

Charity Number: 1032478

Compton Verney House Trust

Report and financial statement for the year ended 31 December 2017

Compton Verney House Trust

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Compton Verney House Trust

Reference and administrative details

For the year ended 31 December 2017

Charity number 1032478
Country of registration England and Wales

Registered office and operational address Compton Verney, Warwickshire, CV35 9HZ

Board of Governors		
1 April 2011	Kirsten Suenson-Taylor	Chair
1 January 2014	Janet Bell Smith	
1 January 2013	Chris Carter	
1 September 2012	Rita McLean	
29 July 1998	Janatha Stubbs MBE MOM	
1 January 2016	Will Hanrahan	
1 January 2016	Oliver Cox	
1 January 2016	Howard Jones	
1 January 2017	Paul Smith	
1 January 2017	Peter Wilson	
1 January 2017	Sarah Carthew	
1 March 2017	Loyd Grossman	

Bankers Barclays Bank plc, 48B & 50 Lord Street, Liverpool L2 1TD

Solicitors Bates Wells & Braithwaite, Scandinavian House, 2-6 Cannon St, London EC4M 6YH

Auditors Sayer Vincent LLP, Chartered Accountants and Statutory Auditors, Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Chief Executive Professor Steven Parissien

Strategic Leadership Team

Finance & Planning Sarah Bunney
Development Alice Gosling
Creative & Engagement Amy Banks
Marketing & Sales Jess Wolinski

The Governors present their report and the audited financial statements for the year ended 31 December 2017.

The financial statements have been prepared on the accounting policies set out in note 1 to the financial statements and comply with the charity's trust deed, applicable law and the requirements of the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102. The organisation is an unincorporated charity, constituted under a trust deed dated 27 August 1993 and registered as a charity on 1 February 1994.

Who We Are

Compton Verney Art Gallery and Park is an inspiring and magical place, where art and landscape meet. A nationally-accredited art gallery and historic, 'Capability' Brown-designed park of 120 acres near Stratford-upon-Avon, Compton Verney is an independent charitable trust with six permanent collections, special exhibitions and a busy programme of events. Being independent, we are masters of our own destiny: able to be more flexible, responsive and creative than many of our peers. This in turn enables us to lead, innovate and inspire. And we are determined that we can, and we will, make a difference.

So many places are now labelled 'unique'. In the case of Compton Verney, however, this claim is genuine. Compton Verney is a very special, friendly and enriching place, where curiosity and creativity flourish. It is amazing, uplifting and, above all, *fun*. It is somewhere to recharge your batteries; a great experience to share with people you care about; an oasis of calm in which to come together. Here curiosity and creativity flourish, laughter is encouraged, and independent thought is nurtured.

We present a wealth of opportunities to discover and experience in the galleries and in the landscape, and we passionately believe in sharing all the many wonderful things to learn about our rich, multi-faceted site. All of which our visitors can enjoy and experience at their *own* pace: we don't herd, cajole or condescend.

Compton Verney is not just an art gallery. It is a place, which encourages tranquil reflection, inspirational insight and liberating joy, all fuelled by the fusion of art, architecture and parkland. It offers remarkable views: opportunities to observe the landscape, which constantly change as the year evolves and as we ourselves mature. It is a place to feel part of – somewhere where you can belong. As art and architecture is embedded in the historic landscape, so you, too, can plant yourself here, and find the time and the space to find new perspectives on yourself and the world.

We are an outgoing family with a welcome for all, and our staff are highly supportive both of our visitors and each other. In our quest to bring the best world-class art to the region, we are embedding ourselves in our local community – from which we not only draw many of our visitors but also attract our dedicated staff and our skilled and enthusiastic volunteers.

Compton Verney is not just a wonderful regional resource. It is also a celebrated exemplar of curatorial expertise and academic authority. We have an international reputation both for forging supportive and enriching partnerships with museums and universities across the UK (and indeed beyond) and for interpreting art, architecture and landscape to rigorous international standards. Our popular and eclectic exhibitions always have something new to say and are never dull.

Our Mission and Values

Our Mission is to care for, interpret and animate Compton Verney's site and culture, engaging audiences with art, heritage and the environment, providing outstanding visitor experiences, and securing a sustainable and accessible future.

We believe that art is for everyone, and that culture should have no boundaries. At Compton Verney, all are welcome, and all are treated equally. In everything we do, we strive to be accessible to everybody. To that end, we continue to initiate, develop and refine cultural, environmental and spiritual experiences which can be enjoyed by an increasingly diverse array of individuals, families and groups. Most importantly, we believe that at Compton Verney there should be space for everyone.

Our History

The house and landscape at Compton Verney were owned by the Verney family (from 1696 ennobled as Lords Willoughby de Broke) from the mid-fifteenth century to 1921, when the 19th Baron sold the estate. The Verneys rebuilt the mansion after 1711 and employed Robert Adam and Lancelot 'Capability' Brown to remodel both house and park after 1761.

Following a period of neglect, in 1993, the Peter Moores Foundation bought the site (including the now near-derelict house), established an independent charitable trust to run the project, and funded a £20 million building project to restore the Georgian mansion and add a modern wing to house exhibition spaces and visitor facilities. Thanks to the courageous vision and prodigious generosity of the late Sir Peter Moores, Compton Verney Art Gallery and Park fully opened to the public as a major, nationally-accredited and independent art gallery in 2004.

Our Strategy

We have come a long way since 2004. We have increased our annual visitor numbers from 38,000 in 2008 to 97,000 in 2017. We have restored and reopened the chapel; revitalised and reanimated the historic landscape; and launched and grown a highly successful hire and wedding business. We have additionally established a thriving and growing network of Supporters, Patrons and Benefactors; introduced a much-admired volunteer scheme; built major partnerships with museums and galleries across the country, as well as with national organisations as diverse as the BBC, Oxford University, the RSC, the Alzheimer's Society and the British Army; reinterpreted and

reinvigorated our permanent collections; and staged a series of major art exhibitions which have won national acclaim.

These are major achievements even for a city-centre art gallery. In the context of our multi-faceted yet relatively remote rural site, they are even more impressive.

In 2017, our primary goal was to build audiences by exploiting the immense potential presented by our historic 'Capability' Brown park while also attracting visitors to our much-lauded exhibitions. In this we were successful, welcoming 97,000 visitors (including students) to our site during the year – our best-ever visitor total, and one which almost reaches our 2020 target of 100,000 visitors.

In order to achieve this goal, our priorities were:

- To attract new and repeat visitors by extending and refreshing the annual programme – using the financial support provided by our operations and by external support from the Heritage Lottery Fund and private trusts and foundations, to extend and diversify our activities.
- To enhance the visitor experience by improving our on-site welcome, refreshing the visitor journey and monitoring all aspects of our offer in order to ensure that high standards are consistently maintained throughout the visit.
- To establish a series of partnerships with local, regional and national communities beneficial to us in terms of revenue, reputation and profile. These were not merely limited to other museums and galleries but embraced regional cultural organisations, local interest groups and sympathetic commercial partners.
- To be financially responsible, creative and forward-thinking, raising funds to invest in our future while at the same time remaining efficient and effective in the protection and use of our assets in order to ensure that Compton Verney is recognised as a financially sustainable independent charity with reliable, diverse income streams.

Our Achievements

Exhibitions

(Exhibitions visitor target: 45,700 for the year; actual: 46,400)

Exhibitions at Compton Verney make a vital contribution to the cultural calendar of the region, and in 2017 were a vital in attracting visitors to site. They improve our visibility and make a significant contribution to the cultural landscape, both regionally and nationally.

Across the season we staged four major exhibitions, three of which were self-generated – demonstrating our commitment to research and innovation as well as to creating an appealing visitor offer.

Creating the Countryside

18 March–18 June

The 'rural idyll' occupies a deeply rooted place in the English imagination, of which Compton Verney is itself a prime expression. This show built on the recent landscape reinterpretation at Compton Verney by reflecting on our relationship to the countryside – exploring the enduring idea of the rural idyll and the role that artists and writers have played in shaping and challenging it. The exhibition brought together historic, modern and contemporary artists whose work reveals the artistic, social and political forces that have played such an important role in forming perceptions of the countryside, from Gainsborough and Constable to Hilary Jack and Grayson Perry.

Disappointingly, visitor numbers for this exhibition fell well below target (at 30% down). Helpfully, though, the success of the summer and autumn exhibition offers, below, more than redressed the balance.

Seurat to Riley: Colour and Perception

8 July–1 October

This stunning exhibition, the first of its kind in the UK, investigated the 'Op Art' movement from its historic beginnings through to modern and contemporary manifestations. Approaching the subject chronologically, the show included 19th century artists who played with colour in optical form (the Impressionists and the Post Impressionists, for example) alongside well-known 20th-century artists such as Bridget Riley and M C Escher. The incorporation of colour, experimentation and movement through the galleries will offered a new perspective on the architecture of the building and an exciting, immersive visual experience which appealed to a wide audience.

This exhibition won widespread national plaudits. Waldemar Januszczak's double-page review in *The Sunday Times*, for example, was gratifyingly headlined 'Compton Verney shows how all exhibitions should be done.'

Quentin Blake: Inside Stories

20 October–17 December

This exhibition from The House of Illustration celebrated the work of illustrator and National Treasure, Quentin Blake, who also co-curated the exhibition. It featured over 140 works by Blake, including rough drawings, finished artworks and illustrations from his well-loved books, notably his celebrated collaborations with Roald Dahl and David Walliams.

The Lost Words: Robert Macfarlane and Jackie Morris

20 October–17 December

This exhibition, designed to complement the Quentin Blake show, was organised with writer Robert Macfarlane, artist Jackie Morris and publisher Hamish Hamilton. It explores the words culled in recent years from the Oxford University Press Junior Dictionary, which range from bluebell to acorn to kingfisher – all of which can be found at Compton Verney. Its compelling theme, allied to Jackie Morris' jewel-like artworks, won widespread media attention, including a slot on BBC1's *Breakfast*. Jackie and Robert's wonderful book of the show was also a runaway hit in the shop.

There were three other main visitor attractions in 2017.

The Clearing

18 March–17 December

Compton Verney's first Heritage Lottery Fund-supported park 'eyecatcher', *The Clearing*, was created by renowned British artists Alex Hartley and Tom James. *The Clearing* was a vision of the future: part-school, part-shelter and part-vision. At its centre was a geodesic dome: a hand-built structure which hosted a series of workshops teaching visitors the skills they would need should sea levels rise and the global economy collapse, from building fires through to brewing mead to making wind turbines. Outside the workshops, a series of caretakers occupied the dome all year round to feed the chickens, chop the wood, and keep the vision alive.

The highly popular participatory events programme – with monthly workshops and events, most of which were sold out well in advance, and fortnightly 'caretaker' residents on site – continued throughout the year. The project attracted much media comment, and we were inundated with requests to become a site caretaker – the winners including a *Sunday Times* journalist and our regional Historic England Inspector.

Jane Austen Month

October 2017

Jane Austen's much-heralded bicentenary provided the focus for autumn 2017's themed weeks between exhibitions, using as its focus the possibility that Compton Verney was the inspiration for Thornton Lacey in Austen's *Mansfield Park*. Events included a lecture in the newly-restored Chapel by celebrated Austen expert Dr Paula Byrne.

In-Light

November 2017

Following the success of the pilot project in 2016, a second programme of curated light displays was staged in the late autumn 2017, at a time when visitor numbers traditionally fall. The result – a breathtakingly display by artists Lux Muralis on the mansion walls and inside the Chapel, won rave reviews, capacity visitor attendance and many new audiences.

Collections

(Collections and Park visitor target: 31,000 for the year; actual: 43,800)

Our 120 acres of 'Capability' Brown landscaped parkland and our six permanent collections are accessible on our value for money Collections & Park ticket. This offer has increased in popularity, year on year, reflecting our investment in our outdoor facilities and our increased programming in the grounds. Since introduction, ticket numbers have almost trebled, from the 16,000 sold in 2012 to almost 44,000 in 2017.

During 2017 we have sought to care for our permanent collections on behalf of the Compton Verney Collection Settlement (CVCS) and to improve access to them for our current audiences and future generations. Major areas of activity in 2017 included:

Michael Dahl and John Riley

Four Verney family portraits of the late-seventeenth and early-eighteenth centuries, on long-term loan from Lord Willoughby de Broke, along with John Riley's fine three-quarter length *Portrait of Richard Verney, Baron Willoughby de Broke* (c.1685, oil on canvas) installed now on display in Gallery K (now the Women's Library: see below).

The Dumas Egerton Trust Collection of Portrait Miniatures

A selection of 45 British portrait miniatures for display in the British gallery was themed around women artists and artist-families, to link to the Women's Library next door, and Jane Austen, to connect to the Austen bicentenary events in autumn 2017.

The Women's Library

In June 2017 we opened the Women's Library (formerly Gallery K), re-imagined through the collaborative project with academics in the English Faculty at Oxford University as 'Un-Silencing the Library' – a celebration of what reading can do.

While Compton Verney was virtually a ruin by 1993, one room retained its historic fittings and a key decorative feature remained intact: a set of imitation books framing the room's doorway. Research suggests that this visionary doorway was probably commissioned by Georgiana Verney, wife of the 17th Lord Willoughby de Broke, in around 1860. It is remarkable not just for its survival but for the story it tells us today. An accidental aristocrat, Georgiana found herself becoming a baroness when her husband, Robert, inherited his uncle's estate. After Robert died in 1862 she spent her remaining years founding schools, supporting the temperance movement, and promoting literacy in the community.

Using Georgiana's feminist statement bookshelf as their inspiration, Dr Sophie Ratcliffe of Lady Margaret Hall, Oxford, and Compton Verney's Chief Executive launched 'Unsilencing the Library' in June 2017, having asked a series of individuals and communities – from actor Emma Watson to Prison Reading Groups – to choose books to put on the rooms now-empty shelves. The curators' task was to 'unsilence the library' by highlighting an aspect of our reading life that they feel needed to be heard. The curators' book choices were freely available in the room itself to browse, read or discuss, or to buy in the shop.

The Women's Library quickly became a popular room for hire, for everything from civil partnerships to book groups. Grants enabled us to restore the woodwork and the panels of Victorian book spines; to purchase appropriate furniture, which cites Georgiana's championing of the Coventry ribbon industry; and to return paintings to the room by Michael Dahl and John Riley of members of the Verney family – works which originally hung in the house before the family sold up in 1921.

The Women's Library not only takes Compton Verney in an exciting literary direction but will also bring us new audiences and partnerships. Sophie and her team have not only shaped this innovative and inspirational project but also helped to find the funds to make it happen. And our stellar guest curators showed just how important reading is. Their book choices were wonderfully various, and end up showing us what has inspired them to make their career and life choices.

The Park

Park Management

Our key goal in 2017 was to continue to exploit the historic parkland at Compton Verney as a way of building new audiences. To this end, many park elements were introduced, improved and refined, including:

- Large-scale planting to support and encourage wildlife interaction as a focus for our visitors.
- Enhancement of wildlife habitats, and recording of species which use our site. This recording will in turn help to guide our ongoing management of the site, which holds the potential to attract new audiences.
- The provision of a new set of bird boxes. We now have in the region of 30 boxes around the site, in addition to the bat boxes. We also overhauled the bird hide to make this more relevant to the site itself.
- The creation of a Labyrinth at the far end of the Wellingtonia Avenue. This was made from a bronze-coloured grass known as Carex, and interpretation and a bench help make this a new parkland destination.

Park Festivals and Fairs

In order to capitalise on our recent Park Restoration Project, 2017 saw extensive use of the park for events designed to broaden our audience. These included:

- ParkLife! (June)
- Wings & Water Day (July)
- 1960s Vintage Day (August)
- Dog Show (August)

Other events were based in the house, including the Textile Fair (November) and Christmas Weekends (in December). These events proved a great success and attracted many non-traditional arts venue visitors, thus helping to diversify our audience, encourage visitors to purchase annual memberships, visit more regularly and for longer periods. The majority of these events saw over 900 visitors on site per day (three times our daily average of 340) with four exceeding 1,000.

Public engagement activities in the historic landscape included 'Saxon Sunday', RSPB birdwatching workshops, the installation of a sandpit and giant deckchairs, and the creation of three orienteering courses. Alongside these, our successful Forest School programme was adapted for families as well as schools.

The Garden House

In December 2017 we successfully purchased the handsome, Grade II-listed Garden House at the north end of the historic Compton Verney site, along with its substantial and attractive garden, for £900,000. This sum, transferred from our reserves, will in time be repaid as in the medium term the Garden House is intended to be a revenue-earning asset for hire and adult education, an invaluable additional income stream for the business.

Fundraising

During 2017, £653,000 in new pledges and £135,000 in new cash and grant or pledge payments on previous years' commitments were received.

In September we were awarded National Portfolio Organisation status by the Arts Council, with a promise of £150,000 annually over four years for our *In Light* autumn displays and related community programmes. This award will be confirmed in February 2018 (for a 1 April 2018 start), once we have provided the Arts Council with the requisite financial information and audience plans.

Following the receipt of our first two legacies, a new legacy society (The Portico Society) is about to be launched. The first of these legacies, £27,000 bequeathed by Elizabeth Coxon (after whom a new gallery will be named), have been used to support the extensive redisplay of our British Folk Art galleries completed in January–February 2018. In addition, a £30,000 legacy gift was committed that will fund the outdoor learning, park developments and integration of music into our public offering in 2018.

Funding for the Folk Art redisplay (which opened to the public in March 2018) was secured during 2017 as follows: DCMS/Wolfson Fund: £36,000; Arts Council England Grants for the Arts Fund: £14,745; Compton Verney Collection Settlement: £14,000.

Compton Verney strictly abides by all new legislation regarding the fundraising disclosures now required by law. We do not use external consultant fundraisers, other third parties or commercial participators in our fundraising, and are fully compliant with all relevant professional codes. No complaints over our conduct of our development campaigns or activities were raised during 2017, and particular care was taken to protect those vulnerable people and communities who form a key part of our target audience.

Marketing and Communications

Compton Verney offers a number of ticketing options. Visitors choosing to see the Collection and Park can either purchase a day ticket or an annual pass. Visitors choosing to see the Collection and Park and Exhibitions can either purchase a day ticket or join our annual Membership scheme.

During 2017, we increased the share of advertising budget allocated to exhibitions, increased exhibition signage onsite and introduced an exhibition 'upgrade' for Annual Passholders. Pricing is under review to ensure that we adequately reflect the value of the park experience in order to maximise revenue, particularly in light of the continued investment in the park programme.

Compton Verney's social media community continues to grow and has provided many opportunities to share fans' experience of our exhibitions and events with a wide audience. We also use social media to actively engage support for events. Two examples of this style of community marketing are the #vintageselfie competition (for the 60s Vintage Day) and #dogsinpaintings (for the Family Fun Day and Dog Show).

We now have almost 15,000 email subscribers who receive regular e-bulletins from the marketing department. Communications are tailored to non-members, Members and Annual Passholders, with an open rate of 48%, well above the national average of 20%.

The website's homepage and site navigation has been redesigned and the online booking facility significantly altered to improve the customer experience and increase online sales. The new improved website received over 600,000 visits in 2017 and online bookings have increased substantially.

At the same time, the new Membership offer, improvements in the new EPOS/Membership system (MERAC) and the hiring of an Arts Council-funded Membership Officer has resulted in a year-on-year 33% increase in membership revenue.

We have developed a close working relationship with 'Shakespeare's England', our regional Destination Management Organisation, and took a central role, along with five other organisations, in their Chiltern Railways summer promotions, as part of which Compton Verney was featured in posters across the Chiltern network. We are also a member of the new Visitor Pass scheme, and are working with Shakespeare's England to promote Compton Verney as a destination for corporate groups.

Seurat to Riley: The Art of Perception received an unprecedented amount of national media attention, with the exhibition positioned as a highlight of the cultural summer season. An embarrassment of rave reviews included a glowing double page spread in the *Sunday Times Culture Magazine*. Waldemar Januszczak wrote in the *Sunday Times*: 'Snap, Crackle, Op!... Compton Verney's dazzling exhibition is how all shows should be done... Bravo Compton Verney. You have put Op Art back on the map', while *The Observer's* critic commented that 'This is my art summer holiday - a perfect trip for the eye'.

The Clearing also proved a compelling media subject, with a number of journalists (including the *Sunday Times Magazine* journalist Matt Rudd) living on site as caretakers during the summer months. Matt's ensuing four-page spread in the *Sunday Times Magazine* sparked similar articles in *The Daily Mirror* and elsewhere.

Additionally, the Women's Library launch at the end of June also caught the eye of the local press and was introduced to a wider audience via a broadcast feature on BBC Radio 4's *Woman's Hour*.

The Community Outreach Advocate Scheme that we relaunched this year is also working well, with Advocates actively engaged in promoting Compton Verney and providing ideas and contacts.

Partnerships

Partnerships are crucial to Compton Verney's development as they strengthen our base of supporters and stakeholders, bring new audiences to site (including non-traditional museum visitors), enhance our ability to fundraise and to relieve existing budgets, provide invaluable expertise that we do not possess in-house, and benefit the regional and national cultural landscape.

In recent years we have developed many new local and regional partnerships and have consulted broadly with a range of local charities, many of whom have the potential to become active partners in future programmes. In addition, we consult with sector colleagues frequently, and are actively involved with providing advice for others. We know how beneficial partnership working can be, having been founding members of Coventry and Warwickshire 8 (CW8, enlarged to CW9 in November 2017 with the addition of the British Motor Museum), having developed innovative touring and exhibition partnerships over the last few years, and having benefitted significantly from collaborating with other major charities (such as the Alzheimer's Society and Warwickshire Wildlife Trust) and with national bodies (such as the Armed Forces and the BBC).

Compton Verney's future depends to a large extent on our ability to build and maintain such regional and national partnerships, devised to provide us with the sound bedrock of financial, artistic and scholarly professional support that is essential if we are to realise our full potential. Accordingly, we intend to identify new sources of collaboration and income from external commercial, artistic and educational partnerships, and will harness both our high-quality exhibition and events programme and our unique historic landscape to this end.

We are already in discussions with partners as regards projects to reach older people and schoolchildren in deprived areas of Coventry and other urban areas locally. Our bond with schools in the local area, as well as with FE providers such as the Warwickshire Colleges Group and with Stratford & Solihull Colleges, has also enabled us to both extend our programmes and diversify both our visitors and our staff.

Learning

Learning is central to our mission and covers a huge range of activities aimed at engaging a wide range of audiences with our collections, exhibitions and parkland. Main areas of activity in 2017 included:

- A 13% increase on 2016 student visits, with 6,321 students and 895 teachers taking part in paid school workshops: 2,099 for collection related programmes, 2,114 for Forest School, 1896 for exhibitions, 81 for teacher training activities and 131 for special projects. The most popular programmes were for *Seurat to Riley*, with 1,056 students attending, and Forest School's 'Stone Age Settlers', with 837. The Learning team also worked with students from Oxford Brookes University on 'Learning Outside the Classroom' placements and with school students from local Lighthorne Heath Primary School on a literacy outreach project based on their visit to Quentin Blake and *The Lost Words*.
- Over 9,241 adults and children enjoyed a range of drop-in creative and Forest School activities during the school holidays, with many more families attending as part of the expanded events programme. The Early Years programme continued to grow in popularity with 'Tiny Tuesdays' and Early Years Forest School attracting over 1,200 visitors throughout the year.
- The monthly Dementia Café, organised in partnership with the Alzheimer's Society, completed its second year and continued to grow in popularity, with 355 visits being, an increase of 100 on 2016. The Café was featured in a toolkit recently published by the national Dementia Friendly Heritage Group, and local peer organisations have sought Compton Verney's advice in setting new schemes.

Commercial Activity

Despite a slow start to the season, 2017 ultimately proved a record-breaking year. Visitor numbers were our best yet, with a total of 97,000 visitors before counting the more than 4,000 attendees of our private hire events. This represented an increase of 16,000 visitors or 21% on 2016. As a result income from the charitable activities of membership and admission tickets totalled £578,000 in 2017 (£513,000 in 2016) an increase of 13%

Income from other trading activities amounted to £517,000 in 2017 (£381,000 in 2016) an increase of 35%. Retail sales in the shop were particularly strong, Income from the shop of £216,000 was 61% higher than 2016 due to the popularity of the exhibition merchandise and high book sales for *The Lost Words* autumn exhibition. Spend-per-head in the shop rose from £1.81 in 2016 to £2.41 in 2017.

In March 2017 we opened our new 'Compton Kitchen' café offering run by Amadeus (the trading name of the National Exhibition Centre Ltd). Income from catering and our hire and event business rose by 4% in the year to £517,000 2017 (£381,000 in 2016), with income derived from

commission payments from Amadeus and Hire revenue for hosting weddings, corporate events and parties.

Other sources of commercial income included a successful fundraising gala in October £33,000, touring exhibition income of £18,000, contributions to the Women's Library of £7,000, and hosting a pilot American student week with Middlebury College VT, which earned £4,000.

Future Plans

As outlined in our 2018 Forward Plan (available to download on the Compton Verney website), over the next four years we will be focussing on audience diversity and increased levels of engagement and participation.

As an Arts Council National Portfolio Organisation from April 2018 we will become a national exemplar of the way in which art and the natural and manmade environments can be a meeting point for the celebration of artists' practice with new audiences. We will aspire to commission, interpret and exhibit art of the very highest calibre, giving visitors a world-class museum experience and ensuring that we engage with a diverse range of people in our local and regional community. This will include senior citizens, disabled people, and children from urban and rural environments.

In the years ahead, we want to use the commissioning of new work, especially in the landscape, to help build audiences and visibility year-on-year. This will encourage visitor participation, enhance our regional and national reputation, introduce both urban and rural visitors to world-class art, and demonstrate the power of art to transform and inspire to a new range of audiences.

Achieving this last aim is critical to our future resilience, relevance and outcomes. We wish to attract new and repeat visitors by extending and refreshing the annual programme – working towards a year-round offer, following up on proven successes, exploring new exhibition models, and using our collection and our landscape to open up new programming opportunities. At the same time, we will be enhancing our marketing model and maximising our regional profile in order to achieve this.

To enhance the visitor experience further – and thus increase visitor numbers, diversity, funding potential and reputation – we will improve our site's welcome, refreshing the visitor journey and monitoring all aspects of our offer in order to ensure that high standards are consistently maintained throughout the visit.

To appeal to the diverse audiences we are trying to reach, we also want to burnish our credentials as a unique, jargon-free, inclusive, family-friendly and physically accessible destination which appeals to as wide and diverse a range of visitors and perspectives as is possible, and to ensure that we continue to offer an excellent and unrivalled visitor experience.

The Compton Verney Fund (CVF) has reviewed its longer term support for CVHT and from 2018

targets to increase the annual endowment funding to £1,400,000 (an increase of £150,000 on 2017 levels) and cease the challenge match funding.

Over the next few years, we need to continue to be creative and forward-thinking in raising funds to invest in our future while at the same time remaining efficient and effective in the day-to-day use of our assets. By 2022 we want Compton Verney to be recognised as a financially-sustainable independent charity with a secure endowment, stable revenue and diverse income streams.

Financial Review

Income

Total Income

Total income in the year amounted to £3,370,000 (2016 £5,187,000).

2016 financial performance was significantly influenced by the Heritage Lottery funded activity and associate challenge matched funding from Compton Verney Fund. This project accounted for £819,00 of income in 2017 compared to £2,876,000 in 2016.

Eliminating the HLF project effect reveals a 10% increase in underlying income of £2,551,000 in the year (2016 £2,311,000).

Donations, Grants and Legacies

Voluntary income of £2,273,000 included £1,830,000 of income from the Compton Verney Fund. The Compton Verney Fund provided £1,250,000 annual endowment and a further £580,000 challenge matched funding, which reflects the levels of donations and grants received by the Trust in 2017.

In 2017 we continued to receive the generous support of the Heritage Lottery Fund for our work in the Landscape and Park. Arts Council Funding supported two new projects in 2017, for resilience work in membership and learning. Our wider work was supported by many other trusts and foundations (See note 2 to the Accounts for details.)

Charitable Activities

Income from charitable activities (mainly admissions income) amounted to £578,000 a 13% increase on charitable income of £513,000 in 2016.

The success of the park activities has led to a change in the ticket mix, with relatively less sales of the more expensive exhibition tickets. In 2016 42% of our tickets were sold for collection park and

58% for the exhibition. In 2017 49% of ticket sales were for collection and park and 51% for exhibitions. Exhibition income from membership has increased by 41% in the year. Membership growth has been aided by the addition of a Membership Officer in 2017 through Arts Council support.

Other Trading Activity

Income from trading activities at £517,000 was up 36% from £381,000 in 2016. This increase reflected a good year for retail (up £82,000 on 2016) and the return of the fundraising gala (which generated income of £33,000 in 2017). Sundry income at £34,000 was 47% up from £23,000 in 2016, due to higher touring income and external contributions to the Women's Library. The launch of the Compton Kitchen in April 2017 resulted in a 5% increase in catering and hire income to £203,000.

Investments

Investment income at just over £1,000 reflects the very low level of interest achieved on our funds held at Barclays and the reduced cash value kept as cash in hand (£700,000 at December 2017 versus £3,650,000 at December 2016).

Our investment at CCLA, a specialist charity investment fund, generated unrealised gains (which include reinvested dividends) of £343,000 in the year (up from £238,000 in 2016), partly driven by the additional £1,500,000 investment within the COIF Charities Investment Fund with CCLA in April 2017.

Expenditure

Total expenditure in 2017 was £3,060,000 (down 11% on the £3,438,000 spent in 2016). Underlying operating costs (excluding depreciation and grounds restoration) of £2,782,000 are 3% up on £2,708,000 in 2016. Broadly, the increase in costs came from increased investment in staffing whilst maintaining stable expenditure on other cost areas. As the level of work on the park restoration project reduced, annual project expenditure (including the write off of related fixed assets) fell from £478,000 in 2016 to £84,000 in 2017.

Major Capital Projects

During the year, £900,000 was spent on the purchase of Garden House and £340,000 on the refit of the Compton Kitchen. Compton Verney funded the balance of these projects from its own reserves.

Net Movement in Funds

Income and gains of £3,713,000 exceed expenditure of £3,060,000 resulting in a net increase in funds of £653,000 of which £343,000 is due to unrealised gain on investments and £310,000 is due to other net income.

Balance Sheet

Overall, Compton Verney increased its retained funds (or net assets) by £653,000 in 2017. The value of our fixed assets increased by £2,992,000 in the year. Tangible assets increased by £1,149,000 in the year as assets capitalised (most notably garden house and the new Compton Kitchen) outstripped depreciation and disposals. The value of our investments increased by £1,842,000 in 2017, with £1,500,000 cash invested in COIF and £342,000 increase in investment value.

The value of our current assets decreased by £2,339,000 in 2017 reflecting the investment in fixed assets and long term investments of £2,842,000 and the £587,000 increase in accrued donation and grant income debtors. At the year-end Compton Verney had total reserves of £28,689,000. Of this sum, £23,442,000 related to amounts already invested in tangible fixed assets. The balance of £5,247,000 represents Compton Verney's liquid reserves carried forward, held against future requirements in line with our reserves policy. An analysis of these reserves is given in note 21 to the accounts.

Reserves Policy

The Board of Governors reviews the reserves policy and the level of unrestricted retained reserves carried forward annually, making changes where appropriate to ensure that Compton Verney's reserves are adequate to safeguard against unpredictable income streams, future potential risks and planned investment requirements. The Governors retain these reserves to support future expenditure, either of a capital or revenue nature, which cannot be covered by incoming resources.

Following the 2015 review, the Governors agreed that the general, unrestricted cash reserves should be maintained at between three and six months' net operational requirements. Additionally, in accordance with professional advice, Compton Verney's Designated Building and Gallery Sustainability Fund should be systematically built up to support the ongoing development, conservation and maintenance of the estate, as well as to provide funding for strategic initiatives, artistic or commercial, to improve our financial sustainability.

Compton Verney House Trust

Governors' Annual Report

For the year ended 31 December 2017

As at 31 December 2017 Compton Verney held the following reserves:

- An unrestricted general fund of £797,000 to cover approximately three to four months' net operational requirements.
- A designated building and gallery fund, representing the resources the trust has already invested in the development of the gallery, grounds and other fixed assets. The balance of this reserve at 31 December 2017 was £23,442,000.
- A designated building and gallery sustainability fund, created to allow us to maintain and improve our facilities over the next twenty years. At the year-end the balance on this reserve was £4,391,000 (down from £4,960,000 in 2016).

The balance on all reserve accounts are monitored as part of the management accounting and contingency planning process. The Governors consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Investment Policy and Objectives

Compton Verney House Trust holds two investments. The share capital of its wholly-owned subsidiary, Compton Verney Publications Limited, was valued at £2 and units in the CCLA COIF Charity Investment Fund, was valued at £3,736,647 at the year end. The CCLA COIF Charity Fund is held to offset the effects of inflation on the value of Compton Verney's cash reserves. As the value of this investment increased significantly in the year, this objective has been met. In addition, bank balances generated investment income of just over £1,000 in 2017.

Our Governance

The Board of Governors

All of Compton Verney's activities are ultimately controlled by the Board of Governors. At quarterly board meetings, the Governors steer the strategic direction of Compton Verney House Trust and monitor the work of the executive. Specifically, the Board is responsible for the approval of the financial statements and annual budgets, risk management, health and safety, the exhibitions policy, and any significant changes in operations.

The Governors refer to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities, and consider how planned activities will contribute to the aims and objectives that have been set.

The Chair of the Board has, since January 2012, been museum conservation professional Kirsten Suenson-Taylor. Kirsten is a member of the Moores family, and is also a trustee of the Compton Verney Collection Settlement (CVCS), and the Compton Verney Fund (CVF).

Compton Verney's Governors are independent professionals chosen for their outstanding reputation in their fields of expertise, their contact networks, and their personal commitment to Compton Verney.

New Governors are recruited following an assessment of the balance of skills, knowledge and experience already possessed by the existing Board members and the identification of areas in need of more support, given the current strategic priorities of the organisation.

Governors are appointed having been interviewed by a Nominations Panel, a sub-committee of the main Board. Prior to joining the Board, new Governors are provided with a detailed induction pack and have an induction meeting with the Chair and a second Governor, and with the CEO and senior staff, to ensure they fully understand our vision for Compton Verney and can work with all our stakeholders.

Governors are generally appointed for a term of up to four years, which is set to conclude at the end of our (calendar) financial year. At the end of their term of office, Governors either retire or, in exceptional cases, may be asked by the Chair to offer themselves for one term of re-appointment.

Governors give their time voluntarily and receive no benefits from the charity, but their expenses are covered to ensure that an individual's ability to participate is not dependent upon their financial means.

Governors are actively engaged as ambassadors and advocates for Compton Verney, and are required to utilise their network of contacts on behalf of the gallery - introducing potential supporters, funders and partners to the senior staff and to the site. They are also required to support the executive staff in their work from time to time, harnessing their particular professional

skills and experience to advise the executive on key issues, help steer important projects and initiatives, and act as mentors to senior staff. We are aware that the next major step for our Board is to continue to increase its diversity in order to reflect our existing and potential audience.

Risk Management

The Governors have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. CVHT's risk policy sets out a framework to enable the Governors to fulfil their obligations in respect of risk, and a risk register is used to identify, assess, review and manage or mitigate those risks. The Governors have agreed that the greatest current risk to Compton Verney's long term sustainability is the risk around future income targets and as such investment is being made in programming, marketing and visitor facilities, to support a policy of increasing visitor numbers and participation, financed in part by our successful fundraising team. Insurance policies are in place to cover other specific risks – for instance, the risk of damage to the building and to the art on display.

The Finance and Audit Sub-Committee (see below) assists the Board of Compton Verney in managing its corporate governance and risk management obligations by reviewing the effectiveness of all material internal controls, including operational, financial and compliance controls and risk management systems. The internal control systems are designed to meet Compton Verney's particular needs and the risks to which we are exposed, to manage those risks and to provide reasonable assurance against financial misstatement or loss. Established regular procedures, including budgetary controls and regular reforecasting, operate to monitor the receipt of income and both revenue and capital expenditure.

Our Board

Kirsten Suenson Taylor – Chair

Originally an archaeologist, Kirsten trained as an archaeological conservator and worked for many years at the Museum of London. More recently, Kirsten has worked with ICON (the Institute for Conservation), helping to promote conservation to government and to the public. Kirsten has been a trustee of Compton Verney Collection Settlement since 1999 and was a trustee of the Peter Moores Foundation (2004 – 2014).

Janet Bell Smith

A graduate of Aston University, Janet has worked in the field of Human Resources for over 30 years, initially with PricewaterhouseCoopers as Head of HR (Assurance) in the Midlands and more recently as a freelance consultant and Lay Advisor for the NHS. Her previous non-executive roles have included the Birmingham Royal Ballet, Warwickshire Primary Care Trust and two local Hospices. Outside of work, Janet has been a magistrate for over 25 years, including chairing the Coventry and Warwickshire Bench of magistrates for the last three years. She had the honour of undertaking the role of the High Sheriff of Warwickshire for 2015–16.

Chris Carter

After study at the Architectural Association and training as a landscape architect at Gloucestershire College of Art & Design and Pershore College of Horticulture, Chris became Cornwall County Council's first landscape architect. He joined Colvin and Moggridge in 1972, becoming an Associate in 1974, and Partner to Hal Moggridge in 1982. He remains an active Consultant in the practice, and is Chairman of the Gardens Panel at the Sir Harold Hillier Gardens.

Sarah Carthew

Sarah Carthew is the Director of Development at St Hugh's College, University of Oxford. Sarah oversees the strategic direction of the Development Office and builds and maintains special relationships for the College.

Oliver Cox

Dr Oliver Cox is a Knowledge Exchange Fellow at the University of Oxford. Oliver is a historian by training, and received his undergraduate, masters and doctoral degrees from the University of Oxford. He is a member of the Faculty of History (University of Oxford); Senior Scholar at University College, Oxford; Fellow of the Royal Society of Arts; a Trustee of the Oxfordshire Record Society; and a member of Arts Council England's Designation Panel.

Loyd Grossman

Loyd Grossman CBE is an entrepreneur, writer and broadcaster with a long involvement in museums and heritage. He is Chairman of The Royal Parks, Chairman of the Heritage Alliance, Deputy Chair of the Royal Drawing School and President of NADFAS. Loyd was born in Boston and educated at Boston University, the London School of Economics and Magdalene College, Cambridge. A former Commissioner of English Heritage and of the Museums and Galleries Commission, he is an Emeritus Governor of the LSE, a member of the Council of the British School at Rome and a member of the board of the Association of Leading Visitor Attractions.

Will Hanrahan

Will spent 18 years as a BBC reporter, presenter and series producer before establishing his Independent Production business as a top 50 Creative Company winning Royal Television Society awards for factual and entertainment along the way. He remains a film-maker and Creative entrepreneur exporting documentaries to over 80 countries. He led the launch of The Arts House, an Arts charity in Stratford, is a fellow of Royal Society of Arts and chairs the private-public consultative body Stratford Vision.

Howard Jones

Howard is an Associate Professor of Finance at the Saïd Business School, University of Oxford and a Fellow of Keble College, Oxford. His areas of research include institutional asset management,

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For the year ended 31 December 2017

investment banking, and private equity. Howard joined the Saïd Business School in 2003 after a 15-year career in investment banking. Howard is also a Lecturer in Linguistics at Keble College; his research interests being in the early Germanic languages. Howard graduated in Classics and Modern Languages from Magdalen College, Oxford, and he has a degree in German and a PhD in Linguistics from the University of London.

Rita McLean

Rita has worked in the museums and heritage sector throughout her career. She was Director of Birmingham Museums and Art Gallery from 2004 until May 2012, and previously served as a member of the National Museums Directors Council, on the Creative and Cultural Skills Heritage Advisory Panel, and on the Heritage Lottery Fund's national expert panel for Museums, Libraries and Archives. She currently combines work as a Museum and Heritage consultant with historical research, lecturing and writing projects. She is a member of the National Trust's Midlands Region Advisory Board and chairs Birmingham Civic Society's Heritage Committee.

Paul Smith

Professor Paul Smith is director of Oxford University Museum of Natural History. Prior to taking up the post at OUMNH he was head of the School of Geography, Earth & Environmental Sciences at the University of Birmingham but has worked in university museums for most of his career, starting at the Sedgwick Museum in Cambridge before moving to the Geological Museum in Copenhagen. At the University of Birmingham, Paul was curator, then director, of the Lapworth Museum of Geology before moving to Oxford in 2012.

Janatha Stubbs MBE, MOM

A Board Director for the Littlewoods Organisation between 1982 and 1998, Janatha Stubbs was member of the Malta Playing Fields Association from 1972 until 2007, and their Chairman from 1980 until 2000. Founder and President of Ir-Razzett Tal-Hbiberija, a centre for people with disabilities, since 1989, Janatha was awarded the Malta Order of Merit for charitable works in 1993 and the MBE in 2003 for services to the disabled in Malta. She was Chairman of Compton Verney House Trust from 1993 to 2005.

Peter Wilson

Peter has a degree in Natural Sciences from Cambridge University. After two years working in industry he joined the Tate Gallery to train in art conservation before becoming involved in the management of its collection and exhibitions. His broad technical knowledge of museum activities brought him into close engagement with Tate's growing programme of building and in 1990 he became responsible for directing their projects and planning their estate. He worked with Cornwall County Council on Tate Gallery St Ives which opened in 1993, followed by Tate Gallery Liverpool Phase 2 in 1998 and culminating with the delivery of Tate Modern in 2000 and Tate Britain Centenary Development in 2001. Projects to deliver new art storage, archives and library for Tate were also part of his remit.

Compton Verney House Trust

Governors' Annual Report

For the year ended 31 December 2017

Compton Verney is deeply grateful to its Board of Governors for their dedication and the skills and experience they bring to their roles, and owes its Board an immense debt of thanks for their tireless support and advocacy.

The Finance and Audit Sub-Committee

Chaired by Adam Broke OBE FCA FTII, the Finance and Audit Sub-Committee reports to the CVHT Board of Governors. The CVHT Deputy Director submits quarterly accounts and strategic financial reports to each sub-committee meeting; the meeting minutes are then circulated to the CVHT Governors, who are ultimately responsible for reviewing financial performance. The Chair and Director of CVHT also attend on a regular basis.

The Finance and Audit Sub-Committee provides high-level oversight of the accounting systems, procedures and policies and financial reporting, including budgets and medium term plans, and makes recommendations to the CVHT Board on any changes that are required. Working with the executive, it reviews significant risks to the organisation, assesses their likely impact and makes recommendations on the best ways of mitigating risk. It is also responsible, on behalf of CVHT, for reviewing the performance of the auditors and (if necessary) for recommending changes.

Related Parties

Compton Verney House Trust (CVHT) co-operates with two related charities and one related company in order to achieve its objectives. The two charities are the Compton Verney Collection (CVCS) and the Compton Verney Fund (CVF), all founded by Sir Peter Moores.

Compton Verney Collection Settlement (CVCS)

CVCS is a charitable trust (number 1085810), set up at the same time as CVHT in 1993. The Trustees of CVCS own the permanent collection at Compton Verney, and a loan deed outlines the terms upon which the collection is displayed at CVHT. This bipartite structure was recommended by the Department of National Heritage (DNH) for the protection of the Collection, and has recently been re-endorsed by Arts Council England. By placing the collection in a separate trust, it is protected from sale, either in part or as a whole, should CVHT run into financial difficulties. New CVCS Trustees are appointed on either the recommendation of the executive or of existing trustees on the basis of their relevant expertise. They tend to be museum professionals, able to advise on collection-related issues. The CVHT Director and Collections Manager attend every board meeting; other senior CVHT staff attend meetings as appropriate.

Although CVCS functions as a separate board from CVHT, it shares some members with the latter, including CVHT's current Chair. CVCS's Chairman is Adam Broke who is also Chairman of the CVHT Finance & Audit Sub-Committee (see above) and a Trustee of CVF (see below).

The Compton Verney Fund (CVF)

The Compton Verney Fund (CVF) was established by trust deed in March 2010 to hold an endowment of £25 million on Compton Verney's behalf. CVF is a separate trust, with a separate Board from CVHT, and stands independently to ensure its assets cannot be compromised by any potential difficulty encountered by CVHT. The Chairs of CVHT and CVCS are members of the CVF Board, ensuring that all three trusts work together and communicate clearly in order to achieve the shared goal of running a successful art gallery at Compton Verney.

Compton Verney Publications Limited (CVPL)

Compton Verney Publications Limited is wholly owned by CVHT, and undertakes the educational, hire, catering and retail activity at Compton Verney. The Chair of CVHT's Board of Governors, Kirsten Suenson-Taylor, was an unpaid director of CVPL during 2017.

Staffing

During 2017 CVHT engaged an average of 27 employees on permanent contract; 52 employees on seasonal (March–December) contracts and 150 volunteers. The on-site caterers also employed permanent and casual staff in the café.

In the autumn of 2017 staffing was reviewed to ensure that there was a robust and decision-oriented structure in place which would provide appropriate support for the challenges ahead. Following extensive consultations with other museums and galleries of similar size and ambition, and with stakeholders such as Arts Council England and the Compton Verney staff, a new Strategic Leadership Team (SLT) has been initiated with four Directors: for Creative & Engagement, Development, Marketing & Sales and Finance & Planning. Below this a Senior Management Team concentrates on the day-to-day operation of the site. The Chief Executive is vested with day-to-day responsibility for the running of Compton Verney, and is appraised annually by the Chair against a set of agreed targets

Compton Verney aims to attract and retain talented staff by offering rates competitive within the sector and operating an appraisal and personal development system which encourages staff and management to achieve Compton Verney's strategic objectives and support high levels of performance. When reviewing pay and remuneration the following factors are taken into consideration:

- Compton Verney's internal remuneration balance and financial means
- Job definition, and degree of responsibility of each role
- Skills, qualifications and individual performance of each employee
- Sector-specific and market related data is taken into account in order to remain competitive

Compton Verney currently reviews wages every year to consider Cost of Living increases to maintain the real value of earnings in the face of inflation. As a separate initiative, the Governors approved the Living Wage for all staff in 2016.

We strive to be inclusive in our hiring, commissioning and volunteer activities, and seek leadership from all communities who make up our regional population.

Our volunteer team – which in 2017 increased to 150 – supports the organisation in every aspect of its operation, and their contribution is a major factor in ensuring Compton Verney's success and sustainability. Volunteers bring new and varied skills, knowledge, passion and enthusiasm. They also provide a vital advocacy role in the local community.

Statement of Responsibilities of the Governors

Law applicable to charities in England and Wales requires the Governors to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the Governors should follow best practice and

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 charity will continue in operation

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Compton Verney House Trust

Governors' Annual Report

For the year ended 31 December 2017

Auditors

Sayer Vincent LLP was reappointed as the charity's auditor during the year, and has expressed a willingness to continue in that capacity.

Approved by the Governors on 22 May 2018 and signed on their behalf by

Kirsten Suenson-Taylor
Chair

Independent Auditors Report

To the members of

Compton Verney House Trust

Opinion

We have audited the financial statements of Compton Verney House Trust (the 'the parent charity') for the year ended 31 December 2017 which comprise the consolidated statement of financial activities, the group and parent charity balance sheets, the consolidated statement of cash flows and the 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group and parent charity's affairs as at 31 December 2017 and of the group's incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity 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 other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- The Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity'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.

Independent Auditors Report

To the members of

Compton Verney House Trust

Other information

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

Matters on which we are required to report by exception

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

- The information given in the Governors' annual report is inconsistent in any material respect with the financial statements
- Sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit

Responsibilities of Governors

As explained more fully in the statement of Governors' responsibilities set out in the Governors' annual report, the Governors 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 Governors 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 Governors are responsible for assessing the group and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Independent Auditors Report

To the members of

Compton Verney House Trust

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Governors
- Conclude on the appropriateness of the Governors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors Report

To the members of

Compton Verney House Trust

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the parent charity's Governors as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the parent charity's Governors 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 parent charity and the parent charity's Governors as a body, for our audit work, for this report, or for the opinions we have formed.

5 July 2018

Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Compton Verney House Trust

Consolidated statement of financial activities

For the year ended 31 December 2017

	Note	Unrestricted £	Restricted £	2017 Total £	Unrestricted £	Restricted £	2016 Total £
Income from:							
Donations and legacies	2	1,911,427	361,910	2,273,337	2,921,771	1,368,322	4,290,093
Charitable activities							
Public displays of art collections	3	578,004	-	578,004	504,223	9,000	513,223
Other trading activities	4	510,511	6,935	517,446	381,018	-	381,018
Investments		1,360		1,360	2,964	-	2,964
Total income		3,001,302	368,845	3,370,147	3,809,976	1,377,322	5,187,298
Expenditure on:							
Raising funds:							
Fundraising costs		169,389	-	169,389	165,639	-	165,639
Trading activities		613,830	-	613,830	602,344	-	602,344
Charitable activities		-					
Public displays of permanent collections		1,687,797	28,626	1,716,423	1,789,466	9,000	1,798,466
Special exhibition/project costs		222,441	338,219	560,659	715,950	155,503	871,453
Total expenditure	5	2,693,456	366,845	3,060,301	3,273,399	164,503	3,437,902
Net income before net gains on investments		307,845	2,000	309,846	536,577	1,212,819	1,749,396
Net gains / (losses) on investments		342,854	-	342,854	238,272	-	238,272
Net income / (expenditure)	6	650,699	2,000	652,700	774,849	1,212,819	1,987,668
Transfers between funds	21	-	-	-	1,425,016	(1,425,016)	-
Net movement in funds		650,699	2,000	652,700	2,199,865	(212,197)	1,987,668
Reconciliation of funds:							
Total funds brought forward		28,038,464	-	28,038,464	25,838,599	212,197	26,050,796
Total funds carried forward	21	28,689,163	2,000	28,691,164	28,038,464	-	28,038,464

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 21 to the financial statements.

Compton Verney House Trust

Balance sheets

As at 31 December 2017

	Note	The group		The charity	
		2017	2016	2017	2016
		£	£	£	£
Fixed assets:					
Tangible assets	11	23,442,470	22,293,351	23,442,470	22,293,351
Investments	12	3,736,647	1,893,793	3,736,647	1,893,793
		<u>27,179,117</u>	<u>24,187,144</u>	<u>27,179,117</u>	<u>24,187,144</u>
Current assets:					
Stock	15	28,468	39,982	28,468	39,982
Debtors	16	989,380	402,222	962,574	491,094
Cash at bank and in hand		703,323	3,648,695	673,745	3,521,919
		<u>1,721,171</u>	<u>4,090,899</u>	<u>1,664,787</u>	<u>4,052,995</u>
Liabilities:					
Creditors: amounts falling due within one year	17	209,124	239,579	152,741	201,675
		<u>1,512,047</u>	<u>3,851,320</u>	<u>1,512,046</u>	<u>3,851,320</u>
Net current assets		<u>1,512,047</u>	<u>3,851,320</u>	<u>1,512,046</u>	<u>3,851,320</u>
Total assets less current liabilities		<u>28,691,164</u>	<u>28,038,464</u>	<u>28,691,164</u>	<u>28,038,464</u>
Total net assets		<u>28,691,164</u>	<u>28,038,464</u>	<u>28,691,164</u>	<u>28,038,464</u>
Funds:	21				
Restricted income funds		2,000	-	2,000	-
Unrestricted income funds:					
Designated funds		27,891,338	27,253,464	27,891,338	27,253,464
General funds		797,826	785,000	797,826	785,000
Total unrestricted funds		<u>28,689,164</u>	<u>28,038,464</u>	<u>28,689,164</u>	<u>28,038,464</u>
Total charity funds	20	<u>28,691,164</u>	<u>28,038,464</u>	<u>28,691,164</u>	<u>28,038,464</u>

Approved by the Board of Governors on 22 May 2018 and signed on their behalf by

Kirsten Suenson-Taylor
Chair

Compton Verney House Trust

Consolidated statement of cash flows

For the year ended 31 December 2017

	Note	2017	2016
		£	£
Cash flows from operating activities	22		
Net cash (used in) / provided by operating activities		(104,631)	2,749,732
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,360	2,964
Purchase of fixed assets		(1,342,102)	(1,809,413)
Purchase of investments		(1,500,000)	-
Net cash provided by / (used in) investing activities		<u>(2,840,742)</u>	<u>(1,806,449)</u>
Change in cash and cash equivalents in the year		(2,945,373)	943,283
Cash and cash equivalents at the beginning of the year		3,648,695	2,705,480
Change in cash and cash equivalents due to exchange rate movements		-	(68)
Cash and cash equivalents at the end of the year		<u><u>703,322</u></u>	<u><u>3,648,695</u></u>

1 Accounting policies

a) Statutory information

Compton Verney House Trust is a charitable trust. The registered office address and principal place of business is Compton Verney, Warwickshire, CV35 9HZ

b) Basis of preparation

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (September 2015) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a ‘true and fair’ view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a ‘true and fair view’. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Compton Verney Publications Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented as the summary of the result for the year is disclosed in the notes to the accounts.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Governors consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The Governors do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether ‘capital’ grants or ‘revenue’ grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1 Accounting policies (continued)

f) Interest receivable

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

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

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

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of exhibitions undertaken to further the purposes of the charity and their associated support and governance costs.
- Other expenditure represents those items not falling into any other heading

i) Allocation of support and governance costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

- | | |
|---|-----|
| ● Cost of raising funds | 26% |
| ● Public display of permanent collections | 59% |
| ● Special exhibitions/projects | 15% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

1 Accounting policies (continued)

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Freehold property	see below
● Plant and machinery	4 years
● Fixtures and fittings	4 years
● Motor vehicles	5 years

The Governors consider the residual value of the freehold property to be at least equal to its cost, and therefore there is no depreciation charge on the property. The Governors carry out a review of the property at least annually to ensure there is no indication of an impairment to the property.

However the cost of the freehold property includes fit out costs such as gallery lighting. In 2016 new buildings were constructed on the estate and in 2017 an additional property. Garden House, was purchased by the estate. The assets will be written down to estimated residual value over their expected useful life and depreciated as follows:

● New buildings	25 years
● Fit out costs	10 years

l) Listed 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 the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Investments in subsidiaries

Investments in subsidiaries are at cost.

m) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

n) Debtors

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

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1 Accounting policies (continued)**p) Creditors and provisions**

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

q) Pensions

Compton Verney operates a defined contribution pension scheme. The assets of the scheme are held separately from Compton Verney in an independently administered fund. The pension cost charge represents contributions payable under the scheme by Compton Verney to the fund. Compton Verney has no liability under the scheme other than for the payment of those contributions.

Since the onset of auto enrolment in April 2015, the charity has been required to enrol staff who meet set criteria based on earnings and age. If new staff meet the criteria they are typically enrolled into the scheme after a 3 months postponement period. Staff who do not meet the criteria are given the option of joining the scheme on a voluntary basis if they wish. Contributions are in line with the statutory minimums set out under the auto enrolment legislation although there is an option for staff to have their contributions matched at a higher level.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2017 total Total £	2016 Total £
Donations (see note 2a)	1,884,027	21,392	1,905,419	2,911,918
Grants (See note 2b)		340,518	340,518	1,378,175
Legacies	27,400	-	27,400	-
	<u>1,911,427</u>	<u>361,910</u>	<u>2,273,337</u>	<u>4,290,093</u>

2a Donations

	Unrestricted £	Restricted £	2017 total Total £	2016 Total £
Compton Verney Fund – Endowment Funding	1,250,000	-	1,250,000	1,250,000
Compton Verney Fund – Challenge Matched Funding	580,474	-	580,474	1,626,940
Other donations	53,553	21,392	74,945	34,978
	<u>1,884,027</u>	<u>21,392</u>	<u>1,905,419</u>	<u>2,911,918</u>

Compton Verney House Trust

Notes to the financial statements

For the year ended 31 December 2017

2b Grants received

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Heritage Lottery Fund	-	238,960	238,960	1,248,719
Francis Coales	-	3,000	3,000	-
Rural Payments Agency	-	9,377	9,377	9,853
Art Fund	-	1,275	1,275	-
Finnis Scott Foundation	-	3,000	3,000	-
Panton Trust	-	-	-	2,000
Stanley Smith Horticultural Trust	-	-	-	2,500
Rowlands Trust	-	-	-	2,000
Children and the Arts	-	9,140	9,140	8,000
Arts Council England	-	53,975	53,975	11,200
Warwickshire County Council	-	1,500	1,500	6,700
National Churches Trust	-	-	-	47,800
Country Houses Foundation	-	11,500	11,500	15,000
Saintbury Trust	-	4,000	4,000	4,000
The Leche Trust	-	-	-	4,000
Other Grants (under £1,500)	-	4,791	4,791	16,403
Total	-	340,518	340,518	1,378,175

3 Income from charitable activities

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
<i>Public display of permanent collections:</i>				
Gallery grounds and admissions	555,604	-	555,604	495,779
Talks and lectures	22,399	-	22,399	8,444
Grants for public displays	-	-	-	9,000
Total income from charitable activities	578,004	-	578,004	513,223

4 Income from other trading activities

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Shop turnover	216,277	-	216,277	134,639
Educational activities, hire and on site catering	233,581	-	233,581	223,588
Fundraising events income	33,169	-	33,169	-
Sundry income	27,485	6,935	34,420	22,791
Total	510,511	6,935	517,446	381,018

5 Analysis of expenditure

	Charitable activities					2017 Total £	2016 Total £
	Cost of raising funds £	Public display of permanent collections £	Special exhibitions/ projects £	Governance costs £	Support costs £		
Staff costs (Note 7)	248,617	499,803	3,666	29,305	456,751	1,238,142	1,157,275
Consultancy – temporary staff cover	-	-	-	-	81,136	81,136	11,367
Cost of sales and exhibitions	229,804	-	267,708	-	-	497,512	509,968
Utilities	-	149,696	-	-	-	149,696	156,188
Insurance	-	62,729	-	3,039	-	65,769	60,522
Security	-	108,075	-	-	-	108,075	109,129
Marketing	-	-	-	-	113,997	113,997	137,301
Telephone/postage/stationery	-	-	-	-	28,192	28,192	26,921
Travel/subsistence/entertaining	4,706	4,690	-	-	15,891	25,287	33,009
Maintenance	-	117,610	-	-	-	117,610	143,668
Information technology	-	-	-	-	40,426	40,426	36,581
Cleaning	-	75,345	-	-	-	75,345	75,000
Consultancy/professional fees	-	-	-	-	85,102	85,102	104,684
Recruitment/training	-	-	-	-	12,781	12,781	17,057
Governors' expenses	-	-	-	555	0	555	455
Auditors' remuneration	-	-	-	11,750	0	11,750	9,000
General rates	-	-	-	-	16,166	16,166	16,774
Volunteers' expenses/temporary staff	-	-	-	-	14,218	14,218	13,655
Other expenses	3,749	37,759	39,006	-	-	80,514	63,325
Storage	-	1,939	-	-	3,000	4,939	5,176
Signage & print	8,968	6,654	-	-	-	15,622	21,144
Depreciation	-	-	-	-	192,983	192,983	251,269
Write off of fixed assets	-	-	-	-	-	-	166,223
Grounds restoration	-	-	84,486	-	-	84,486	312,211
	495,843	1,064,300	394,866	44,649	1,060,644	3,060,301	3,437,902
Support costs	275,767	625,780	159,097	-	(1,060,644)	-	-
Governance costs	11,609	26,343	6,697	(44,649)	-	-	-
Total expenditure 2017	783,219	1,716,423	560,659	-	-	3,060,301	3,437,902
Total expenditure 2016	767,983	1,798,466	871,453	-	-	3,437,902	

Compton Verney House Trust

Notes to the financial statements

For the year ended 31 December 2017

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):	2017 £	2016 £
Depreciation	192,983	251,269
Trustees' indemnity insurance	3,039	2,863
Trustees' remuneration	-	-
Trustees' reimbursed expenses	555	455
Loss on disposal of fixed assets	-	166,223
Operating lease rentals:		
Other	1,491	2,072
Auditors' remuneration (excluding VAT):		
Audit	11,750	9,000
Other services	-	650
	<u> </u>	<u> </u>

2016 losses on disposals of fixed assets represents the write off of assets related to the chapel, old sewage plant and old welcome centre.

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2017 £	2016 £
Salaries and wages	1,116,552	1,044,028
Social security costs	83,773	79,121
Employer's contribution to defined contribution pension schemes	37,817	34,126
	<u> </u>	<u> </u>
	1,238,142	1,157,275
Consultancy – temporary staff cover	81,136	11,367
	<u> </u>	<u> </u>
	1,319,278	1,168,642
	<u> </u>	<u> </u>

The following number of employees received employee benefits (excluding employer pension and employer's national insurance costs) during the year between:

	2017 No.	2016 No.
£60,000 – £69,999	-	1
£90,000 – £99,999	-	1
£110,000 – £119,999	1	-
	<u> </u>	<u> </u>

The total employee benefits including employer's pension contributions and employer's national insurance of the key management personnel were £366,284 (2016: £361,907).

The Board of Governors were not paid nor received any other benefits from employment with the charity in the year (2016: £nil). No member of the Board of Governors received payment for professional or other services supplied to the charity (2016: £nil).

Board of Governors' expenses represents the payment or reimbursement of travel and subsistence costs totalling £552 (2016: £455) incurred by 2 (2016: 2) members relating to attendance at meetings of the trustees.

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2017 No.	2016 No.
Raising funds	6	6
Public display of collections	46	44
Support	25	25
Governance	1	1
	<u> </u>	<u> </u>
	78	76
	<u> </u>	<u> </u>

9 Related party transactions

Compton Verney House Trust receives endowment income annually from the Compton Verney Fund. In 2017 Compton Verney received £1.25 million (2016: £1.25 million).

Compton Verney House Trust receives match funding annually from the Compton Verney Fund. In 2017 Compton Verney received £0.58 million (2016: £1.63 million).

In 2016, the Chair of the Board of Governors, Kirsten Suenson-Taylor, donated £18,700 towards the lake project. The restricted donation has been recognised as project expenditure has been incurred. A number of Governors have voluntarily contributed to the benefactor schemes.

In 2017, the trust purchased a property known as The Garden House using a nominee individual acting on behalf of the governors. The nominee was the wife of governor Mr W Hanrahan. At the balance sheet date, the nominee individual held the property on behalf of the trust. Subsequent to the year end, the transfer of title has been completed so that the property is now in the name of Compton Verney House Trust. The purchase price of the property was £900,000.

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Compton Verney Publications Limited gift aids available profits to the parent charity. Its charge to corporation tax in the year was:

	2017 £	2016 £
UK corporation tax at 20% (2016: 20%)	-	-

11 Tangible fixed assets**The group and the charity**

	Main Compton Verney land and estate £	New buildings & fit out costs £	Plant & machinery £	Fixtures, Fittings & Motor Vehicles £	Total £
Cost					
At the start of the year	21,655,153	1,694,000	295,010	414,091	24,058,254
Transfers	(1,238,110)	1,238,110	-	-	-
Additions in year	-	1,245,003	95,487	1,613	1,342,102
Disposals in year	-	-	-	(3,750)	(3,750)
At the end of the year	20,417,043	4,177,113	390,497	411,954	25,396,606
Depreciation					
At the start of the year	1,196,667	50,900	233,542	283,794	1,764,903
Transfers	(1,196,667)	1,196,667	-	-	-
Charge for the year	-	92,826	55,995	44,162	192,983
Eliminated on disposal	-	-	-	(3,750)	(3,750)
At the end of the year	-	1,340,393	289,537	324,206	1,954,136
Net book value					
At the end of the year	20,417,043	2,836,720	100,960	87,748	23,442,470
At the start of the year	20,458,486	1,643,100	61,468	130,297	22,293,351

Land purchased as part of the estate is included within freehold property. It is not valued separately and not depreciated.

Transfers have been made during the year to distinguish between the main Compton Verney estate and any later freehold land and buildings acquired.

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31 December 2017

12 Listed investments

	The group		The charity	
	2017	2016	2017	2016
	£	£	£	£
Fair value at the start of the year	1,893,795	1,655,454	1,893,795	1,655,456
Additions at cost	1,500,000	-	1,500,000	-
Disposal proceeds	-	-	-	-
Net gain / (loss) on change in fair value	342,852	238,339	342,852	238,339
	<u>3,736,647</u>	<u>1,893,793</u>	<u>3,736,647</u>	<u>1,893,795</u>
Fair value at the end of the year	3,736,647	1,893,793	3,736,647	1,893,795
	<u>3,000,000</u>	<u>1,500,000</u>	<u>3,000,000</u>	<u>1,500,000</u>
Historic cost at the end of the year	3,000,000	1,500,000	3,000,000	1,500,000

Investments are all held within the COIF Charities Investment Fund with CCLA.

13 Subsidiary undertaking

The charity owns the whole of the issued ordinary share capital of Compton Verney Publications Limited, a company incorporated in the United Kingdom. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. The trustee Kirsten Suenson Taylor together with the Chief Executive and Artistic Director Steven Parissien are also directors of the subsidiary. Available profits are gift aided to the parent charity. A summary of the results of the subsidiary is shown below:

	2017	2016
	£	£
Turnover	442,846	361,547
Turnover from sales to parent undertaking	-	-
Cost of sales	(203,729)	(116,121)
Cost of sales related to purchases from parent undertaking	-	-
Gross profit	<u>239,117</u>	<u>245,426</u>
Administrative expenses	(4,613)	-
Other operating income	(8,500)	(6,500)
Profit / (loss) on ordinary activities	<u>226,004</u>	<u>238,926</u>
Taxation on profit on ordinary activities	-	-
Total comprehensive income for the financial year	<u>226,004</u>	<u>238,926</u>
Changes in equity		
Total equity brought forward	-	-
Total comprehensive income for the year	226,004	238,926
Gift aid distribution to parent charity	(226,004)	(238,926)
Total equity carried forward	<u>-</u>	<u>-</u>
The aggregate of the assets, liabilities and funds was:		
Assets	95,559	157,012
Liabilities	(95,557)	(157,010)
Funds	<u>2</u>	<u>2</u>

Amounts owed to the parent undertaking £35,198 are shown in note 16

14 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2017 £	2016 £
Gross income	2,927,301	4,825,751
Result for the year	426,696	1,748,742

15 Stock

	The group		The charity	
	2017	2016	2017	2016
Finished goods	28,468	39,982	28,468	39,982

16 Debtors

	The group		The charity	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	65,323	47,878	12,207	17,648
Other debtors	229,550	2	216,686	-
VAT	23,526	35,831	27,501	54,775
Amount due from group undertaking	-	-	35,198	-
Prepayments and accrued income	670,981	318,511	670,981	418,671
	989,380	402,222	962,574	491,094

17 Creditors: amounts falling due within one year

	The group		The charity	
	2017 £	2016 £	2017 £	2016 £
Trade creditors	96,519	105,112	68,675	104,237
Taxation and social security	45,811	40,330	45,811	40,330
Accruals and deferred income	66,794	94,137	38,254	57,108
	209,124	239,579	152,741	201,675

18 Deferred income

Deferred income comprises unexpended grants received and deposits for private hires.

	The group		The charity	
	2017 £	2016 £	2017 £	2016 £
Balance at the beginning of the year	47,943	39,611	20,282	14,896
Amount released to income in the year	(38,797)	(36,336)	(15,093)	(14,896)
Amount deferred in the year	27,053	44,668	4,344	20,282
Balance at the end of the year	36,199	47,943	9,533	20,282

19 Pension scheme

As at 31 December 2017 contributions amounting to £4,613 (2016: £6,083) were outstanding or owed to the defined contribution pension schemes. At the year end the Aegon administered pension schemes had a total of 39 active members (2016: 40 active members).

Compton Verney House Trust

Notes to the financial statements

For the year ended 31 December 2017

20a Analysis of group net assets between funds (current year)

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	-	23,442,470	-	23,442,470
Investments	-	3,736,647	-	3,736,647
Net current assets	797,826	712,220	2,000	1,512,047
Net assets at 31 December 2017	797,826	27,891,338	2,000	28,691,164

20b Analysis of group net assets between funds (prior year)

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	-	22,293,351	-	22,293,351
Investments	-	1,893,793	-	1,893,793
Net current assets	785,000	3,066,320	-	3,851,320
Net assets at 31 December 2016	785,000	27,253,464	-	28,038,464

21a Movements in funds (current year)

	At 1 Jan 2017 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 Dec 2017 £
Restricted funds:					
Chapel restoration	-	13,000	(13,000)	-	-
Park restoration project	-	242,937	(242,937)	-	-
Gallery redisplay	-	23,126	(23,126)	-	-
Exhibition funding	-	5,500	(5,500)	-	-
CRM Funding	-	39,200	(39,200)	-	-
Education funding	-	25,790	(25,790)	-	-
Endowment	-	2,000	-	-	2,000
Lake	-	12,043	(12,043)	-	-
Other Restricted funding	-	5,249	(5,249)	-	-
Total restricted funds	-	368,845	(366,845)	-	2,000
Unrestricted funds:					
Designated funds:					
Building and gallery fund	22,293,351	-	-	1,149,119	23,442,470
Christina Lee	-	30,000	-	-	30,000
Elizabeth Coxon	-	27,400	-	-	27,400
Building and gallery sustainability fund	4,960,113	-	-	(568,646)	4,391,467
Total designated funds	27,253,464	57,400	-	580,473	27,891,337
General funds	785,000	3,286,756	(2,693,456)	(580,473)	797,826
Total unrestricted funds	28,038,464	3,344,156	(2,693,456)	-	28,689,164
Total funds at 31 Dec 2017	28,038,464	3,713,001	(3,060,301)	-	28,691,164

21b Movements in funds (prior year)

	At 1 Jan 2016 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 Dec 2016 £
Restricted funds:					
Chapel restoration	-	48,800	(48,800)	-	-
Park restoration project	212,197	1,263,719	(50,900)	(1,425,016)	-
Gallery redisplay	-	15,700	(15,700)	-	-
Exhibition funding	-	14,000	(14,000)	-	-
Education funding	-	35,103	(35,103)	-	-
Total restricted funds	212,197	1,377,322	(164,503)	(1,425,016)	-
Unrestricted funds:					
Designated funds:					
Building and gallery fund	20,901,430	-	-	1,391,921	22,293,351
Building and gallery sustainability fund	4,165,879	-	-	794,234	4,960,113
Total designated funds	25,067,309	-	-	2,186,155	27,253,464
General funds	771,290	4,048,248	(3,273,399)	(761,139)	785,000
Total unrestricted funds	25,838,600	4,048,248	(3,273,399)	1,425,016	28,038,464
Total funds at 31 December 2016	26,050,796	5,425,570	(3,437,902)	-	28,038,464

Purposes of restricted funds

The following funds income received in the year were spent in the year on the relevant areas: Chapel Restoration Funds – specific purpose restoring our "Capability" Brown Chapel, Park Restoration (continued from 2016), Exhibition funding, Education funding, Lake dredging, CRM resilience and various other projects. The Gallery redisplay projects included the Unsilencing the Library (completed 2017) and Folk Art redisplay (to be completed in 2018). In 2017 CV received the first donation to the Endowment fund of £2,000. This has been carried forward to 2018.

Purposes of designated funds

Designated funds represent funds ring-fenced by the Governors for special purposes. The largest designated fund is the Building and Gallery Fund (£23,442,471) and it shows the value of monies already invested in the development of the gallery, grounds and other fixed assets. This fund increased by £1,149,120 in the year with the purchase of Garden House and the refit of the Compton Kitchen.

The second largest designated fund is the Building & Gallery Sustainability Fund which has been built up over the past few years with the help of Matched Funding from the CVF. The purpose of this Fund is to support ongoing development, conservation and maintenance of the estate as well as provide funding for strategic, artistic and commercial initiatives. Whilst £580,474 of match funding was received from CVF in 2017, the Governors chose to spend £1,149,120 on Garden House and Kitchen improvements. The fund therefore decreased in value to £4,391,467 in the year.

Two funds were designated in the year and carried forward to 2018. The Elizabeth Coxon Legacy income of £27,400 will be used to fund the completion of the Folk Art redisplay in 2018 and the Christina Lee Inmemoriam of £30,000 will fund Park Developments, Outdoor Learning and Music in 2018.

Unrestricted funds

The Governors retain unrestricted reserves to provide for future expenditure, whether of a capital or revenue nature, which cannot be covered by incoming resources. The Governors review the level of unrestricted reserves carried forward annually to ensure they provide a sound underpinning, in terms of cash flow, strategic planning and risk management for ongoing investments in the capital infrastructure of the estate.

The Governors believe that unrestricted general funds should be held to cover between three and six months' running and reorganisation costs, in order to finance operations should extraordinary events beyond the Trust's control affect its revenue streams or operating costs. At the year end, current general reserves stood at £797,833 and was in line with the policy.

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

	2017 £	2016 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	652,700	1,987,668
Depreciation charges	192,983	251,269
(Gains)/losses on investments	(342,854)	(238,272)
Dividends, interest and rent from investments	(1,360)	(2,964)
(Profit)/loss on the disposal of fixed assets	–	166,223
(Increase)/decrease in stocks	11,514	3,608
(Increase)/decrease in debtors	(587,158)	653,956
Increase/(decrease) in creditors	(30,455)	(71,756)
Net cash provided (used in)/ by operating activities	(104,631)	2,749,732

23 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Equipment	
	2017 £	2016 £
Less than 1 year	1,491	2,072
1 – 5 Years	2,484	8,183
	3,975	10,255

24 Capital commitments

At the balance sheet date, the group had no commitments in respect of capital projects (2016 £0.3 million).