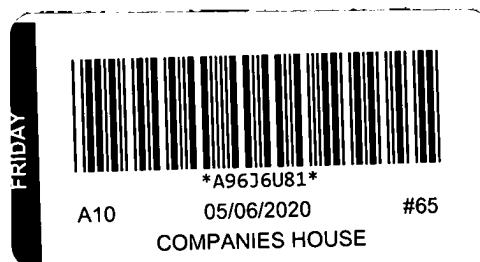


Company Registration Number 02653428

Charity Number 1006009

**THE HANDEL HOUSE TRUST LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**31 OCTOBER 2019**



# **THE HANDEL HOUSE TRUST LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 OCTOBER 2019**

<b>CONTENTS</b>	<b>PAGE</b>
Reference and administrative information	1
Chairman's statement	2
Trustees' annual report (incorporating a directors' report)	3 - 8
Independent auditor's report	9 - 11
Statement of financial activities (incorporating the income and expenditure account)	12
Balance sheet	13
Cash Flow Statement	14
Notes to the financial statements	15 - 27

---

# THE HANDEL HOUSE TRUST LIMITED

## REFERENCE AND ADMINISTRATIVE INFORMATION

**Registered charity name** The Handel House Trust Limited

**Charity number** 1006009

**Company registration number** 02653428

**Principal and registered office** 25 Brook Street  
London  
W1K 4HB

**President** Christopher Purvis CBE

### Trustees

The Earl of Balfour	2
Harry Bicket	
Victoria Broackes	1, 3
Robin Broadhurst	1, 3
William Conner	
Robert Dickins CBE	1
Lucy Le Fanu (appointed 14 January 2019)	
Elizabeth Nicholson (appointed 12 November 2019)	
Jane Ridley	
Michael Ridley	2, 3
Simon Weil (Chairman)	1, 2, 3

1 = member of the Nominations Committee  
2 = member of the Finance Committee  
3 = member of the Building Committee

**Auditor** Price Bailey LLP  
Chartered Accountants & Statutory Auditor  
7<sup>th</sup> Floor, Dashwood House  
London  
EC2M 1QS

**Investment advisers** Ruffer  
80 Victoria Street  
London  
SW1E 5JL

Lombard Odier  
Queensbury House  
3 Old Burlington Street  
London W1S 3AB

**Bankers** Lloyds TSB plc  
185 Baker Street  
London NW1 6XB

# THE HANDEL HOUSE TRUST LIMITED

## CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2019

The year 2018-19 witnessed the continuation of the Trust's planning and fundraising for the Hallelujah Project, which aims to re-create the whole of Handel's house at 25 Brook Street, including the façade and the ground floor and basement, in time for the 300th anniversary year in 2023.

Fundraising for the project has got off to a good start, with many new members joining the Handel Hundred group of donors in both the UK and the USA. Events were held in New York and Boston to publicise the project to potential new American supporters. And during the year we were delighted that the Handel scholar Ellen Harris agreed to take over as the new President of the Handel House Foundation of America. The Trust has received, and been promised, some generous grants towards our fundraising target for which we are very grateful. Approaches are now being planned to other major charitable trusts and potential individual sponsors.

We have also made significant strides towards setting in motion the work that will be needed to transform the house when the ground floor and basement are repossessed. Some initial surveys have been carried out and the full project team has now been appointed to start work on the preliminaries needed in order to apply for planning permission.

A Symposium was held at the Georgian Group in September 2019 at which presentations were given on 18th-century furniture, kitchens, pictures, rugs and lighting by experts in the various fields, to start off discussions on how all these topics might be addressed when deciding the final appearance of the house. In addition, an Art Panel has been established, consisting of expert advisors to provide us with help and suggestions on how best to present the house, particularly the pictures, after completion.

Meanwhile the work of the house has continued, with visitor numbers remaining steady or slightly up on the previous year. Our weekly baroque concerts and occasional 'whole house' events have sold out as reliably as ever. We were especially pleased to celebrate the tercentenary of the establishment of Handel's Royal Academy of Music in 1719 by putting on a concert featuring students from the Royal Academy of Music of today at St George's Hanover Square in October 2019.

The Trust's established learning workshops with schoolchildren in the local area and with visually impaired young musicians continued, as did regular guitar lessons. A new cohort of Handel House Talent participants was auditioned and recruited to take this highly successful scheme into a seventh year. The inspiring young professional baroque musicians who took part performed in the Trust's annual Christmas Showcase in St George's, Hanover Square, where the audience was able to relish their virtuosic talents. The Showcase included a haunting original composition by the current Composer-in-Residence, Alex Groves, written specially for the Handel House Talent performers.

Meanwhile work is now starting on planning and preparing an exciting new range of learning and outreach projects to be rolled out, in addition to the Trust's established programmes, on completion of the Hallelujah Project.

These are exciting times at the Trust and, as ever, the board is grateful to the Director and staff for their enthusiasm and hard work over the year, and to the wonderful team of Volunteers who contribute so much to the visitor experience we are able to offer at our two very special historic houses at 23 and 25 Brook Street.



Signed by SIMON WEIL (CHAIRMAN)

Date: 15.05.2020

# **THE HANDEL HOUSE TRUST LIMITED**

## **TRUSTEES' ANNUAL REPORT (INCORPORATING A DIRECTORS' REPORT) FOR THE YEAR ENDED 31 OCTOBER 2019**

The Trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements for the year ended 31 October 2019.

### **REFERENCE AND ADMINISTRATIVE DETAILS**

Reference and administrative details are shown on page 1 of the financial statements.

#### **The Trustees**

The Trustees who served during the year were as follows:

The Earl of Balfour (appointed 25 June 2018)  
Harry Bicket (appointed 14 May 2018)  
Victoria Broackes  
Robin Broadhurst  
William Conner  
Robert Dickins CBE  
Lucy Le Fariu (appointed 14 January 2019)  
Jane Ridley (appointed 14 May 2018)  
Michael Ridley (Deputy Chairman)  
Simon Weil (Chairman)

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Legal Status**

The Handel House Trust Limited, also known as the Handel House Museum or Handel House ("the Trust" "the House") and as Handel & Hendrix in London is a company limited by guarantee and as such is governed by its Articles of Association as updated on 17 February 2014. It was incorporated on 11 October 1991. It is also a registered charity.

#### **Organisational structure**

The work of the Trust is overseen by a board of trustees who meet at regular intervals to provide strategic direction and monitor and review the work of the Trust. During the year the board met six times. Board meetings include members of staff as appropriate. The day-to-day running of the Trust was carried out by the permanent staff of the Trust under the leadership of the Director, Elizabeth Nicholson, who reported to the chairman and the board. Salaries of key managers on the staff are agreed by the Finance Committee with reference to comparable salaries paid in the sector. The Trust is also grateful for the support of volunteers who give considerable time and assistance in running the museum.

#### **Trustees**

Trustees are elected by the Members at meetings during the year and casual vacancies may be filled by the existing trustees. All newly appointed trustees are sent an induction pack that includes information about the charity and their role.

There is a Nominations Committee that reviews the tenure of board members, the skills that are required on the board and the succession policy. It makes recommendations to the board on possible future appointments. An information pack is sent to new trustees, which includes an outline of their duties and the organisation's expectations of its board members.

The Finance Committee meets periodically to review the investment strategy and performance. It also oversees the audit and reviews risk in advance of each board meeting.

A Buildings Committee meets approximately quarterly and oversees plans for the Hallelujah Project, to complete Handel's house at 25 Brook Street. This committee includes members who are not on the main board, including representatives of the Georgian Group.

# THE HANDEL HOUSE TRUST LIMITED

## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 OCTOBER 2019 (continued)

The Board reviews its own performance on an annual basis. The Board and the Director assess how the Board functions as a whole and, where appropriate, makes changes. The Chairman also reviews with each of the trustees their performance and contribution and the possible further development of their skills. The Chairman's performance is similarly reviewed by a colleague on the board.

### Risk management

The Finance Committee is responsible for analysing the type and level of risk at Handel House. Every board meeting agenda includes a review of the major risks to which the Trust is exposed, summarised in an Over-arching Risk Register. The key risks identified by the Register include:

- Damage to property or Property Management (unexpected structural repair costs etc)
- Disruption or interruption of essential services
- Interruption to rental stream if tenant does not pay or through loss of tenant
- Inadequate fire and security alarms/pest control
- Injury to staff, visitors, volunteers
- Employee stress
- Theft
- Unforeseen economic situation
- Loss of key staff
- Third party claims
- Failure to achieve visitor targets
- Failure to achieve targets for planned income/funding from all sources
- Prosecution by Westminster Council

Note: The board viewed the threats from measures to combat the Covid-19 virus that started to become apparent in March 2020 as covered by the existing Risk Register, but with an increased level of financial risk from the possible interruption to the rental stream from the tenant, as well as the likely failure to achieve visitor targets and planned levels of income from some other sources as a result of enforced closure of the house and lockdown of shops in the local area. The Trust was fortunate, however, to be able to anticipate weathering these potential financial setbacks, at least for the time being, thanks to the level of reserves held.

The Board meet regularly to discuss and monitor the risks above. Risk mitigation strategies are implemented as and when necessary including regular updates from management and changes to planned activities if deemed appropriate.

### Mission

The mission of the Trust is to promote knowledge, awareness and enjoyment of Handel and his music to as wide a public audience as possible. The Trust strives to inspire, educate and inform through the interpretation of the Georgian house in Brook Street, where Handel lived and composed for 36 years, through live music performances, educational and outreach activities and collecting exhibiting and interpreting objects related to Handel's life and works. In addition, the Trust has a mission to promote the musical and cultural heritage of 23 Brook Street through its association with Jimi Hendrix who lived there in the late 20<sup>th</sup> century.

### ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

This has been largely a year of consolidation and continuation at the Trust, with no major operational changes having taken place.

Visitor numbers, ticket sales to our concerts and other events, and visitor spend in our shop have remained stable or shown a slight improvement on the previous year. Looking back over the four years since our previous capital campaign, when we opened the Hendrix Flat up to visitors in February 2016, a clear seasonal pattern to our general admissions has emerged, with December and January our quietest months and the peak numbers occurring in the summer. The board of the Handel House Collections Trust (HHCT), a sister charity to the Handel House Trust, agreed that this trust should be wound up and its assets transferred to the parent charity. The HHCT had been dormant for several years and the Trust was advised that it no longer served a purpose.

# THE HANDEL HOUSE TRUST LIMITED

## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 OCTOBER 2019 (continued)

### ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (continued)

Fundraising for our next capital campaign, the Hallelujah Project, has gone well over the year. This project aims to recreate the whole of Handel's House, by taking back possession of the ground and basement floors and re-instating the Georgian façade, by 2023, which is the 300th anniversary of when the house was built and when Handel moved in as its first occupant.

As well as seeking donations from new individual supporters and charitable trusts, we are following a planned programme of setting aside some of the income we currently receive from sub-letting the ground floor and basement of 25 Brook Street towards the project, as well as the interest received on the £3 million investment fund we have already raised. The purpose of this fund is to help provide long-term sustainability to the charity when we re-possess the two lower floors of 25 Brook Street and no longer receive the rental income from sub-letting them. The Hallelujah Project also envisages generating a replacement income stream by creating a smaller commercial unit to rent out at the back of the house, facing Lancashire Court. The next stage of the project is to seek planning permission, and a project team has been appointed under architects Peregrine Bryant Associates to take this forward.

Funding for some of our previous learning and outreach projects came to a natural end before the start of the financial year 2018-19, with the completion of our three-year Baroque Central project, funded by John Lyon's Charity, and the ending of the two year's worth of funding we received from the Heritage Lottery Fund towards our Activity Plan after the capital project to open up the Hendrix Flat that they generously supported.

Both these changes to our learning project income were anticipated, and we altered our budget for the current year accordingly. However, we continued with our established learning programme, delivering regular workshops for children from local schools, working with the RNIB to inspire and teach visually impaired young musicians, and continuing our Handel House Talent project, which supports a selected cohort of the most promising young professional baroque performers through their first year of establishing their careers.

Our Composer-in-Residence works with the Handel House Talent group. As well as giving concerts at the house and attending masterclasses and workshops to develop their careers, these wonderful young professionals also help deliver our learning workshops. The scheme is a jewel in the crown of our activities, and we mark it with a special celebration every Christmas at St George's Hanover Square.

We are now focusing our efforts on designing a bigger-scale, entirely new programme of learning and outreach activities that we will be able to offer once the Hallelujah Project is completed and we have the benefit of more space and a higher profile. We will also be able to use a recreation Handel's original 18th-century kitchen in the basement to provide unique workshops and activities relating to domestic food and cooking in Georgian times. The plan is to start piloting some of our new ideas over the next couple of years, in readiness to launch the brand new programme in 2023.

The guided tours of both the Handel and the Hendrix rooms that we provide as part of the admission ticket every Friday have increased in popularity and are well attended. And our Saturday morning guitar lessons have similarly gained a strong popular following. Our programme of whole-house "Friday Lates", with a mixture of activities relating both to baroque music and 1960s rock music, bring new audiences here and are always enthusiastically received.

We have started to market our venue hire options in a more professional way and hope to see an increase in income from this source over the coming year. The decision was taken that, from 1 January 2020, we would change our opening hours to Tuesday to Saturday, to provide the advantage of one day a week (Monday) when the house would be staffed but with no general admissions. This facilitates routine maintenance and also enables other uses of the house on a Monday, such as filming and photography and learning activities, to take place more easily.

Past experience has suggested to us that this will not have an adverse impact on overall visitor numbers, as we believe our visitors typically plan their visits to fit in with our opening times. Since we currently have almost no visibility from the street, we get little or no passing trade. However, if this expectation proves incorrect and the Monday closure does appear to have a negative effect on our annual

# THE HANDEL HOUSE TRUST LIMITED

## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 OCTOBER 2019 (continued)

admissions, we will review it. As mentioned in the Chairman's statement we have hosted a number of special events over the year, including a Symposium at the Georgian Group and a concert with the Royal Academy of Music at St George's Square. To all our generous and enthusiastic supporters who enjoy taking part in these many and varied activities with us, and who kindly donate to help the Trust maintain its work, we are, as always, very grateful indeed. As we are to the staff and volunteers who make it all happen.

## PUBLIC BENEFIT

The Trustees have considered the Charity Commission's guidance on public benefit in section 17 of the Charities Act 2011. They believe that the Handel House Trust is achieving and continually improving its public benefit remit through its presentation of the house to visitors, its education programmes, public concerts and other public events. More details are covered in our achievements and performance above.

## PLANS FOR THE COMING YEAR

The main plan for the coming year is to apply for planning permission for the Hallelujah Project. The criterion for success in 2020 will be being granted planning permission to get the project started in more detail. The board will review all such plans throughout the year as the impact of Covid 19 becomes more widely understood. As part of this work we expect to have some inspirational and accurate visuals produced within a few months, which we will use to approach major Charitable Trusts and potential individual sponsors for the project later in the year, both in the UK and the US. There is a detailed fundraising plan in place against which success will be monitored by the board.

Also, as described above, we will be working on developing a new, bigger and better, Learning Programme to form a key part of the Hallelujah Project. The plan for this will be developed in consultation with the trustees who will continuously monitor how well it materialises.

We had planned to host a long weekend celebrating all things Handel to take place in the Cotswolds in September 2020 – the world's first ever Handeliade. Due to the outbreak of Covid-19 it has now been postponed to September 2021. It will feature a feast of concerts, opera, talks and a costume party all in the setting of a privately owned 18th-century house, and will be a wonderful opportunity to celebrate our exciting plans to complete Handel's House with existing and new supporters.

## FINANCIAL REVIEW

During 2018-19 the Trust agreed a revised lease with the commercial tenants occupying the ground floor and basement of 25 Brook Street. Some minor changes were made to the income profile, including charging visitors £1 for our (optional) illustrated 'Room Guide' and enabling UK tax-payers to Gift Aid their admission fees.

We are very grateful to have received £1,190,942 of voluntary income (2018: £333,559). The increase in donations in the period includes the donation of heritage assets as a non cash item worth £956,210, leaving regular donations of £234,732. The Charity has a net surplus of £1,080,443 (2018 deficit of £471,906). Contributions included a grant from the American Friends of Handel House, as well as donations from our Friends scheme, our Circle members and the Handel Hundred group for supporters of the Hallelujah Project.

Trusts that have generously supported us this year include the Jane Gibson Charitable Trust, the Arthur Loeb Foundation (via the HHFA), the Kathleen Hannay Memorial Charity, the Cecil Pilkington Charitable Trust, the Trusthouse Charitable Foundation, the Bircham Dyson Bell Charitable Trust, the Loveday Charitable Trust, Nicholas and Judith Goodison's Charitable Settlement, and the John and Sally Reeve Charitable Trust.

Gifts from individuals included major donations from Richard and Rosamund Bernays, James and Laura Duncan, Simon Weil, David and Jacqueline Bailey, the Earl of Balfour, Thomas and Pamela Campbell Jackson (via HHFA), Michael and Alice Crampin, Richard Hopkin, Christopher and Sarah Knight, Jeremy Nicholson, Julia Stringer (via HHFA), Hugh Tilney (via HHFA), Alan and Susan Warner, and Sally Zimmerman, and a legacy from Andrew Wall.



# **THE HANDEL HOUSE TRUST LIMITED**

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 OCTOBER 2019 (continued)**

### **RESERVES AND INVESTMENT POLICY**

The Trust has a designated fund of £14,531,488 representing the museum's heritage assets, and fixed assets, a substantial part of which represents the value of a 999-year lease on the building. The board's policy is to maintain a minimum of eight months' operating expenditure in free reserves. The Trust's considers free reserves to be unrestricted funds not including the designated funds above. These currently total £996,480. As such these free reserves currently exceed this target level, in prudent anticipation of the forthcoming financial demands of the Hallelujah Project, and potential drop off in income from Covid 19.

The Board has reviewed the risks and threats around going concern following the Covid 19 Pandemic as noted in the risk management section above. Having produced detailed forecasts and scenario planning the board considers that the strong reserves position and availability of funds is a sufficient buffer against the impact of the pandemic. With this in mind, the Board agrees that no material uncertainties that cast significant doubt about the ability for the museum to continue as a going concern have been identified.

It has a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. This it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

### **CONNECTED CHARITIES**

The Charity Commission has approved the winding up of the Handel House Collections Trust, previously connected with the Handel House Trust, and its assets have been transferred to the parent charity.

The Handel House Trust continues to work closely with its other connected charity, the Handel House Foundation of America, USA. The Foundation provides fundraising and other support for Handel House Trust Limited. Handel House Foundation of America currently has Simon Weil as a common trustee with the Handel House Trust Ltd.

Further details of transactions and balances with these connected entities are given in the notes to the financial statements.

### **FUNDRAISING REGULATOR AND COMPLIANCE**

All fundraising on behalf of the Trust has been carried out by the staff and trustees personally, without the use of outside fundraisers. The Trust is registered with the Fundraising Regulator and complies with the Code of Fundraising Practice. All fundraising is by personally tailored approaches to known individuals or charitable trusts who have agreed to be contacted. We never engage in telephone marketing or door-to-door or street collections. No fundraising is carried out in a way that could put vulnerable people or the public at any risk.

No complaints were received by the charity or a person acting on its behalf about fundraising activities carried out by the charity.

# THE HANDEL HOUSE TRUST LIMITED

## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 OCTOBER 2019 (continued)

### RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also directors of The Handel House Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating a directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP FRS102;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

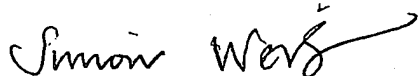
### AUDITOR

The Board appointed Price Bailey as auditor in place of BDO LLP.

### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the specific provisions for small companies under Part 15 of the Companies Act 2006.

Signed on behalf of the trustees on...15.05.2020



SIMON WEIL (CHAIRMAN)

# THE HANDEL HOUSE TRUST LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HANDEL HOUSE TRUST LIMITED

We have audited the financial statements of The Handel House Trust Limited (the 'charitable company') for the year ended 31 October 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes and notes to the financial statements, 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 FRS 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 charitable company's affairs as at 31 October 2019 and of its 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 Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 audit opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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.

# **THE HANDEL HOUSE TRUST LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HANDEL HOUSE TRUST LIMITED (CONTINUED)**

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 [or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities Statement set out on pages 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs(UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **THE HANDEL HOUSE TRUST LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HANDEL HOUSE TRUST LIMITED (CONTINUED)**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

*H. Wilkinson*

Helena Wilkinson FCA  
Senior Statutory Auditor

Price Bailey LLP  
Chartered Accountants  
Statutory Auditors  
7<sup>th</sup> Floor, Dashwood House  
London  
EC2M 1QS

Date: 2 June 2020

# THE HANDEL HOUSE TRUST LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 OCTOBER 2019

	Note	Unrestricted Funds £	Designated Funds	Restricted Funds £	Endowment Funds £	Total Funds 2019 £	Total Funds 2018 £
<b>INCOME</b>							
Donations and Legacies	2	1,053,467	-	137,475	-	1,190,942	333,559
Charitable Activities	5	171,592	-	-	-	171,592	172,966
Other trading activities	3	334,718	-	-	-	334,718	313,907
Investments	4	5,106	-	-	-	5,106	424
<b>TOTAL INCOME</b>		<b>1,564,883</b>	<b>-</b>	<b>137,475</b>	<b>-</b>	<b>1,702,358</b>	<b>820,856</b>
<b>EXPENDITURE</b>							
Raising funds	6	47,876	-	-	-	47,876	43,749
Charitable activities	7	720,977	-	5,795	-	726,772	749,565
<b>TOTAL EXPENDITURE</b>		<b>768,853</b>	<b>-</b>	<b>5,795.00</b>	<b>-</b>	<b>774,648</b>	<b>793,314</b>
Net gains/ (losses) on investments	13	51,929	-	-	100,803	152,732	(499,448)
<b>NET INCOME/ (EXPENDITURE)</b>	<b>9</b>	<b>847,960</b>	<b>-</b>	<b>131,680</b>	<b>100,803</b>	<b>1,080,443</b>	<b>(471,906)</b>
Transfers between funds	10	(834,323)	868,190	(33,867)	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>13,637</b>	<b>868,190</b>	<b>97,813</b>	<b>100,803</b>	<b>1,080,443</b>	<b>(471,906)</b>
Total funds brought forward		982,843	13,663,298	167,403	2,355,561	17,169,105	17,641,011
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>996,480</b>	<b>14,531,488</b>	<b>265,216</b>	<b>2,456,364</b>	<b>18,249,548</b>	<b>17,169,105</b>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared. All of the above amounts relate to continuing activities.

The notes on pages 15 to 30 form part of these financial statements

**THE HANDEL HOUSE TRUST LIMITED**

Company Registration Number 02653428

**BALANCE SHEET AS AT 31 OCTOBER 2019**

	Note	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	13	5,375,278	5,463,298
Heritage assets	14	956,210	-
Investment property	15	8,200,000	8,200,000
Investments	16	3,543,276	2,897,835
		<u>18,074,764</u>	<u>16,561,133</u>
<b>CURRENT ASSETS</b>			
Stocks		13,318	29,696
Debtors	17	32,272	43,178
Cash at bank and in hand		<u>297,883</u>	<u>662,517</u>
		343,473	735,391
<b>CREDITORS: Amounts falling due within one year</b>	18	<u>(168,689)</u>	<u>(127,419)</u>
<b>NET CURRENT ASSETS</b>		<u>174,784</u>	<u>607,972</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>18,249,548</u>	<u>17,169,105</u>
<b>NET ASSETS</b>		<u>18,249,548</u>	<u>17,169,105</u>
<b>FUNDS</b>			
Endowment funds	19	2,456,364	2,355,561
Restricted income funds	20	265,216	167,403
Designated funds	21	14,531,488	13,663,298
Unrestricted income funds	21	996,480	982,843
<b>TOTAL FUNDS</b>		<u>18,249,548</u>	<u>17,169,105</u>

These financial statements have been prepared in accordance with specific provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the trustees and authorised for issue on 15.05.20 and signed on their behalf by:

  
SIMON WEIL (CHAIRMAN)

# THE HANDEL HOUSE TRUST LIMITED

## CASH FLOW STATEMENT YEAR TO 31 OCTOBER 2019

Note	2019 £	2018 £
<b>Cash flows from operating activities:</b>		
Net cash provided by operating activities	122,970	208,278
<b>Cash flows from Investing activities:</b>		
Investments, dividends and interest income	5,106	424
Purchase of fixed assets	-	(132,032)
Purchase of investments	(699,357)	(3,082,837)
Proceeds from the sale of investments	234,821	2,197,751
Net cash provided by Investing activities	(459,430)	(1,016,694)
<b>Change in cash and cash equivalents in the reporting period</b>	<b>(336,460)</b>	<b>(808,416)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>672,468</b>	<b>1,480,884</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>336,008</b>	<b>672,468</b>

### Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Current Year £	Prior Year £
Net income/(expenditure) for the reporting period (as per the statement of financing activities)	1,080,443	(471,906)
Adjustments for:		
Depreciation	88,020	88,482
(Gains)/losses on Investments	(152,732)	89,448
Loss on revaluation of investment property	-	410,000
Transfer of heritage assets	(956,210)	-
Investments, dividends and interest income	(5,106)	(424)
Decrease/ (Increase) in debtors	10,907	38,750
Increase/ (Decrease) in creditors	41,270	58,381
Decrease/ (Increase) in stock	16,378	(4,452)
Net cash provided by/(used in) operating activities	122,970	208,279

### Analysis of cash and cash equivalents

	Current Year £	Prior Year £
Cash in hand	297,883	662,517
Cash deposits held within investments	38,125	9,951
<b>Total cash and cash equivalents</b>	<b>336,008</b>	<b>672,468</b>

### Analysis of Changes in Net Debt

	At 1 November 2018 £	Cash Flows £	Other non- cash changes £	At 31 October 2019 £
Cash and cash equivalents				
Cash	672,468	(336,460)	-	336,008



# THE HANDEL HOUSE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at fair value. They are in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The functional currency is £ sterling. The charities registered office is at 25 Brook Street London W1K 4HB.

The Charity constitutes a public benefit entity as defined by FRS 102.

#### **Income**

Voluntary income including grants, donations, shop income, and investment income are accounted for when receivable. Admission fees are accounted for on receipt.

For legacies, entitlement is taken on a case by case basis as the earlier of the date when the charity is aware that probate has been granted, and either: -

- the estate has been finalised and estate accounts have been received by the charity; or
- notification has been made by the executor(s) to the charity that a distribution will be made; or
- when a distribution is received from the estate. Receipt of a legacy is only considered probable when the amount can be measured reliably.

In estimating the value of legacies at the year end, the trustees have exercised their judgement based on the available information and the appropriate application of the Charities SORP.

Income is deferred only when conditions for its receipt have not been met.

Tangible gifts are included in the financial statements, both as income and expenditure, or an addition to fixed assets, at the estimated value of the gift to the charity. The time given by volunteers is not valued in the financial statements.

#### **Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using their closing quoted market price. Realised and unrealised gains and losses are shown in the statement of financial activities together as net gains on revaluation and disposals of investment assets. Investments held in the cash liquidity funds are classified within current assets.

The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Trust is that of volatility in the investment markets due to wider economic condition &, the attitude of investors to investment risk.

#### **Funds**

Unrestricted funds are the general funds of the charity, which may be used at the trustees' discretion in accordance with the charitable objects.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are grants and donations received that can only be used for the particular purpose stipulated by the donor and are separately recognised in the financial statements according to their respective restrictions.

Grants and donations that are intended to form part of the capital funds of the charity are credited a fund called an expendable endowment. The donors have indicated that they wish the capital to be retained by the charity and the interest used for its charitable purposes.

# THE HANDEL HOUSE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

### 1. ACCOUNTING POLICIES *(continued)*

#### **Expenditure**

All expenditure is recognised on an accruals basis and has been classified under headings that aggregate all costs related to the category. Wherever possible expenditure is directly attributed to areas of activity. Costs attributable to a specific area of activity are identified as support costs and are allocated to the Statement of Financial Activities on the basis of staff time or usage of the building.

Expenditure on raising funds comprise fundraising and marketing expenditure.

Expenditure on charitable activities includes services supplied identifiable as wholly or mainly in support of the charity's objectives as shown in the notes to the financial statements.

Governance costs, which are included within expenditure on charitable activities, comprise the costs of compliance with constitutional and statutory requirements and include certain staff costs, auditor's remuneration, trustees indemnity insurance and legal and professional fees.

#### **Fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation. Assets with an initial cost of more than £1,000 are capitalised and included at cost or, if gifted, their value to the charity at the time of the gift.

Musical instruments are currently included in the accounts at cost. It is the intention of the trustees to ensure that these artefacts are maintained to the highest standard and it is expected that the value of them will increase over time. It is proposed to obtain periodic valuations to confirm the value of these items and they will be subject to annual impairment reviews. Since the residual value is so high, any depreciation charge would be negligible.

Capital expenditure on buildings including exhibitions and education includes the cost of materials and externally contracted services.

Depreciation is charged on a straight line basis to write off the cost of the other assets to their estimated residual value over the expected useful economic lives of the assets. Useful economic lives are not deemed to be longer than the following in each category:

Long Leasehold Property	- over 50 years to an estimated residual value of £4m
Museum fittings	- over 4 to 20 years reducing balance
Computers	- over 3 years reducing balance
Office equipment	- over 4 years reducing balance

#### **Investments**

Investment property, which is property held to earn rentals, is stated at its fair value at the reporting date. Gains or losses arising from changes in the fair value of investment property are included in the SOFA for the period in which they arise.

Quoted investments are held at fair values based on closing market price, with gains and losses included in the SOFA in the period in which they arise. Historic cost is disclosed in the investment note to the accounts.

# THE HANDEL HOUSE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

### 1. ACCOUNTING POLICIES *(continued)*

#### **Heritage Assets**

The assets consist of a collection of musical instruments, works of art, books, music scores and other documents relating to Handel's life and works. Some items from the collection are on display to the public in the house. Others are in store and available to be viewed on request. The charity manages these assets by way of an internal register and regularly reviews them to ensure they are adequately safeguarded and preserved. Items of particular interest in the collection include:

- Autograph leaf from the conducting score of 'Esther'
- Letter written by Handel to Charles Jennens
- Portrait of Charles Jennens by Thomas Hudson
- Mozart autograph transcription of Handel's 'Fuga Prima'
- Portrait of Faustina Bordoni by Nazari
- Two-manual harpsichord by Jacob Kirckman
- 1754 Mainwaring's 'Life of Handel' with marginalia by Jennens
- Libretto of 'Messiah' with Jennens and Handel signatures
- Portrait of Wilem De Fesch by Andrea Soldi
- Bureau organ by John Snetzler, 1752

These items are held at their insured valuation in the accounts, which is the Trustees best estimate of fair value. The items are managed and inspected regularly by staff. New acquisitions take place only if the Trustees deem the item of significant value to the collection.

#### **Stock**

Stock is included in the financial statements at the lower of cost and net realisable value and represents the shop stock.

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

#### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net incoming resources.

#### **Financial instruments**

Handel House Trust only has financial assets and financial liabilities of the kind that qualify as basic financial instruments. Investments measured at their fair value using quoted closing market value as at the balance sheet date; Fixed assets are measured at amortised cost; and all other assets and liabilities are held at cost.

#### **Debtors**

Debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

#### **Creditors**

Creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

#### **Taxation**

The charity is exempt from corporation tax on its income applied for charitable activities.

# THE HANDEL HOUSE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

### 1. ACCOUNTING POLICIES *(continued)*

#### Critical accounting estimates and areas of judgement

When preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets and liabilities. Use of available information and application of judgment are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The key assumptions made by the Trustees in this respect are as follows:

#### a) Estimate of fair value of investment property

In accordance with FRS 102 section 16 the best evidence of fair value is current prices in an active market for an identical or similar asset. In the absence of such information, the charitable company determines the amount within a range of reasonable fair value estimates. In making its judgment, the charitable company considers information from a variety of sources, including:

- i) current prices in an active market for properties of a different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
  - ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
  - iii) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.
- iv) analysis of rental yields against those of published figures.
- v) The most recent valuations – which were carried out in October 2017.

#### b) Principal assumptions for management's estimation of fair value

The charitable company uses assumptions that are mainly based on market conditions existing at each balance date.

The principal assumptions underlying management's estimation of fair value are those related to: the receipt of contractual rentals; expected future market rentals, void periods; maintenance requirements and appropriate discount rates. These valuations are regularly compared to actual market yield data and actual transactions by the company and those reported by the market.

The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

#### c) Estimate of fair values of the heritage assets

As stated in the policies above, the fair values of the Heritage assets are based on the most recent insured valuations, which took place in 2019. The Trustees consider this is the most appropriate method considering that the nature of these assets, and their intrinsic value to the museum.

# THE HANDEL HOUSE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR TO 31 OCTOBER 2019

### 2 DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Endowment funds	Total Funds 2019 £	Total Funds 2018 £
Heritage Lottery Fund	-	-	-	-	121,340
Handel House Foundation of America	17,811	-	-	17,811	16,740
Donations from Individuals	79,446	137,475	-	216,921	182,931
Heritage assets donated (Note 14)	956,210	-	-	956,210	-
Legacies	-	-	-	-	12,548
	<u>1,053,467</u>	<u>137,475</u>	<u>-</u>	<u>1,190,942</u>	<u>333,559</u>

£126,534 of donations and legacies received in 2018 were in respect of restricted funds. All other amounts were unrestricted.

Government grants relate to the funds received in 2018 from the Heritage Lottery Fund. There were no unfulfilled conditions or contingencies in relation to these funds (2018 - None)

### 3 OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2019 £
Rental income	268,015	-	268,015	265,360
Shop income	66,703	-	66,703	48,547
	<u>334,718</u>	<u>-</u>	<u>334,718</u>	<u>313,907</u>

All income from other trading activities in 2018 was in respect of unrestricted funds.

### 4 INCOME FROM INVESTMENTS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2019 £
Income from listed investments	5,106	-	5,106	-
Bank interest receivable	-	-	-	424
	<u>5,106</u>	<u>-</u>	<u>5,106</u>	<u>424</u>

£424 of income from investment income received in 2018 was in respect of restricted funds.

### 5 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Admission fees	125,579	-	125,579	124,064
Education	13,667	-	13,667	10,409
Exhibitions and events	32,346	-	32,346	38,493
	<u>171,592</u>	<u>-</u>	<u>171,592</u>	<u>172,966</u>

All income from charitable activities received in 2018 was in respect of unrestricted funds.

# THE HANDEL HOUSE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR TO 31 OCTOBER 2019

### 6 EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £	Restricted Funds	Total Funds 2019 £	Total Funds 2018 £
Fundraising	6,896	-	6,896	7,118
Investment management fees	12,238	-	12,238	2,133
Shop costs	11,494	-	11,494	15,242
Support costs	17,248	-	17,248	19,256
	<u>47,876</u>	<u>-</u>	<u>47,876</u>	<u>43,749</u>

All expenditure on raising funds spent in 2018 was in respect of unrestricted funds.

### 7 EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs £	Support costs £	Total 2019 £
Museum running expenses	137,924	322,443	460,367
Education	45,975	58,534	104,509
Exhibitions and events	27,197	42,714	69,911
Capital project costs	-	65,091	65,091
Governance costs	2,299	24,595	26,894
	<u>213,395</u>	<u>513,377</u>	<u>726,772</u>

£5,795 (2018: £NIL) of expenditure on charitable activities was in respect of restricted funds.

COMPARATIVE	Direct costs £	Support costs £	Total 2018 £
Museum running expenses	167,634	303,690	471,324
Education	41,126	58,615	99,741
Exhibitions and events	33,546	43,543	77,089
Capital project costs	-	73,142	73,142
Governance costs	790	27,479	28,269
	<u>243,096</u>	<u>506,469</u>	<u>749,565</u>

### 8 Support costs

	2019 £	2018 £
Staff	32,311	32,706
Premises	176,130	153,458
IT Costs	52,880	52,966
Maintenance	42,360	50,198
Marketing	52,505	76,861
Events and exhibition support	109,013	108,687
Finance	29,313	5,554
Other costs	11,518	17,814
Governance costs:		
Legal and professional fees	9,283	3,015
Audit and accountancy fees	14,373	15,090
Other costs	939	9,374
	<u>530,625</u>	<u>525,725</u>
Allocation:		
Charitable activities	513,377	506,469
Raising funds	17,248	19,256
	<u>530,625</u>	<u>525,725</u>

# THE HANDEL HOUSE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR TO 31 OCTOBER 2019

### 9 NET INCOME FOR THE YEAR

This is stated after charging:

	2019 £	2018 £
Depreciation & impairment	88,020	88,482
Auditor's remuneration:		
- audit of the financial statements (exclusive of VAT)	7,950	8,450
- other fees - accountancy and payroll	1,650	6,520
	<u>          </u>	<u>          </u>

### 10 TRANSFERS BETWEEN FUNDS

Transfers from unrestricted to designated funds comprise the balance of heritage assets received from the Handel House collections trust, plus the balance of depreciation and movements on the fixed assets fund. Transfers from restricted funds to unrestricted funds represent expenditure on restricted projects borne by unrestricted funds in the prior year.

### 11. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2019 £	2018 £
Wages and salaries	199,795	237,277
Social security costs	17,030	18,582
Other staff costs	14,960	6,382
	<u>231,785</u>	<u>262,241</u>

There were no (2018 - none) employees whose emoluments amount to over £60,000.

The key management personnel comprise the trustees and the Director. The total benefits received by key management personnel in the year amounted £41,163 (2018: £41,163).

#### Particulars of employees

The average number of employees during the year was 8 (2018: 10). The number of employees on the basis of full-time equivalents, was as follows:

	2019 No	2018 No
Museum running	3.70	5.00
Education	0.50	1.00
Fundraising	0.20	0.50
Events	0.60	1.00
Support	<u>1.90</u>	<u>0.50</u>
	6.90	8.00

# THE HANDEL HOUSE TRUST

## NOTES TO THE ACCOUNTS FOR YEAR TO 31 OCTOBER 2019

### 13 TANGIBLE FIXED ASSETS

	Long leasehold property £	Buildings Incl. Learning & exhibitions £	Museum fittings	Musical Instruments & antiques £	Computers & office equipment £	Total £
At cost 1 November 2018	3,428,173	1,870,304	343,869	205,260	109,348	5,956,954
Additions	-	-	-	-	-	-
At 31 October 2019	<u>3,428,173</u>	<u>1,870,304</u>	<u>343,869</u>	<u>205,260</u>	<u>109,348</u>	<u>5,956,954</u>
At 1 November 2018	67,538	100,659	241,025	-	84,434	493,656
Charge for the year	7,522	37,406	34,387	-	8,705	88,020
At 31 October 2019	<u>75,060</u>	<u>138,065</u>	<u>275,412</u>	<u>-</u>	<u>93,139</u>	<u>581,676</u>
At 31 October 2019	3,353,113	1,732,239	68,457	205,260	16,209	5,375,278
At 31 October 2018	<u>3,360,635</u>	<u>1,769,645</u>	<u>102,844</u>	<u>205,260</u>	<u>24,914</u>	<u>5,463,298</u>

### 14 HERITAGE ASSETS

	At valuation 2019 £
Balance bought forward at 1 November 2018	-
Donations from Handel House Collection Trust	956,210
Balance Carried forward at 31 October 2019	<u>956,210</u>

An analysis of the last five years is as follows:

	2019 £	2018 £	2017 £	2016 £	2015 £
Value of acquisitions by donations	956,210	-	-	-	-
Total capitalised	<u>956,210</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The charity was donated a large collection by the Handel House Collection Trust of Handel memorabilia and artifacts, all of which are available for display and preservation at the museum. These items were valued for insurance purposes after donation and held at this valuation as the Trustees best estimate of fair value. More detail on the contents of these assets is in the accounting policies to the accounts.



# THE HANDEL HOUSE TRUST

## NOTES TO THE ACCOUNTS FOR YEAR TO 31 OCTOBER 2019

### 15 Investment Property

	Investment Property
Value brought forward at 1 November 2018	8,200,000
Closing value at 31 October 2019	<u>8,200,000</u>

The most recent formal valuation was carried out by M Thomas (MRICS) of the Hanover Green Retail LLP, independent valuers not connected to the Charity at 31 December 2018. The valuation has been prepared in accordance with the RICS Valuation - Professional Standards January 2014 published by the Royal Institution of Chartered Surveyors on the basis of Fair Values as defined under by FRS 102 and was undertaken on a desktop basis. The Trustees believe the valuation at 31 October 2019 is the best estimate of fair value at the balance sheet date.

The investment property represents the ground floor and basement retail unit of 25 Brook Street which is rented out to a third party and the value of this investment portion of the property is deemed to be £8,200,000 (2018: £8,200,000). The Charity holds the long leasehold title to 25 Brook Street and uses the rest of the floors for operational purposes and is included in tangible fixed assets.

The historical cost of the entire property at 25 Brook Street is £4,376,122 (2018: £4,376,122) and the cost of the investment portion (31%) was £1,356,598 (2018: £1,356,598).

### 16 INVESTMENTS

	2019 £	2018 £
Movement in market value		
Market value at 1 November 2018	2,897,835	2,175,083
Additions	689,405	3,000,000
Disposals proceeds	(234,821)	(2,197,751)
Net gains/(losses) on revaluations in the year	152,732	(89,448)
Cash	38,125	9,951
Market value at 31 October 2019	<u>3,543,276</u>	<u>2,897,835</u>
Historical cost at 31 October 2019	<u>3,454,420</u>	<u>2,999,836</u>

At 31 October 2019 the analysis of investments is as follows:

	2019 £	2018 £
Cash	38,125	9,951
UK Equities	698,309	949,996
Overseas Equities	825,240	-
UK Unit Trusts	1,981,602	1,937,888
	<u>3,543,276</u>	<u>2,897,835</u>

### 17 DEBTORS

	2019 £	2018 £
Handel House Collections Trust	-	1,562
Other debtors	1,575	2,810
Prepayments and accrued income	30,697	38,606
	<u>32,272</u>	<u>42,978</u>

# THE HANDEL HOUSE TRUST

## NOTES TO THE ACCOUNTS FOR YEAR TO 31 OCTOBER 2019

### 18 CREDITORS: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	52,323	38,468
Taxation and social security	7,643	5,799
Deferred income	5,062	42,672
Other creditors	19,554	11,579
Accruals	52,146	11,937
VAT	31,961	16,964
	<u>168,689</u>	<u>127,419</u>
Deferred income reconciliation		
	2019	2018
	£	£
Balance brought forward	42,672	23,014
Released in the year	(42,672)	(23,014)
Received in advance	5,062	42,672
Balance carried forward	<u>5,062</u>	<u>42,672</u>

19 ENDOWMENT FUNDS	Balance at 1 Nov 2018	Income and transfers	Unrealised Investment gains	Balance at 31 Oct 2019
	£	£	£	£
Expendable endowment	2,355,561	-	100,803	2,456,364
	<u>2,355,561</u>	<u>-</u>	<u>100,803</u>	<u>2,456,364</u>

(A) The Expendable Endowment arise from a Trust Deed dated 22 December 2000 upon creation of the company and is a separate unrestricted fund. The purpose of the fund is to provide a base from which income, including capital gains, may be generated to enable the trust to meet the future running costs of the museum. Investment income is allocated to unrestricted funds.

(b) A new endowment was created in 2017 from a combination of £250,000 received from the legacy of Alexander Mackenzie of Orde, matched by a grant from the Heritage Lottery Fund. This will be held to sustain the financial security of the Trust after the repossession of the lower floor of 25 Brook Street planned for December 2021, and the resulting loss of rental income. This fund is also a separate unrestricted fund.

COMPARATIVE	Balance at 1 Nov 2017	Income and transfers	Unrealised Investment gains	Balance at 31 Oct 2018
	£	£	£	£
Expendable endowment	2,410,443	-	(54,882)	2,355,561
	<u>2,410,443</u>	<u>-</u>	<u>(54,882)</u>	<u>2,355,561</u>

# THE HANDEL HOUSE TRUST

## NOTES TO THE ACCOUNTS FOR YEAR TO 31 OCTOBER 2019

### 20 RESTRICTED INCOME FUNDS

	Balance at 1 Nov 2018 £	Income £	Expenditure £	Transfers £	Gains/losses £	Balance at 31 Oct 2019 £
HH CD production	49	-	-	(49)	-	-
Music In making	13,527	-	(5,795)	(6,525)	-	1,207
Baroque central	27,293	-	-	(27,293)	-	-
Capital project development phase	126,534	137,475	-	-	-	264,009
	<u>167,403</u>	<u>137,475</u>	<u>(5,795)</u>	<u>(33,867)</u>	<u>-</u>	<u>265,216</u>

**HHCD production:** This fund was established to support the production of CE of Eight Great Harpsichord Suites recorded by Laurence Cummings in the House. Transfers were made back to restricted funds to reflect project costs incurred through unrestricted funds in 2018.

**Baroque Central:** This fund was established to support a pilot year for of a new education programme for schools. Transfers were made back to restricted funds to reflect project costs incurred through unrestricted funds in 2018.

**Capital project development phase:** This fund was set up to support the development phase of the capital project *Handel & Hendrix In London*. The total of outgoing resources in the above note also includes £486,887 of items capitalised as tangible assets in year.

**Music In Making:** This fund was set up to support a new project to schedule regular open rehearsals of baroque music in the house during opening hours. Transfers were made back to restricted funds to reflect project costs incurred through unrestricted funds in 2018.

COMPARATIVE	Balance at 1 Nov 2017 £	Income £	Expenditure £	Transfers £	Gains/losses £	Balance at 31 Oct 2018 £
HH CD production	49	-	-	-	-	49
Music In making	13,527	-	-	-	-	13,527
Baroque central	27,293	-	-	-	-	27,293
Capital project development phase	-	126,534	-	-	-	126,534
	<u>40,869</u>	<u>126,534</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>167,403</u>

### 21 UNRESTRICTED FUNDS

	Balance at 1 Nov 2018 £	Income £	Expenditure £	Transfers £	Gains/losses £	Balance at 31 Oct 2019 £
Designated Fixed Assets Fund	13,663,298	-	-	(88,020)	-	13,575,278
Heritage Assets Fund	-	-	-	956,210	-	956,210
General Funds	982,843	1,564,883	(768,853)	(834,323)	51,929	996,480
	<u>14,646,141</u>	<u>1,564,883</u>	<u>(768,853)</u>	<u>33,867</u>	<u>51,929</u>	<u>15,527,968</u>

The Designated Fixed Assets Fund represents the net book value of the fixed assets of the charity and the property. The transfer represents the net movement in fixed assets during the year, plus the movement from unrestricted donations into heritage assets.

General Funds are available for use in the furtherance of the objects of the charity in accordance with its reserves policy.

The Heritage assets fund represents the heritage assets gifted to the Charity from the closure of the Handel House Collections Trust.

#### COMPARATIVE

	Balance at 1 Nov 2017 £	Income £	Expenditure £	Transfers £	Gains/losses £	Balance at 31 Oct 2018 £
Designated Fixed Assets Fund	14,029,748	-	(410,000)	43,550	-	13,663,298
General Funds	1,159,950	694,322	(793,314)	(43,550)	(34,566)	982,842
	<u>15,189,698</u>	<u>694,322</u>	<u>(1,203,314)</u>	<u>-</u>	<u>(34,566)</u>	<u>14,646,140</u>

# THE HANDEL HOUSE TRUST

## NOTES TO THE ACCOUNTS FOR YEAR TO 31 OCTOBER 2019

### 22 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Heritage assets £	Investment property £	Investments £	Net current assets £	Total £
<b>Restricted Income Funds:</b>						
Music in making					1,207	1,207
Baroque central					-	-
Capital project development phase	-	-	-	-	264,009	264,009
	-	-	-	-	265,216	265,216
<b>Endowment Funds:</b>						
Expendable endowment	-	-	-	1,994,798	461,566	2,456,364
	-	-	-	1,994,798	461,566	2,456,364
<b>Unrestricted Income Funds:</b>						
Designated Fixed Assets Fund	5,375,278	-	8,200,000	-	-	13,575,278
Heritage Assets Fund	-	956,210	-	-	-	956,210
General Funds				1,548,478	(551,998)	996,480
	5,375,278	956,210	8,200,000	1,548,478	(551,998)	15,527,968
<b>Total Funds</b>	<b>5,375,278</b>	<b>956,210</b>	<b>8,200,000</b>	<b>3,543,276</b>	<b>174,784</b>	<b>18,249,548</b>

	Tangible fixed assets £	Investment property £	Investments £	Net current assets £	Total £
<b>COMPARATIVE</b>					
<b>Restricted Income Funds:</b>					
HH CD production	-	-	-	49	49
Music in Making	-	-	-	13,527	13,527
Baroque central	-	-	-	27,293	27,293
Capital project development phase				126,534	126,534
	-	-	-	167,403	167,403
<b>Endowment Funds:</b>					
Expendable endowment	-	-	1,946,000	409,561	2,355,561
	-	-	1,946,000	409,561	2,355,561
<b>Unrestricted Income Funds:</b>					
Designated Fixed Assets Fund	5,463,298	8,200,000	-	-	13,663,298
General Funds	-	-	951,835	31,007	982,843
	5,463,298	8,200,000	951,835	31,007	14,646,141
<b>Total Funds</b>	<b>5,463,298</b>	<b>8,200,000</b>	<b>2,897,835</b>	<b>607,971</b>	<b>17,169,105</b>

## THE HANDEL HOUSE TRUST

### NOTES TO THE ACCOUNTS FOR YEAR TO 31 OCTOBER 2019

#### 23 CONNECTED CHARITIES

The Trust has the following two connected charities:

Handel House Collections Trust which used to hold collection items relating to Handel, however this charity has been wound in 2019 and all the assets have been transferred to The Handel House Trust Limited in the form of heritage assets - now included in the heritage asset fund.

Handel House Foundation of America which provides fundraising and other support for Handel House Trust Limited. As shown in Note 2, The Handel House Trust Limited received donations of £17,811 (2018: £16,740) from the Foundation.

#### 24 RELATED PARTY TRANSACTIONS

Simon Weil is a partner at Bircham Dyson Bell. The arm's length transaction with this organisation was £2,340 (2017: £6,000) paid for legal services to Bircham Dyson Bell. There was no outstanding balance at 31 October 2019 (2018 - nil).

Simon Weil is a trustee of the following charities that donated to The Handel House Trust Limited during the year. The Bircham Dyson Bell Charitable Trust donated £1,500 (2017: £1,250) and The Kathleen Hannay Memorial Charity donated £12,500 (2017: £12,500).

Further personal donations were made by Trustees of £27,840 (2018 - £28,000). There were no other related party transactions or Trustee expenses.

#### 25 OPERATING LEASE COMMITMENTS

As at 31 October 2019 the Trust was committed under non-cancellable operating leases to make the following annual minimum payments (at present value):

	2019 £	2018 £
<i>Printing equipment</i>		
Less than 1 year	4,394	4,394
2 to 5 years	53,457	57,851
Greater than 5 years	-	-

The operating lease is in respect of printing equipment, with total lease payments expensed during the year £5,485.

#### 26 COMPANY LIMITED BY GUARANTEE

The Trust is a company limited by guarantee. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £1 per member of the Trust. The Trust had 10 members at 31 October 2019 (2018: 9 members).

#### 27 ULTIMATE CONTROLLING PARTY

The charity is under the control of the Trustees (Directors for the purpose of Company Law), with each Trustee holding equal status.