and lease of the King's House belong to the Museum.

The Museum is governed by a Board of Trustees which meets quarterly and which determines the general policy of the Museum. There is a management committee which meets monthly, overseeing the day-to-day management and financial affairs of the Museum delegated to the director and his staff. Sub-committees are formed from time to time to deal with specific issues, eg publications, exhibitions and events.

Risk management

The trustees have assessed the major risks to which the charity is exposed including those related to the operations and finances of the Museum and are satisfied that systems are in place to mitigate any exposure to major risks.

Investment powers

The trustees have the power to invest in such stocks, shares, investments and property as they see fit. The trustees have engaged Cazenove Capital Management Limited as investment managers.

Trustee appointment, induction and training

The Trust can have a maximum of twenty trustees. The Chairman, Treasurer and a maximum of fourteen trustees are elected from within the Museum membership and serve three-year terms. As nominating bodies, The Dean and Chapter of Salisbury Cathedral, Southampton University and Wiltshire Archaeological and Natural History Society can each appoint one trustee. Wiltshire Council can appoint two trustees. All new trustees are sent a pack of Museum policies, constitution and other documents and are offered a personal tour of the Museum and induction by the Director. From time to time trustees are offered training courses such as those arranged by Wiltshire Council.

OBJECTIVES AND ACTIVITIES

In setting the objectives and planning the activities of the Museum, the trustees have given careful consideration to the Charity Commission's guidance on public benefit. The objectives are set out in the Memorandum as the provision and maintenance of a museum in or near the City of Salisbury for the benefit of the public providing exhibits of historical, scientific and artistic significance and interest and to act as its trustee.

Salisbury Museum's mission is to provide a creative and responsive museum, which collects, interprets, conserves and preserves objects and information of significance to the heritage of Salisbury and South Wiltshire. Education and inclusiveness are central to the Museum's ethos and it aims to provide a vibrant service to the whole community as well as scholars and visitors from throughout the world.

The Museum Director updates a forward plan each year to ensure that the Museum staff are clear about the priorities and targets for the forthcoming year.

Volunteers play a significant role in the Museum's ability to deliver its services. The Museum had over 260 volunteers in 2016 who contributed 20,658 hours of work to the Museum.

THE SALISBURY AND SOUTH WILTSHIRE MUSEUM TRUST
A COMPANY LIMITED BY GUARANTEE

REPORT OF THE TRUSTEES
for the year ended 31 December 2016

ACHIEVEMENTS AND PERFORMANCE

The main focus of the year has been the preparation and submission of a major bid to the Heritage Lottery Fund for a grant of £7.3 million. This will be used to undertake a major redevelopment of the King's House including a new Salisbury Gallery, temporary exhibition gallery, lecture hall, learning space, and relocated café. The overall project costs will be £9.1 million with the remaining funds coming from a major fundraising campaign.

In preparation for the implementation of the masterplan the museum secured financial support to acquire an offsite store for archaeology. Wiltshire Council have promised £200,000 towards the purchase and Wiltshire Museum £50,000.

The first major exhibition in 2016 was *John Craxton: A Poetic Eye* (30 January to 7 May 2016). This popular exhibition looked at Craxton's early inspiration on Cranborne Chase and later life living in Crete. It was curated by Ian Collins, with a significant part of the exhibition lent by the Craxton Estate. The highlight event was seeing Ian Collins in conversation with Sir David Attenborough who was a friend and collector of Craxton's work.

Our summer exhibition was *Writing for Eternity: Decoding Ancient Egypt, British Museum Touring Exhibition* (21 May to 3 September 2016). This was a touring exhibition from the British Museum which focused on hieroglyphics and writing in Ancient Egypt. The exhibition was thought provoking, but visitor numbers were disappointing compared with previous summer exhibitions, possibly because it departed from our well-established theme of exhibitions linked to local artists and landscapes.

The final exhibition of the year was *Constable in Context: Salisbury Cathedral from the Meadows in Perspective* (17 September 2016 to 25 March 2017). In 2013 John Constable's *Salisbury Cathedral from the Meadows*, 1831, was secured for the nation with assistance from the Heritage Lottery Fund, The Manton Foundation, Art Fund (with a contribution from the Wolfson Foundation) and Tate Members. The acquisition was part of a new partnership, Aspire, between five national and regional galleries: National Museum Wales; the National Galleries of Scotland; Colchester and Ipswich Museums; The Salisbury Museum; and Tate Britain. Since 2014 the painting has been on a national tour of the partner venues. At Salisbury we decided to place the painting in its historic and artistic context with paintings of Salisbury Cathedral from the 17th century to the 21st century.

There were some successful smaller exhibitions throughout the year: *Relationships: An exhibition by Sophie Ryder* (20 February to 9 July, 2016) accompanied the major sculptural exhibition by Ryder in the Cathedral Close. The *Icons of the North Wessex Downs: An Exhibition by Anna Dillon* (16 July to 1 October, 2016) featured a series of works commissioned by the *North Wessex Downs Area of Outstanding Natural Beauty* to celebrate the beauty and variety of this nationally protected landscape. *Wiltshire's Story in 100 Objects*, (8 October 2016 to 7 January, 2017) used the model of the British Museum's *History of the World in 100 objects* to reveal the diverse and important collections that Wiltshire's museums collect, care for and interpret, using 100 carefully selected objects to celebrate the rich history of the county from 10,000 BC to the present day.

The Festival of Archaeology continues to be a significant event for the museum. Held on 23 and 24 July the showground of living history demonstrations and heritage professionals was accompanied by talks by leading archaeologists including Dr Henry Chapman, Prof Vincent Gaffney and Dr Miles Russell. Phil Harding led a dig in the grounds of the museum which was the focus for a talk on the Sunday. The *Writing for Eternity* exhibition also inspired talks on Ancient Egypt by Professor Richard Parkinson and Toby Wilkinson. The festival was attended by 1,840 people over the weekend. We also held our regular Christmas event on 10 December which attracted 878 visitors.

The museum continued to be part of the Wessex Five, a partnership between the Russell-Cotes Art Gallery & Museum, Poole Museum, Dorset County Museum, Wiltshire Museum and Salisbury Museum. A major focus for the year was looking at ways to sustain the partnership, which included the preparation of a bid to the Arts Council for National Portfolio Status. A CIO was established to become the governing body for the proposed NPO.

THE SALISBURY AND SOUTH WILTSHIRE MUSEUM TRUST
A COMPANY LIMITED BY GUARANTEE

REPORT OF THE TRUSTEES
for the year ended 31 December 2016

ACHIEVEMENTS AND PERFORMANCE Continued

The museum made 46 acquisitions over the year. Major gifts included a harpsichord made by James Mogford of St Ann Street Salisbury with lid painted by Diana De Vere Cole, (2016.45). The Creative Wiltshire Project funded by Heritage Lottery Fund led to two important gifts – a Glass goblet engraved by Laurence Whistler (2016.11) and Dying Swan a bronze sculpture by Jonathan Wylder, (2016.12).

Visitor numbers over this period were 27,237, a 25% decrease on 2015 (36,485). The overall user figure was 45,467.

FINANCIAL REVIEW

While the spring John Craxton and the autumn Constable exhibitions attracted relatively strong visitor numbers, this year's summer exhibition, *Writing for Eternity: Decoding Ancient Egypt*, was commercially disappointing. Entrance tickets and shop sales for the year were £96,016 and £36,394 respectively, representing decreases of 40% and 50% over the previous year, when the Turner exhibition was very well attended. Largely as a result, Museum operations showed a deficit of approximately £94,000. The net effect of legacies received, principally one of £10,000 from the estate of Ann Margaret Hutchinson, the increase in value of our investment portfolio and depreciation reduced the deficit for the year to £52,000. It is only as a result of the release from Restricted Funds of the unused Wessex Gallery contingency fund of £128,000 that the accounts show an increase in Unrestricted Funds for the year of £76,000, before the actuarial loss on the pension scheme.

The museum's pension scheme deficit remains a major influence on the financial position. Changes in the actuarial assumptions used in assessing the funding deficit led to a charge in the year of £279,000. As described in note 19 to the accounts the museum is making agreed additional annual contributions to make up the deficit over time.

Funding for Restricted Funds amounted to £334,784 for the year.

The reserves policy of the Museum is to maintain sufficient free reserves and unrestricted investments to allow the Museum to operate effectively for the foreseeable future, safeguard its collections and cover its pension commitments. In total this is considered to be in the region of £525,000. At 31 December 2016 the Museum had free reserves of £255,642 (2015: £244,481) before the pension scheme deficit of £644,000 (2015: £365,000), and there were unrestricted investments of £527,804 (2015: £472,216). Given the unpredictable nature of much of the Museum's income, the trustees aim to invest any surplus unrestricted funds to provide a relatively secure stream of income to fund future activities.

The trustees maintain a close watch on the Museum's cash flow. The Management Committee reviews the management accounts monthly and the full Board of Trustees reviews them quarterly.

The Museum's investments are managed by Cazenove Capital Management Ltd. The trustees have selected a cautious growth target aimed at achieving reasonable income while maintaining the value of the funds. No ethical restrictions have been placed on the fund managers.

THE SALISBURY AND SOUTH WILTSHIRE MUSEUM TRUST
A COMPANY LIMITED BY GUARANTEE

REPORT OF THE TRUSTEES
for the year ended 31 December 2016

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Law applicable to incorporated charities in England and Wales requires the trustees (who are also the directors of the company) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and its financial activities for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each trustee has taken all the steps that he or she ought to have taken as a trustee in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

Fawcetts were reappointed auditors during the year and have expressed their willingness to continue in that capacity.

ON BEHALF OF THE BOARD:



.....
J D Hutton - Secretary

Dated: 20 March 2017

THE SALISBURY AND SOUTH WILTSHIRE MUSEUM TRUST
A COMPANY LIMITED BY GUARANTEE

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE SALISBURY AND SOUTH WILTSHIRE MUSEUM TRUST

We have audited the financial statements of The Salisbury and South Wiltshire Museum Trust for the year ended 31 December 2016 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Company Balance Sheet, the consolidated statement of cash flows and the related notes. 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. 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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2016, and of its incoming resources and application of resources, including its income and expenditure, for the year ended 31 December 2016;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Continued on Page 8

**THE SALISBURY AND SOUTH WILTSHIRE MUSEUM TRUST
A COMPANY LIMITED BY GUARANTEE**

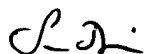
**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE SALISBURY AND SOUTH WILTSHIRE MUSEUM
TRUST**

Continued from Page 7

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Simon Ellingham FCA (Senior Statutory Auditor)
for and on behalf of Fawcetts
Chartered Accountants and Statutory Auditors
Windover House
St Ann Street
Salisbury
SP1 2DR

Dated: 20 March 2017

THE SALISBURY AND SOUTH WILTSHIRE MUSEUM TRUST
A COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
for the year ended 31 December 2016

		Unrestricted funds	Restricted funds	Total 2016	Total 2015
	Notes	£	£	£	£
Income and endowments from:					
Donations and legacies		35,994	334,784	370,778	391,741
Charitable activities	3	173,465	-	173,465	242,717
Other trading activities	4	117,950	-	117,950	149,103
Investments	5	13,656	10,041	23,697	19,164
Total income		<u>341,065</u>	<u>344,825</u>	<u>685,890</u>	<u>802,725</u>
Expenditure on:					
Raising funds		28,033	-	28,033	9,326
Charitable activities – Operation of the Museum		618,514	253,618	872,132	960,376
Other trading activities		34,919	-	34,919	46,069
Total expenditure	8	<u>681,466</u>	<u>253,618</u>	<u>935,084</u>	<u>1,015,771</u>
Gains/(Losses) on investment assets - Realised		3,405	2,424	5,829	5,954
- Unrealised		33,898	20,049	53,947	(33,703)
		<u>37,303</u>	<u>22,473</u>	<u>59,776</u>	<u>(27,749)</u>
Net income/(expenditure) before transfers		<u>(303,098)</u>	<u>113,680</u>	<u>(189,418)</u>	<u>(240,795)</u>
Transfers between funds		<u>379,071</u>	<u>(379,071)</u>	<u>-</u>	<u>-</u>
Net income/(expenditure)		<u>75,973</u>	<u>(265,391)</u>	<u>(189,418)</u>	<u>(240,795)</u>
Other recognized gains/losses					
Actuarial gains/(losses) on defined benefit pension schemes		(279,000)	-	(279,000)	-
Net movement in funds		<u>(203,027)</u>	<u>(265,391)</u>	<u>(468,418)</u>	<u>(240,795)</u>
Fund balances brought forward at 1 January 2016		<u>354,012</u>	<u>2,984,242</u>	<u>3,338,254</u>	<u>3,579,049</u>
Fund balances carried forward at 31 December 2016		<u>150,985</u>	<u>2,718,851</u>	<u>2,869,836</u>	<u>3,338,254</u>

Continuing operations


None of the group's activities were acquired or discontinued in the current or preceding periods.

THE SALISBURY AND SOUTH WILTSHIRE MUSEUM TRUST
A COMPANY LIMITED BY GUARANTEE
(Registered No: 1826436)

BALANCE SHEETS
31 December 2016

		Consolidated		The Company	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	9	1,858,163	2,045,050	-	-
Investments	10	803,715	738,115	-	-
Heritage assets	11	483,955	482,350	-	-
		<u>3,145,833</u>	<u>3,265,515</u>	-	-
CURRENT ASSETS:					
Stock	12	20,064	23,140	-	-
Debtors	13	76,764	146,857	-	-
Cash at bank and in hand		<u>327,698</u>	<u>319,479</u>	-	-
		<u>424,526</u>	<u>489,476</u>	-	-
CREDITORS: Amounts falling due within one year	14	<u>56,523</u>	<u>51,737</u>	-	-
NET CURRENT ASSETS		<u>368,003</u>	<u>437,739</u>	-	-
TOTAL ASSETS LESS CURRENT LIABILITIES:		3,513,836	3,703,254	-	-
CREDITORS: Amounts falling due after more than one year		-	-	-	-
Net Assets excluding pension scheme liability		<u>3,513,836</u>	<u>3,703,254</u>	-	-
Defined benefit pension scheme deficit	19	<u>(644,000)</u>	<u>(365,000)</u>	-	-
NET ASSETS		<u>2,869,836</u>	<u>3,338,254</u>	-	-
FUNDS:					
Restricted funds	15	2,718,851	2,984,242	-	-
Unrestricted funds	16	<u>150,985</u>	<u>354,012</u>	-	-
		<u>2,869,836</u>	<u>3,338,254</u>	-	-

The financial statements were approved and authorised for issue by the Board of Trustees on 20 March 2017 and were signed on its behalf by:


.....
J D Hutton - Trustee

THE SALISBURY AND SOUTH WILTSHIRE MUSEUM TRUST
A COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2016

		2016 £	2015 £
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash (used in)/provided by operating activities	(a)	73,853	(16,065)
Cash flows from investing activities:			
Dividends, interest and rents from investments		13,207	18,164
Purchase of property, plant and equipment		(71,412)	(1,504)
Purchase of heritage assets		(1,605)	(750)
Proceeds from sale of investments		119,984	27,113
Purchase of investments		<u>(125,808)</u>	<u>(356,436)</u>
Net cash (used in)/provided by investing activities		<u>(65,634)</u>	<u>(313,413)</u>
Change in cash and cash equivalents in the reporting period		8,219	(329,478)
Cash and cash equivalents at 1 January 2016		319,479	648,957
Cash and cash equivalents at 31 December 2016	(b)	<u><u>327,698</u></u>	<u><u>319,479</u></u>
a. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES			
		2016 £	2015 £
Net (expenditure)/income for the year as per the Statement of Financial Activities		(189,418)	(240,795)
Adjusted for:			
Depreciation		258,299	256,052
(Gains)/losses on investments		(59,776)	27,749
Dividends, interest and rents from investments		(13,207)	(18,164)
(Increase)/decrease in stocks		3,076	5,827
(Increase)/decrease in debtors		70,093	(14,060)
Increase/(decrease) in creditors		<u>4,786</u>	<u>(32,674)</u>
Net cash (used in)/provided by operating activities		<u><u>73,853</u></u>	<u><u>(16,065)</u></u>
b. ANALYSIS OF CASH AND CASH EQUIVALENTS			
		2016 £	2015 £
Cash at bank and in hand		<u>327,698</u>	<u>319,479</u>
		<u><u>327,698</u></u>	<u><u>319,479</u></u>

THE SALISBURY AND SOUTH WILTSHIRE MUSEUM TRUST
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Museum 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 notes.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Museum Trust and its subsidiary undertakings, The Salisbury and South Wiltshire Museum and Salisbury Museum Replicas Limited. A separate statement of financial activities for the Trust itself is not presented because the Trust has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Income

Income is recognised on an accruals basis. Income received for specific purposes is treated as restricted. Donations are included in incoming resources when they are receivable. Legacies are included when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

Expenditure

Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates.

Tangible fixed assets

Expenditure on fixed assets is capitalised except for expenditure incurred on the replacement of assets of low value with a short life. Repair, renovation and replacement expenditure is written off as expenditure in the statement of financial activities. The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition.

The King's House is held on a long lease, is a listed property and is carried at its original cost as the trustees consider that it is not appropriate to apply a valuation to such property.

Leasehold property is depreciated at 2% per annum on cost.

Leasehold improvements are depreciated at 10% per annum on cost.

Fixtures and fittings are depreciated at 33.3% per annum on cost.

THE SALISBURY AND SOUTH WILTSHIRE MUSEUM TRUST
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016

1. ACCOUNTING POLICIES (continued)

Heritage assets

Up to 31 March 2005 items acquired for the Museum's collection of exhibits were charged to the Statement of Financial Activities in the year of acquisition. The value of the collection at 31 March 2005 is considered to be incalculable and is therefore not included on the balance sheet. From 1 April 2005, in line with SORP 2005, acquisitions for the collection are capitalised as heritage assets. Heritage assets are not depreciated as they are considered to have an indefinite useful life.

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Pension costs

The Museum makes contributions to the Wiltshire County Superannuation Fund on behalf of certain employees. Contributions are charged to the revenue account in the period in which they fall due and amounted to £47,546 in the period (2015 - £47,660). Actuarial gains and losses are recognised immediately in the Statement of Financial Activities.

Investments

All investments are stated at market value. Any gain or loss on revaluation is taken to the statement of financial activities.

Funds

The Museum's funds consist of unrestricted and restricted amounts. The Museum may use unrestricted amounts at its discretion. Restricted funds represent income contributions which are restricted to a particular purpose. Designated funds comprise unrestricted funds that have been set aside by the trustees for a particular purpose.

2. TRADING INCOME AND EXPENDITURE

The Museum operates a shop on its premises. Its trading results are shown below.

	2016	2015
	£	£
Turnover	36,394	72,091
Cost of sales	<u>25,080</u>	<u>35,422</u>
Gross profit	11,314	36,669
Administrative expenses	<u>9,839</u>	<u>10,647</u>
Net profit	<u>1,475</u>	<u>26,022</u>

THE SALISBURY AND SOUTH WILTSHIRE MUSEUM TRUST
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016

3. CHARITABLE ACTIVITIES

	2016	2015
	£	£
Membership subscriptions	24,546	24,128
Entrance tickets	96,016	156,589
Grant from Wiltshire Council	<u>52,903</u>	<u>62,000</u>
Total	<u>173,465</u>	<u>242,717</u>

4. OTHER TRADING ACTIVITIES

	2016	2015
	£	£
Special Events	17,043	11,678
Rental income	53,567	55,510
Lecture theatre hire	2,933	3,314
Museum shop sales	36,394	72,091
Sundry income	<u>8,014</u>	<u>6,510</u>
	<u>117,950</u>	<u>149,103</u>

5. INVESTMENT INCOME

	2016	2015
	£	£
Dividends	12,787	18,164
Interest	<u>449</u>	<u>1,000</u>
	<u>13,236</u>	<u>19,164</u>

6. STAFF COSTS

	2016	2015
	£	£
Wages and salaries	292,363	280,392
Social security costs	16,664	15,403
Other pension costs	<u>47,546</u>	<u>47,660</u>
	<u>356,573</u>	<u>343,455</u>

The average number of employees during the year, calculated on a full time equivalent basis, was as follows:

	2016	2015
Office and management	<u>13</u>	<u>13</u>

At the balance sheet date there were outstanding pension contributions of £Nil (2015 - £Nil).

Apart from the disclosures made in note 18 to the financial statements, neither the trustees, nor any person connected with them, received any remuneration or reimbursement of expenses during the year. No employee earned £60,000 per annum or more. Key management personnel which consist of the Trustees and the Museum Director were paid a total of £38,597 (2015 £42,000).

THE SALISBURY AND SOUTH WILTSHIRE MUSEUM TRUST
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016

7. EXPENDITURE

Expenditure includes:

	2016	2015
	£	£
Auditors' remuneration	6,000	5,250
Depreciation – owned assets	258,299	256,052
Directors remuneration	<u>48,970</u>	<u>51,036</u>

8. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff salaries	Support costs	Depreciation	Total
	£	£	£	£
Costs of raising funds	-	28,033	-	28,033
Costs of operating Museum shop	8,009	26,910	-	34,919
Costs of operating the Museum	346,564	259,269	258,299	864,132
Management and administration of the Charity:				
Governance costs	<u>2,000</u>	<u>6,000</u>	<u>-</u>	<u>8,000</u>
	<u>356,573</u>	<u>320,212</u>	<u>258,299</u>	<u>935,084</u>

The sole activity of the charity is the operation of a museum in Salisbury.

9. TANGIBLE FIXED ASSETS

	The King's House at Cost £	Improvements to date £	Fixtures and fittings £	Totals £
COST				
At 1 January 2016	250,000	2,592,276	153,758	2,996,034
Additions	-	-	71,412	71,412
Disposals	<u>-</u>	<u>-</u>	<u>(2,246)</u>	<u>(2,246)</u>
At 31 December 2016	<u>250,000</u>	<u>2,592,276</u>	<u>222,924</u>	<u>3,065,200</u>
DEPRECIATION				
At 1 January 2016	83,750	754,361	112,873	950,984
Charge for year	5,000	214,126	39,173	258,299
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>(2,246)</u>	<u>(2,246)</u>
At 31 December 2016	<u>88,750</u>	<u>968,487</u>	<u>149,800</u>	<u>1,207,037</u>
NET BOOK VALUE				
At 31 December 2016	<u>161,250</u>	<u>1,623,789</u>	<u>73,124</u>	<u>1,858,163</u>
At 31 December 2015	<u>166,250</u>	<u>1,837,915</u>	<u>40,885</u>	<u>2,045,050</u>

THE SALISBURY AND SOUTH WILTSHIRE MUSEUM TRUST
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016

10. FIXED ASSET INVESTMENTS

	£
VALUATION:	
At 1 January 2016	738,115
Additions	125,808
Disposals	(114,155)
Net unrealised investment gains	<u>53,947</u>
At 31 December 2016	<u>803,715</u>

11. HERITAGE ASSETS

	£
COST:	
At 1 January 2016	482,350
Additions	<u>1,605</u>
	<u>483,955</u>

The Museum's collections are assets of historical importance held to advance the Museum's conservational and educational objectives and which through public access contribute to the culture and education of Salisbury and its visitors. Additions to the Museum's collections have been capitalised and stated at cost since 1 April 2005. No value has been placed on the collections held prior to 1 April 2005 as reliable cost information is not available and conventional valuation approaches lack sufficient reliability when applied to assets such as those held in the Museum's collections. The cost of any such valuation would also be onerous in comparison to any additional benefit that may be derived by users of the financial statements.

12. STOCKS

	2016 £	2015 £
Goods for resale	<u>20,064</u>	<u>23,140</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Other debtors	65,904	136,507
Prepayments	<u>10,860</u>	<u>10,350</u>
	<u>76,764</u>	<u>146,857</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Other creditors	44,635	42,991
Accrued expenses	<u>11,888</u>	<u>8,746</u>
	<u>56,523</u>	<u>51,737</u>

THE SALISBURY AND SOUTH WILTSHIRE MUSEUM TRUST
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016

15. RESTRICTED FUNDS

	At 1.1.16 £	Income £	Transfers between funds £	Dividends and interest £	Investment gains/ (losses) £	Expenses £	At 31.12.16 £
General Funds							
Specimen fund	2,488	-	-	-	-	-	2,488
Portable Antiquities Scheme	5,031	36,921	-	-	-	(37,260)	4,692
Pitt-Rivers project	16,278	21,391	-	-	-	(37,669)	-
Fire alarm fund	-	35,757	(35,757)	-	-	-	-
Tisbury Environs	20,186	12,614	-	-	-	(9,261)	23,539
HLF City Story	-	16,550	-	-	-	(8,245)	8,305
R Wadey Masterplan	1,492	843	-	-	-	(2,335)	-
Acquisition fund	5,930	-	(1,605)	-	-	-	4,325
Fundraiser grant	11,818	-	-	-	-	-	11,818
Wessex Gallery	-	60,437	(15,562)	-	-	(44,875)	-
W. Gallery contingency fund	112,891	-	(112,891)	-	-	-	-
Salisbury City Council grant	628	15,000	-	-	-	(12,093)	3,535
R Wadey Facilities	18,750	-	(18,750)	-	-	-	-
British Art exhibition	-	17,000	-	-	-	(4,856)	12,144
Museum Resource Centre	-	50,294	-	-	-	(1,234)	49,060
Terry Pratchett exhibition	-	82	-	-	-	(82)	-
Aspire programme	-	37,415	-	-	-	(37,415)	-
OU Meteorite display	458	-	-	-	-	-	458
Wylve Hoard conservation	1,500	2,000	-	-	-	-	3,500
Wessex 5 Partnership	1,035	27,888	-	-	-	(28,923)	-
Roman House	2,500	315	-	-	-	(2,673)	142
Rex Whistler Archive	-	277	-	-	-	-	277
	200,985	334,784	(184,565)	-	-	(226,921)	124,283
Educational Funds							
K B Wyatt Trust	258,172	-	-	10,041	22,473	(26,697)	263,989
Capital Funds							
Heritage assets	482,350	-	1,605	-	-	-	483,955
King's House & Costume							
Gallery Appeal fund	166,250	-	(5,000)	-	-	-	161,250
Wessex Museums Partnership	7,190	-	(7,190)	-	-	-	-
Wessex Gallery	1,868,095	-	(233,054)	-	-	-	1,635,041
R Wadey Facilities	-	-	12,503	-	-	-	12,503
Fire alarm fund	-	-	37,830	-	-	-	37,830
Retail enhancement	1,200	-	(1,200)	-	-	-	-
	2,525,085	-	(194,506)	-	-	-	2,330,579
Total	2,984,242	334,784	(379,071)	10,041	22,473	(253,618)	2,718,851

THE SALISBURY AND SOUTH WILTSHIRE MUSEUM TRUST
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016

15. RESTRICTED FUNDS (continued)

Description of Restricted Funds

The Specimen fund consists of bequests and other monies raised specifically for the acquisition of individual exhibits.

The Portable Antiquities Scheme fund relates to a member of the Museum's staff acting as Finds Liaison Officer for Wiltshire.

The Pitt-Rivers project fund represents the amounts received from The Designation Development Fund and The Pilgrim Trust for the documentation of the Museum's Pitt-Rivers archaeology collection. The documentation project is still in progress.

The Fire Alarm Fund represented a grant from the Landfill Communities Fund and a donation from a trustee, Mr R Wadey, for the purchase of a new fire alarm system for the museum.

The Tisbury Environs fund represents a grant from the British Museum and other donations for funding research and excavation of a Roman archaeological site near Tisbury.

The HLF City Story Fund represents a grant from the Heritage Lottery Fund to use art to inspire and engage young people with the costume and Salisbury history collections at the museum.

The R Wadey Masterplan fund represents a donation from a trustee to be used to fund the updating of the Museum's development master plan by the architects, Metaphor. The R Wadey Facilities fund represents a further donation from Mr Wadey for the refurbishment of certain of the Museum's public areas.

The Acquisition Fund will be used for the acquisition of items for the Museum's collections.

The Fundraiser grant is for the employment of a full time professional fundraiser using grants from the Sir Siegmund Warburg Voluntary Settlement, which donated £50,000, and from other bodies.

The Wessex Gallery General fund is the total of grants and donations towards the redevelopment of the museum's Early Man and Pitt Rivers galleries into the new Archaeology of Wessex Gallery.

The Wessex Gallery Contingency fund and the Acquisition fund were both financed from the proceeds of disposal of unaccessioned items donated to the museum but outside the scope of its collections. The unused part of the Wessex Gallery Contingency Fund was released to unrestricted funds on the finalisation of the new Wessex Gallery project.

The Salisbury City Council grant is to fund community and family events and activities organised by the Museum.

The British Art Exhibition Fund represents donations received and funds raised for the *British Art: Ancient Landscapes* exhibition, which will be held in the summer of 2017.

The Museum Resource Centre Fund represents a grant of £50,000 received from the Garfield Weston Foundation towards the purchase of an off-site storage facility on Cranborne Chase. An additional grant of £200,000 has been secured from Wiltshire Council and the purchase of the store is expected to be completed in 2017.

THE SALISBURY AND SOUTH WILTSHIRE MUSEUM TRUST
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016

15. RESTRICTED FUNDS (continued)

Description of Restricted Funds (continued)

Aspire is a partnership programme touring Constable's *Salisbury Cathedral from the Meadows 1831* across the UK. Aspire is supported by the Heritage Lottery Fund and the Art Fund. The Aspire Fund represents funds received to offset expenses made in relation to this project.

The Terry Pratchett Exhibition Fund represents donations received towards the cost of the *Terry Pratchett: His World* exhibition, which will run from September 2017 to January 2018.

The OU Meteorite Display fund contains a grant from the Open University to help fund display panels for the Lake House meteorite.

The Wylve Hoard Conservation fund represents donations made towards the cost of conserving this Bronze Age hoard acquired by the museum in 2014.

The Wessex 5 Partnership Fund represents the museum's portion of funding from Arts Council England to support a project to raise the profile and improve the business models of five regional museums.

The Roman House fund represents donations and other funds raised towards the development and construction of an outdoor classroom at the Museum based on the design of a traditional timber framed Roman building.

The Rex Whistler Archive Fund represents donations received towards the upkeep of the Rex Whistler Archive.

The K B Wyatt Deceased Will Trust fund is to be used for the purposes of education for children.

The Heritage assets fund represents acquisitions for the Museum's collection that have been capitalised on the balance sheet.

The King's House and Costume Gallery fund represents donations received in the 1980s to enable the move to The King's House and the improvement of the property. The transfer to unrestricted funds is an amount equivalent to the depreciation charged in the year.

The Wessex Museums Partnership Capital Fund represents the amount of a grant from Arts Council England used to purchase fixtures and fittings for the museum. A transfer equivalent to the depreciation charge is made to unrestricted funds each year.

The Wessex Gallery Capital fund represents the amount of grants and donations for the Wessex Gallery that have been spent on leasehold improvements and fixtures and fittings. A transfer equivalent to the depreciation charge is made to unrestricted funds each year.

The Fire Alarm Fund and the R Wadey Facilities Capital funds represent the grants and donations which funded the purchase of the new fire alarm system and the new boiler. Transfers equivalent to the respective depreciation charges are made to unrestricted funds each year.

The Retail Enhancement Capital fund represents the donations which helped pay for the refit of the museum's shop and for the purchase of new till software. A transfer equivalent to the depreciation charge is made to unrestricted funds each year.

THE SALISBURY AND SOUTH WILTSHIRE MUSEUM TRUST
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016

16. UNRESTRICTED FUNDS

	Pension scheme deficit	General funds	Total
		£	£
Balance at 1 January 2016	(365,000)	719,012	354,012
Surplus/ (Deficit) for the period	<u>(279,000)</u>	<u>75,973</u>	<u>(203,027)</u>
Balance at 31 December 2016	<u>(644,000)</u>	<u>794,985</u>	<u>150,985</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total funds £
Fund values at 31 December 2016 are represented by:			
Tangible fixed assets	11,539	1,846,624	1,858,163
Investments	527,804	275,911	803,715
Heritage assets	-	483,955	483,955
Current assets	312,165	112,361	424,526
Liabilities	(56,523)	-	(56,523)
Pension scheme liability	<u>(644,000)</u>	<u>-</u>	<u>(644,000)</u>
	<u>150,985</u>	<u>2,718,851</u>	<u>2,869,836</u>
Unrealised gains included above on investment assets at 31 December 2016	<u>31,432</u>	<u>37,080</u>	<u>68,512</u>
Reconciliation of movements in unrealised gains on investment assets:			
Unrealised (losses)/gains at 31 December 2015	(4,871)	26,951	22,080
Cost adjustments in respect of transactions in the year	(174)	-	(174)
Gains arising on revaluations in period	<u>33,898</u>	<u>20,049</u>	<u>53,947</u>
Unrealised gains at 31 December 2016	<u>28,853</u>	<u>47,000</u>	<u>75,853</u>

18. RELATED PARTY TRANSACTIONS

Mr Adrian Green, the Museum Director, is a trustee of the charity. During the year ended 31 December 2016, Mr Green received a gross salary of £38,597 and the Museum paid £5,099 in employer's contributions to the Wiltshire Pension Fund.

THE SALISBURY AND SOUTH WILTSHIRE MUSEUM TRUST
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016

19. PENSION COSTS

	2016 £	2015 £
Defined benefit pension scheme deficit	<u>644,000</u>	<u>365,000</u>

The Museum participates in the Wiltshire Pension Fund ('the Fund'), a multi-employer defined benefit pension scheme for a number of its employees.

The Wiltshire Pension Fund is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 December 2016 was £57,509 (2015: £57,767), of which employer's contributions were £47,546 (2015: £47,660) and the employees' contributions were £9,963 (2015: £10,107). The scheme is currently in deficit and the Museum has entered into an agreement to make additional contributions which in 2016 amounted to £26,750 and are estimated to be £19,500 for 2017. The agreed contribution rates for future years are 21.3% (for 2017/18 up from 13.2% in 2016/17) for employers and 5.5 - 12.5% per cent for employees.

Principal Actuarial Assumptions used in the actuarial valuation as at 31 December 2016

Rate of Increase in salaries	2.8%
Rate of increase for pension payment/inflation	2.5%
Discount rate for scheme liabilities	2.7%
Inflation assumption (CPI)	2.5%
Commutation of pensions to lump sums (pre April 2008)	50.0%
Commutation of pensions to lump sums (post April 2008)	75.0%

Sensitivity Analysis

	Approximate % increase in employer liability	Approximate monetary amount (£000)
0.5% decrease in real discount rate	12.0%	200
1 year increase in member life expectancy	3.0%	52
0.5% increase in the salary increase rate	3.0%	48
0.5% decrease in the pension increase rate	9.0%	154

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

The assumed life expectation on retirement age 65 are:

Retiring today:

Males	22.5 years
Females	24.9 years

Retiring in 20 years:

Males	24.1 years
Females	26.7 years

THE SALISBURY AND SOUTH WILTSHIRE MUSEUM TRUST
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016

19. PENSION COSTS – Continued

The Museum's share of the assets and liabilities of the scheme were:

	Fair Value at 31 December 2016 £000
Equities	767
Bonds	151
Properties	140
Cash	<u>22</u>
Total market value of assets	<u>1,080</u>
Present value of scheme liabilities	<u>(1,724)</u>
(Deficit)/surplus in the scheme	<u><u>(644)</u></u>

20. CONTINGENT LIABILITY

As at 31 December 2016 the Museum has received grants totalling £1,625,816 from the Heritage Lottery Fund for the Archaeology of Wessex Gallery. Under the terms of the grant the funds would be repayable should the Museum breach its obligations. The Heritage Lottery Fund has a legal charge over the leasehold property of the Museum to secure all monies that may become due. The trustees consider that it is highly unlikely that any amounts will ever become repayable to the Heritage Lottery Fund and accordingly no liability is included in these financial statements.