

Charity Number: 1032478

Compton Verney House Trust

Report and financial statement for the year ended 31 December 2018

Compton Verney House Trust

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Reference and administrative details

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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
29 July 1998	Janatha Stubbs MBE MOM	
1 January 2013	Chris Carter	
1 January 2014	Janet Bell Smith	
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	
1 January 2018	Samantha Henney	
1 March 2018	Lydia Thomas	

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 Dr Steven Parissien until November 2018
Caroline Collier, Interim Director from November 2018
Julie Finch, Director from April 2019

Strategic Leadership Team

Finance & Planning Sarah Bunney
Development Ali James (from May 2018)
Creative & Engagement Amy Banks
Marketing & Sales Jess Wolinski

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Governors' Annual Report

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The Governors present their report and the audited financial statements for the year ended 31 December 2018.

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.

Charitable Objectives and Mission

The charitable objects are set out in the constitution of the Compton Verney House Trust dated 27 August 1993. The main purpose of the charity is set out as follows: 'to establish a museum, gallery and education centre at Compton Verney House and/or any other place or places and to raise and educate the artistic taste of the public whether in relation to painting, sculpture, the applied and other visual arts and in relation to music, drama, dance and opera and the fine arts generally.'

The mission was described in the 2017 Report: '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.'

Background and History

The Compton Verney estate, comprising a derelict, grade I listed house and 120 acres of land (including the park commissioned from Lancelot 'Capability' Brown in 1768) was purchased by Sir Peter Moores in 1993, with the intention of creating a setting for experiencing art that would attract people who do not normally visit museums or galleries. The vision was to create a place to explore and enjoy, with no barriers deriving from class, education or opportunity.

Compton Verney's founder wanted to extend an invitation to all, to demystify art and to "open doors but not push people through". He aimed for high standards in the works of art, their quality, conservation and display, in line with national and international galleries – and an accessible, inclusive, generous approach, in keeping with his gift. He challenged the staff to be innovative and to experiment and was open to change in the ways his vision would be enacted.

The six collections donated to Compton Verney were intended to complement those in national and regional museums. Spanning high and popular art, each focused on an area considered to be under-represented in the national collection.

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Temporary exhibitions of historic and contemporary art, architecture and design were central to the concept, to attract new and repeat visits, with education programmes and commissions from artists.

Compton Verney was opened formally by HRH Prince Charles in March 2004 after more than ten years of restoration and remodelling by architects Stanton Williams. The vision, charm of the place and the quality and ambition of the programme met with excitement and critical acclaim from the outset.

Fulfilling the vision: strategy and priorities

Fourteen years after its formal opening, Compton Verney has welcomed over a million visitors, increasing annual visits from 38,000 in 2008 to more than 90,000 today. Compton Verney is cherished by visitors, artists, staff and by the many volunteers who form its extended family. It has a national and international reputation for imaginative programmes across art and nature. It is known for a warm welcome, high quality of visitor experience and for the enchantment of the place.

The strategy has been to grow and diversify visitor numbers and to raise the profile of Compton Verney through exciting exhibitions, dynamic collection displays, learning programmes, community outreach and a focus on the landscape as well as art. Dr Steven Parissien, Compton Verney's Director between 2009 and 2018, described his interpretation of Sir Peter Moores' vision: "Compton Verney is a very special, friendly and enriching place, where curiosity and creativity flourish. It is amazing, uplifting and, above all, fun. It's 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."

During his Directorship, and in partnership with Rachel Davies, Deputy Director, the Chapel was restored, the historic landscape was revitalized, the acclaimed volunteer scheme was developed, the Women's Library opened and a hire and wedding business was launched. Partnerships were built with museums, galleries and universities as well as organisations as diverse as the BBC, the RSC, the Alzheimer's Society and the British Army, as well as many local organisations.

The strategic priorities for 2018 are set out in Compton Verney's five -year plan, namely:

- 1 To improve, articulate and promote our programme to diverse audiences;
- 2 To enhance our visitor experience;
- 3 To widen our partnerships;
- 4 To finance our future.

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Current challenges and the opportunity

A challenge is to grow income from enterprise and fundraising whilst increasing the public benefit and fulfilling the charitable objectives. Although the endowment left by Sir Peter is an immense asset, Compton Verney depends on earned income for all its programme costs and at the moment the organisation must generate income and undertake fundraising in order to fulfil its purposes.

With fixed costs rising every year, an ever more entrepreneurial approach is needed, with even more creativity in communicating the offer and the charitable cause, attracting support and involving and engaging communities.

The biggest challenge for all cultural and heritage organisations today is to be relevant and inclusive, relating to diverse communities and sparking a sense of meaning and purpose in those who engage with them, on their own terms. The wellbeing and creativity of people of all ages have never been more important. A life-enhancing public role, while caring for the art, architecture, landscape and wildlife at Compton Verney, is the charitable 'cause' that underpins the invitation to visitors. During 2018 CVHT commissioned a VAT review. The final findings are being reviewed with HMRC at the time of filing the accounts, and an allowance has been made in-year.

2018 – the year in review

2018 was a year of change and opportunity for the organisation. This has resulted in a relatively small deficit as a result of a decision not to apply for HMRC MG tax credit. Trading for the year was as expected, with significant public support for the offer at Compton Verney. Succession planning has been important, with the Director, Steven Parissien departing November 2018 and the induction and management of a new Senior Leadership Team. Caroline Collier was appointed as Interim Director, with Julie Finch being appointed in 2018 as the new Director, taking up her role in April 2019.

The opportunities for Compton Verney were managed effectively, highlights include:

- Six exhibitions including the popular *Ravilious and Co., The Marvellous Mechanical Museum, Whistler and Nature*, and a park commission, *March of the Imagination*
- Learning programmes remain popular with 6,400 formal learning visits for Art and Forest School activities and 8,500 instances of participation with families across the galleries and Park
- Forest School remains very popular with 1,950 pupils, 198 teachers and 3,390 instances of participation with families
- Arts Council England (ACE) National Portfolio Organisation (NPO) status securing 4 years of annual funding from Arts Council England of £600,000

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- Significant regional and national press coverage with an Advertising Value Equivalent of £4,951,000, with a potential reach of 142,500,000
- Footfall increasing from 38,000 in 2008 to 93,000 in 2018
- Education participation increased to diversify audiences and offer formal learning opportunities
- Community engagement activity increased offering wellbeing activities
- The £3.4m Heritage Lottery Fund Project (2016-2020) continued during 2018 focusing on community projects, wellbeing activities, Park events, Forest School growth and the development of the second 'Eyecatcher' art commission

Creative & Engagement

Exhibitions

Exhibition visit target for the year: 47,500. Actual 2018: 61,200, (Actual 2017 49,000).

2018 saw another year of ambitious, diverse exhibitions with abroad appeal for all audiences. The programme comprised six exhibitions, five of which were self-generated by the Compton Verney team in collaboration with academics, artists and partner institutions. Major national and regional galleries have continued to generously support our programme, including significant loans from V&A, Tate, Royal Collection and Crafts Council. Exhibition visitor numbers totalled 61,200 - 25% higher than 2017 (49,000). This higher number and the drop-in attendance to the park is partly explained by a change to the ticketing structure.

The spring season opened with *Ravilious & Co*, a touring exhibition from Towner Art Gallery, which explored the influence of Eric Ravilious and his circle, including Enid Marx, and their remarkable impact on British art and design in the 1930s and 1940s. The companion show *Created in Conflict* was based on new research by Professor Holly Furneaux and considered the enduring themes raised by war, including keeping in touch with home, patriotism, loyalty and the treatment of veterans through a showcase of artwork made by British Armed Forces personnel.

A family friendly summer show, *The Marvellous Mechanical Museum*, showcased a host of historic and contemporary mechanical marvels. Based on the popular mechanical exhibitions of the eighteenth century, which questioned the very nature of reality, artifice and illusion, the show brought together clockwork novelties, Fabergé elephant automata and moving sculpture from 1600 to the present day. It included 7 new commissions by 5 contemporary artists including Ting-Tong Chang, Harrison Pearce and Stuart Patience. In addition, *Rodney Peppé's World of Invention* offered a fascinating insight into Rodney Peppé's creative career as a toy and automata maker, children's author and illustrator, and graphic designer and artist. The exhibition presented artworks from Peppé's

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early career in the 1960s, and included a newly commissioned work made especially for this exhibition.

Whistler and Nature launched the autumn programme, again focussing on new academic research. Curated by Dr Patricia de Montfort of the Hunterian (University of Glasgow) the exhibition re-examined J A M Whistler's work in the context of his family background and his own training as a military mapmaker. These influences shaped Whistler's attitude towards nature and ensured that his singular vision remained underpinned by his enduring kinship with the makers of railroads, bridges and ships, the cornerstones of Victorian wealth and trade.

Whistler and Nature became part of the touring programme, going on to the Fitzwilliam Museum, Laing Art Gallery in Newcastle and the Hunterian in 2019. *The Lost Words* also continued its successful tour, going to The Foundling Museum and Royal Botanic Gardens Edinburgh in 2018 with advance bookings secured for 2019.

This year's ACE funded Park commission, *The March of the Imagination*, was created by the artist duo Musson & Retallick. Illuminating the landscape over three of weekends in the autumn, visitors became part of the installation by following a migration of 4,000 reflective forms, controlling lighting like performers on a stage, peering into a cinematic world and passing through an illuminated landscape into a chapel of sound. The project enabled new relationships with local secondary schools and Children's Centres where children worked with the artists to co-create parts of the final installation and associated programme.

Collections

(Collections and Park visitor target for the year 42,800; actual 2018 24,700 actual 2017 41,100).

The permanent collections were refreshed and enlivened through 2018 with new research, displays and artist interventions.

The popular British Folk Art gallery was transformed and reimagined through a collaboration with artist and illustrator Mark Heard who works across a number of media, producing lithographic and linocut prints, paintings, collages and hand-painted ceramics. Mark created new work inspired by the British Folk Art collection, including a wallpaper produced and sold by St Jude's. The project was supported by the Wolfson Collection, Arts Council England and the Department for Culture and Media & Sport, and Compton Verney Collection Settlement.

In addition, *Six Artists Celebrate*, a collaboration with Coventry University, showcased new work by artists based in the university faculty. Work responded

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to the Marx-Lambert collection of popular art and was displayed throughout the year.

The Unsilencing the Library project continued in the Women's Library with six new curators including Professor Fiona Sampson, author and poet whose major biography of Mary Shelley was published this year and Dr Ozak Esu, winner of the Institution of Engineering and Technology's Young Woman Engineer of the Year (2017) and participants from the Dementia Café.

Park

The 120-acre Park is Compton Verney's largest work of art. In addition to being an enchanting Grade II* listed 'Capability' Brown landscape, it has huge ecological value with growing biodiversity and wildlife habitats.

Work in the Park during 2018 has focussed on quality of presentation, tree management, recording biodiversity and increasing audience engagement.

A major area of work has been the extension and improvement of the car park to increase site capacity and maintain high presentation standards. This also included relocation of Forest School, ceased use of a key storage/working area, and refinement to planting in preparation for the 2019 season.

Planting highlights included significant additional planting throughout autumn and winter, in support of early season interest, with many scented varieties; planting of five oak trees to replace failed specimens; significant crown thinning activity to the lime tree grove and dead wood removal to other specimens throughout the Ice House Coppice.

In 2018, there were confirmed recordings of otter activity, including evidence of a breeding pair, repeated and significant discovery of Barbastelle bats.

The cultural programme has placed greater emphasis on engagement with the Park's biodiversity, supported by HLF, including new bird walks, foraging courses, greater breadth of tours and talks and a National Meadows Day event.

Visitor Engagement

Formal Learning, Public Programming and Community Engagement are central to Compton Verney's mission to inspire the widest possible audience to be creative through art and nature. It covers a huge range of activities across collections, exhibitions and Park.

Formal Learning

Pupils 2018 5,500 (2017 6,300) Teachers 2018 800 (2017 900).

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In 2018, there were 6,300 formal learning visitors from schools, colleges and universities attending the gallery and Park programmes. Forest School history sessions and collections focused workshops have continued to be the most popular, with the majority of pupils coming from primary schools. Numbers have seen a decrease compared to 2017, largely due to a reduction in Forest School sessions to improve health and safety.

The NPO project, *March of the Imagination*, developed relationships with four new secondary schools where 350 students took part in visits to the gallery, followed by 120 in workshops working directly with the artists to co-create imagery for one of the installations.

The China collection continues to grow in popularity for formal learning visits. A project with Discovery Education, a subscription educational resource company, created four short films on the Shang Dynasty which is now part of the National Curriculum. The films showcase the Compton Verney Chinese Collection, providing great exposure for our associated learning programmes (a unique selling point to schools covering this subject).

Public Programme

Family programmes remained popular, ranging from self-directed trails and discovery backpacks to early years Forest School and creative activities in the studio and galleries. In 2018, there were 8,500 instances of participation with families.

Holiday activities were inspired by the exhibition programme and included new partnerships with the armed forces, local STEM ambassadors and artist commissioned workshops. Through a new relationship with Children's Centres, families working with artists co-created the October half term programme and brought 120 new local families to Compton Verney.

Core adult programmes of talks, tours and specialist lectures remained popular. In 2018, new programme trials focussed on nature and biodiversity workshops and talks in the Park, supported by HLF. The Dementia Café continued to be popular with regular monthly attendance and 2018 saw the introduction of Café Connect, a successful pilot project modelled on the structure of the Dementia Café, aimed at addressing issues of rural and social isolation.

Volunteering

150 volunteers contributed 9,292 hours over the year, working across every department - a 1,000-hour growth from 2017. The achievements and valuable contribution of the team was recognised at the West Midlands Volunteering Awards where the Forest School team won two awards: Champions and the Judges' Award for excellence.

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Visitor Experience

Compton Verney participates in the VAQAS (Visitor Attraction Quality Assurance Service) each year. In 2018, the overall score of 90% was maintained, however without an increase to the score, the Gold award from 2017 is an aspiration for 2019.

Fundraising

During 2018, **£297,703** cash-at-bank was received, with an additional **£234,657** in pledges and new money. The majority of this latter sum was the £120,000 awarded to Compton Verney from the Arts Council England's Small Capital Grant, for improvements to its infrastructure, including elements of the car park renovation. The rest consisted mainly of the remainder of the 2018-19 Arts Council England NPO grant and the last interim payment from the Heritage Lottery Fund, both of which will arrive in the first quarter of 2019. Therefore, the total fundraising income for the year was: **£532,360**.

Development at Compton Verney found itself at a juncture during this year. It was in the final stages of the aforementioned Heritage Lottery funding for the restoration of the park and landscape and other than the various Arts Council England grants, work carried out over the past couple of years on the viability of future capital projects did not come to fruition.

This year also offered Compton Verney the chance to truly embed the Arts Council National Portfolio Organisation (NPO) status institution-wide and allowed the Senior Leadership Team to start identifying some key priority.

Marketing and Communications

General Admission & Memberships

The ticketing structure in 2018 changed to limit the availability of the Collection and Park Day ticket to periods when exhibitions were not being shown, which has resulted in a significant shift in the composition of Compton Verney's footfall and admissions income. The Annual Pass (and exhibition upgrade option), Silver Membership and Gold Membership remained the same as in previous years. Sales of new Annual Passes and renewals were significantly lower than in 2017, likely due to a strong focus on events in the Park in the previous year. At the end of December 2018, there were 7,334 Gold and Silver members; an increase of 12% compared to 2017.

Email

Due to the implementation of new General Data Protection Regulations, the main email marketing list reduced from 10,646 to 3,217. However, through 46

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campaigns we sent 210,624 emails, with a successful delivery rate of over 98%. The average open rate was 39.3% (a 3.7% increase on the previous year, and 13.3% higher than the industry average [1]), and a click-through rate of 6.1% (a 2.5% increase on the previous year).

Social Media

Followers have increased significantly across all social media channels, with a combined following of over 20,000 across Facebook, Twitter and Instagram. In 2018, impressions of posts on Facebook have exceeded 1,900,000, and on Twitter are in excess of 560,000.

Website

The website's homepage and site navigation has been continually monitored and adjusted to optimise user experience. There were 260,438 sessions by 195,814 users in 2018, this compares to 233,686 sessions and 161,881 users in 2017. Sales conversion rates are unavailable to us, due to the online shop being hosted by M-Store's own server, to which we do not yet have access.

Google Adwords

We have re-established our Google Adwords account that, as a charity, entitles Compton Verney to \$30,000 of advertising via Google searches each year. The team received training on how to use this and are putting their skills into action.

Partnerships & Promotions

Compton Verney has maintained its membership of the local Destination Management Organisation, Shakespeare's England, and the team has been assessing its effectiveness and value for money. Compton Verney continues to accept their Visitor Pass as a method of admission, and is part of their corporate subsidiary, promoting the wedding and hire business.

Compton Verney's relationship with Chiltern Railways has also continued, providing free train travel for journalists to press days. The organisation continued to offer a number of discounted admission offers via Art Fund's Art Pass, the Gardener's World 2 for 1 pass, English Heritage's membership scheme, and Tesco Club vouchers, among others.

Press

The Advertising Value Equivalent of press coverage in 2018 was £4,951,000, with a potential reach of 142,500,000. This compares to £3.9 million AVE and a reach of 147,600,000 in 2017.

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Commercial Activities

Hire & Events

During the year, Compton Verney hosted 24 weddings and 24 corporate events, 12 private parties, and one filming event, generating £178,000 of hire income. There were over 4,000 attendees to private hire events.

Highlights of the year included hosting an evening event for 200 for the Association of Independent Museums annual conference, contributing significantly to our profile and reputation within the industry. The BBC filmed scenes for *Shakespeare and Hathaway* in November, which was screened in early 2019. Middlebury College also returned in June for another educational development week, and plan to continue their relationship with Compton Verney in future years. The team has been reviewing ways to improve customer service and in 2018 chose to quote for the total cost of weddings (both the hire of Compton Verney and the use of Catering) as opposed to just hire.

Retail

Retail had a very successful year, with a 10% increase in income and 42% gross profit. Spend per head increased from £2.41 in 2017 to £2.75 in 2018. Successful products included Ravillious themed publications, greeting cards and membership gift packs.

Amadeus

2018 was the second full year of our catering partnership with Amadeus, the trading arm of NEC. Sales in our café "the Compton Kitchen" rose by 12% reflecting the work on counter flow, staff training and amendments to the food offering. Catering at events sales increased by 15%.

Financial Review

Total Income

Total income in the year amounted to £3,110,000, a reduction of £260,000 on 2017 income of £3,370,000.

The 8% change in income on last year is due to a £450,000 reduction in income from grants and donations, partly offset by increases of £30,000 in charitable income and £160,000 in other trading activities.

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Donations, Grants and Legacies

Donation, Grant and legacy income of £1,820,000 in 2018 is £450,000 less than 2017 income of £2,270,000.

Our main donor is the Compton Verney Fund, who donated £1,400,000 in 2018. The total CVF donation in 2017 was £1,830,000 to CVHT, with lower annual endowment funding of £1,250,000 and the last of the challenge matched funding donations of £580,000.

In 2018 Compton Verney continued to receive the generous support of the Heritage Lottery Fund for work in the Landscape and Park totalling £129,000. The organisation received £150,000 of income from Arts Council England as part of the band 1 NPO status. This funding supported our project for Compton Verney's Landscape, a canvas for future growth. Further funding from Arts Council England of £58,000 supported the Folk Art re-display as well as the addition of the bespoke acoustic panels in the café. 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 £601,000 a 4% increase on charitable income of £578,000 in 2017.

2018 saw the continuation of the trend for visitors to take our annual Memberships rather than pay on the day. Membership income (£180,000) has increased by 20%, whilst day ticket sales (£421,000) have declined by 2%.

Income from Other Trading Activities & Investments

Income from other trading activities amounted to £677,000 in 2018 (£517,000 in 2017) an increase of 24%.

Retail sales in the shop increased by £20,000 on 2017 and despite lower footfall than last year the spend-per-head in the shop rose from £2.41 to £2.72 in 2018.

Hire and on-site Catering income was static for the year at £178,000.

New income streams included; rental income generated from the purchase of the Garden House property in December 2017, that realised £27,000 in 2018. Event catering income of £185,000 was charged to customers on behalf of Amadeus, so costs also increased by £185,000.

Other sources of commercial income included touring exhibition income of £15,000, for the very successful Lost Words exhibition and educational activities brought in £26,000.

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Barclays bank interest for the current account was £5,000 for the year.

Expenditure

Total expenditure in 2018 was £3,532,000, an 9% increase of £288,000 on 2017 costs of £3,244,000.

Increase in costs includes investments in staff (+£80,000 +6%), "special exhibitions" (+£120,000 +171%) and depreciation (+£30,000 +14%). There were annual cost inflation pressures in utilities (+£40,000 +25%), maintenance (+£20,000 +18%), and recruitment/training (+£17,000 +130%). Change in sales to Events increased costs by £140,000 (and income). There was a reduction in spend in two key areas; HLF activity (- £59,000 -70%), professional and legal fees (-£40,000 -48%).

Major Capital Projects

During the year, £50,000 was spent on the initial stage of the new car park (estimated total spend £600,000), and £50,000 on the driveway and forecourt including improving the drainage and a further £10,000 on fabrication projects. The final retention for the Welcome Centre of £45,000 was also spent, as well as £12,000 on a new radio system and £17,000 for a ride on mower. Other smaller projects cost £29,000.

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.

As at 31 December 2018 Compton Verney held the following reserves:

- An unrestricted general fund of £800,000 to cover approximately three to four months' net operational requirements.

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- 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 2018 was £23,434,000.
- 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 £3,176,000 (down from £3,536,000 in 2017).

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.

VAT

CVHT has commissioned a VAT review, an initial report in February 2019 highlighted further areas for exploration. Work is underway to address the anomalies that have been identified working with specialists. This review has highlighted a potential VAT liability. HMRC has been notified of the circumstances surrounding this. The Trust has made the case to HMRC of the current tax treatment to be followed. However, the Trust considers for financial reporting purposes that it is prudent to estimate the VAT position, should HMRC not agreed to maintain the current position.

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 £2,662,639 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. In addition, bank balances generated investment income of just over £5,000 in 2018.

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.

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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 the vision for Compton Verney and can work with all its stakeholders.

Governors are generally appointed for a term of up to four years, which is set to conclude at the end of the (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. The next major step for the Board is to recruit a new Chair in 2019 and to continue to increase Board diversity in order to reflect the organisation's existing and potential audience.

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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 still the risk around future income targets and as such investment continues to be made in programming, marketing and visitor facilities such as the improved car park, to support a strategy of increasing visits and participation, financed in part by the 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.

The 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

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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

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charity in Stratford, is a fellow of Royal Society of Arts and chairs the private-public consultative body Stratford Vision.

Samantha Henney

Samantha Henney is the Commercial Director for the Bodleian Libraries at the University of Oxford since June 2018. Prior to this she was a freelance marketing and communications specialist to the arts, leisure and entertainment industries.

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, 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.

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.

Lydia Thomas

Lydia Thomas has spent the majority of her career in public sector broadcasting, originally as a producer and presenter, and most recently for the BBC and the BBC Trust, the corporation's former governing body. With wide-ranging interests in the arts and culture, she has both grant-making and fundraising experience in the third sector including setting up the former BBC Wildlife Fund. Based in Warwickshire for the last 25 years while raising her family, Lydia has

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also held public appointments with Ofcom, as Chair of the Advisory Committee on Older and Disabled People; and the Big Lottery Fund, as the Midland representative on the England committee. She has served on a number of advisory committees including the British Medical Association Patient Liaison Group and The Wellcome Trust arts and science funding committee. She is a Fellow of the Royal Society of Arts, and a long-term member of the Spinal Injuries Association. Lydia graduated in History from University College, Cardiff.

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 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 Director of Finance and Planning 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.

Compton Verney House Trust

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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 Collections Settlement (CVCS) and the Compton Verney Fund (CVF), all founded by Sir Peter Moores. Compton Verney Fund (CVF), is a wholly owned subsidiary for CVHT.

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.

Compton Verney House Trust

Governors' Annual Report

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Staffing

During 2018 CVHT engaged an average of 29 employees on permanent contract; 51 employees on seasonal (March-December) contracts and 105 volunteers. The on-site caterers also employed permanent and casual staff in the café.

2018 saw the departure of Dr Steven Parissien, Compton Verney's Director. While a new Director was recruited, an Interim Director, Caroline Collier, was appointed and the Senior Leadership team began to be established, alongside the Senior Management Team, Julie Finch, Compton Verney's new Director, will take up her position in April 2019.

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 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

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- 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.

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 23 August 2019 and signed on their behalf by

Kirsten Suenson-Taylor
Chair

Compton Verney House Trust

Independent auditor's report

For the year ended 31 December 2018

Independent auditor's report to the governors 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 2018 which comprise the consolidated and parent charity 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 2018 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 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 where:

- 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

Compton Verney House Trust

Independent auditor's report

For the year ended 31 December 2018

accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 (Accounts and Reports) Regulations 2008 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.

Compton Verney House Trust

Independent auditor's report

For the year ended 31 December 2018

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.

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

Compton Verney House Trust

Independent auditor's report

For the year ended 31 December 2018

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.

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.

29 October 2019

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 2018

	Note	Unrestricted £	Restricted £	2018 Total £	Unrestricted Restated £	Restricted £	2017 Total Restated £
Income from:							
Donations and legacies	2	1,606,127	216,831	1,822,958	1,911,427	361,910	2,273,337
Charitable activities							
Public displays of art collections	3	600,696	-	600,696	578,004	-	578,004
Other trading activities	4	677,013	-	677,013	510,511	6,935	517,446
Investments		5,297	-	5,297	1,360	-	1,360
Total income		2,889,133	216,831	3,105,964	3,001,302	368,845	3,370,146
Expenditure on:							
Raising funds:							
Fundraising costs		306,275	-	306,275	169,389	-	169,389
Trading activities		654,137	-	654,137	613,830	-	613,830
Charitable activities		-	-	-	-	-	-
Public displays of permanent collections		1,805,990	50,000	1,855,990	1,796,786	28,626	1,825,412
Special exhibition/project costs		551,977	164,531	716,508	297,970	338,219	636,188
Total expenditure	5	3,318,378	214,531	3,532,909	2,877,974	366,845	3,244,819
Net income before net gains on investments		(429,246)	2,300	(426,946)	123,327	2,000	125,327
Net gains / (losses) on investments		25,992	-	25,992	342,854	-	342,854
Net income / (expenditure)	6	(403,254)	2,300	(400,954)	466,181	2,000	468,181
Transfers between funds	21	-	-	-	-	-	-
Net movement in funds		(403,254)	2,300	(400,954)	466,181	2,000	468,181
Reconciliation of funds:							
Total funds brought forward		27,833,885	2,000	27,835,885	27,367,703	-	27,367,703
Total funds carried forward	21	27,430,631	4,300	27,434,931	27,833,885	2,000	27,835,885

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 2018

	Note	The group 2018 £	2017 Restated £	The charity 2018 £	2017 Restated £
Fixed assets:					
Tangible assets	11	23,434,202	23,442,470	23,434,202	23,442,470
Investments	12	2,662,639	3,736,647	2,662,639	3,736,647
		26,096,841	27,179,117	26,096,841	27,179,117
Current assets:					
Stock	15	30,308	28,468	30,308	28,468
Debtors	16	306,825	989,380	320,319	962,574
Cash at bank and in hand		2,184,331	703,323	2,114,658	673,745
		2,521,464	1,721,171	2,465,285	1,664,787
Liabilities:					
Creditors: amounts falling due within one year	17	1,183,375	1,064,403	1,127,196	1,008,020
		1,338,089	656,768	1,338,090	656,767
Net current assets					
		27,434,931	27,835,885	27,434,931	27,835,885
Total assets less current liabilities					
		27,434,931	27,835,885	27,434,931	27,835,885
Total net assets					
		27,434,931	27,835,885	27,434,931	27,835,885
Funds:					
Restricted income funds	21	4,300	2,000	4,300	2,000
Unrestricted income funds:					
Designated funds		26,630,087	27,036,058	26,630,087	27,036,058
General funds		800,543	797,826	800,543	797,826
Total unrestricted funds		27,430,631	27,833,885	27,430,631	27,833,885
Total charity funds	20	27,434,931	27,835,885	27,434,931	27,835,885

Approved by the Board of Governors on 23 August 2019 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 2018

	Note	2018	2017
		£	£
Cash flows from operating activities	22		
Net cash (used in) / provided by operating activities		587,391	(104,631)
Cash flows from investing activities:			
Dividends, interest and rents from investments		5,297	1,360
Purchase of fixed assets		(211,678)	(1,342,102)
Purchase of investments		-	(1,500,000)
Net cash provided by / (used in) investing activities		<u>(206,381)</u>	<u>(2,840,742)</u>
Change in cash and cash equivalents in the year		381,010	(2,945,373)
Cash and cash equivalents at the beginning of the year		703,322	3,648,695
Change in cash and cash equivalents due to exchange rate movements		-	-
Cash and cash equivalents at the end of the year	23	<u><u>1,084,332</u></u>	<u><u>703,322</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.

m) Investments in subsidiaries

Investments in subsidiaries are at cost.

n) 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.

o) 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.

p) 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)**q) 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.

r) 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 £	2018 total Total £	2017 Total £
Donations (see note 2a)	1,444,201	3,120	1,447,321	1,905,419
Grants (See note 2b)	161,926	213,711	375,637	340,518
Legacies	-	-	-	27,400
	<u>1,606,127</u>	<u>216,831</u>	<u>1,822,958</u>	<u>2,273,337</u>

2a Donations

	Unrestricted £	Restricted £	2018 total Total £	2017 Total £
Compton Verney Fund – Endowment Funding	1,400,000	-	1,400,000	1,250,000
Compton Verney Fund – Challenge Matched Funding	-	-	-	580,474
Other donations	44,201	3,120	47,321	74,945
	<u>1,444,201</u>	<u>3,120</u>	<u>1,447,321</u>	<u>1,905,419</u>

In the prior year other donations of £21,392 were restricted, all other donations in this note were unrestricted.

Compton Verney House Trust

Notes to the financial statements

For the year ended 31 December 2018

2b Grants received

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Heritage Lottery Fund	-	128,661	128,661	238,960
Compton Verney Collection Settlement	-	14,000	14,000	3,000
Rural Payments Agency	10,676	-	10,676	9,377
Art Fund	-	-	-	1,275
Finnis Scott Foundation	-	-	-	3,000
Paul Mellon	-	3,000	3,000	-
Digital, Culture, media & Sport	-	36,000	36,000	-
Rowlands Trust	-	1,000	1,000	-
Children and the Arts	-	-	-	9,140
Arts Council England	150,000	20,350	170,350	53,975
Warwickshire County Council	-	-	-	1,500
Bonham Carter	-	2,000	2,000	-
Country Houses Foundation	-	-	-	11,500
Saintbury Trust	-	4,000	4,000	4,000
The Leche Trust	-	-	-	-
Other Grants (under £1,500)	1,250	4,700	5,950	4,791
Total	161,926	213,711	375,637	340,519

In the prior year all grants received were restricted.

3 Income from charitable activities

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
<i>Public display of permanent collections:</i>				
Gallery grounds and admissions	573,615	-	573,615	555,604
<i>Gallery grounds and admissions – other</i>	<i>393,954</i>	<i>-</i>	<i>393,954</i>	<i>407,363</i>
<i>Membership</i>	<i>179,661</i>	<i>-</i>	<i>179,661</i>	<i>148,241</i>
Talks and lectures	27,081	-	27,081	22,399
Total income from charitable activities	600,696	-	600,696	578,004

In the prior year all income from charitable activities was unrestricted

4 Income from other trading activities

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Shop turnover	236,766	-	236,766	216,277
Educational activities	26,207	-	26,207	30,523
Hire & Onsite Catering	178,489	-	178,489	179,301
Catering income	185,127	-	185,127	23,757
Property Rental	26,900	-	26,900	-
Fundraising events income	-	-	-	33,169
Touring Income	15,030	-	15,030	15,836
Support for Womens Library	-	-	-	6,935
Sundry income	8,494	-	8,494	11,649
Total	677,013	-	677,013	517,446

In the prior year sundry income of £6,935 was restricted, all other income in this note was unrestricted.

Compton Verney House Trust

Notes to the financial statements

For the year ended 31 December 2018

5a Analysis of expenditure

	Charitable activities					2018 Total £	2017 Total Restated £
	Cost of raising funds £	Public display of permanent collections £	Special exhibitions/ projects £	Governance costs £	Support costs £		
Staff costs (Note 7)	324,808	532,147	45,757	33,365	439,991	1,376,067	1,238,142
Consultancy – temporary staff cover	-	-	-	-	22,968	22,968	81,136
Cost of sales and exhibitions	159,151	-	391,702	-	-	550,852	497,512
Cost of sales of catering	182,521	-	-	-	-	182,521	-
Utilities	-	187,286	-	-	477	187,763	149,696
Insurance	-	72,282	-	3,099	1,883	77,264	65,769
Security	-	114,806	-	-	-	114,806	108,075
Marketing	-	-	4,193	-	99,638	103,831	113,997
Telephone/postage/stationery	-	-	-	-	25,044	25,044	28,192
Travel/subsistence/entertaining	6,460	5,582	-	-	15,794	27,836	25,287
Maintenance	-	127,871	-	-	10,935	138,805	117,610
Information technology	-	-	-	-	42,667	42,667	40,426
Cleaning	-	73,242	-	-	-	73,242	75,345
Consultancy/professional fees	-	-	-	-	45,088	45,088	85,102
Recruitment/training	-	-	-	-	29,325	29,325	12,781
Governors' expenses	-	-	-	766	-	766	555
Auditors' remuneration	-	-	-	23,750	-	23,750	11,750
General rates	-	-	-	-	23,213	23,213	16,166
Volunteers' expenses/temporary staff	-	-	-	-	16,356	16,356	14,218
Other expenses	3,808	47,150	41,409	-	-	92,367	80,514
Storage	-	1,766	-	-	1,950	3,716	4,939
Signage & print	9,038	3,875	-	-	-	12,913	15,622
Depreciation	-	-	-	-	219,947	219,947	192,983
Write off of fixed assets	-	-	-	-	-	-	-
Grounds restoration	-	-	26,169	-	-	26,169	84,486
Irrecoverable VAT on charitable activities	-	66,794	48,839	-	-	115,633	184,518
	685,786	1,232,799	558,069	60,980	995,275	3,532,909	3,244,819
Support costs	258,772	587,212	149,291	-	(995,275)	-	-
Governance costs	15,855	35,978	9,147	(60,980)	-	-	-
Total expenditure 2018	960,412	1,855,990	716,508	-	-	3,532,909	3,244,819
Total expenditure 2017	783,219	1,825,412	636,188	-	-	3,244,819	

Compton Verney House Trust

Notes to the financial statements

For the year ended 31 December 2018

5b Analysis of expenditure (prior year)

	Charitable activities					2017 Total Restated £	2016 Total Restated £
	Cost of raising funds £	Public display of permanent collections Restated £	Special exhibitions/ projects Restated £	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	-	555	455
Auditors' remuneration	-	-	-	11,750	-	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
Irrecoverable VAT on charitable activities	-	108,989	75,529	-	-	184,518	510,846
	495,843	1,173,289	470,395	44,649	1,060,644	3,244,819	3,948,748
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	1,825,412	636,188			3,244,819	3,948,748
Total expenditure 2016	767,983	2,142,574	1,038,191	-	-	3,948,748	

Compton Verney House Trust

Notes to the financial statements

For the year ended 31 December 2018

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):	2018 £	2017 £
Depreciation	219,947	192,983
Trustees' indemnity insurance	3,099	3,039
Trustees' remuneration	-	-
Trustees' reimbursed expenses	766	555
Loss on disposal of fixed assets	-	-
Operating lease rentals:		
Other	1,531	1,491
Auditors' remuneration (excluding VAT):		
Audit 2018	12,650	11,750
Audit 2017 (Prior Year)	2,600	-
Audit 2016 (Prior Year)	2,500	-
Other services	6,000	-

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

Staff costs were as follows:

	2018 £	2017 £
Salaries and wages	1,246,273	1,116,552
Social security costs	95,811	83,773
Employer's contribution to defined contribution pension schemes	33,983	37,817
	1,376,067	1,238,142
Consultancy – temporary staff cover	22,968	81,136
	1,399,035	1,319,278

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

	2018 No.	2017 No.
£60,000 – £69,999	-	-
£70,000 – £79,999	-	-
£80,000 – £89,999	1	-
£90,000 – £99,999	-	-
£100,000 – £109,999	-	-
£110,000 – £119,999	-	1

The total employee benefits including employer's pension contributions and employer's national insurance of the key management personnel were **£306,534** (2017: £366,284).

The Board of Governors were not paid nor received any other benefits from employment with the charity in the year (2017: £nil). No member of the Board of Governors received payment for professional or other services supplied to the charity (2017: £nil).

Board of Governors' expenses represents the payment or reimbursement of travel and subsistence costs totalling £766 (2017: £552) incurred by 5 (2017: 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:

	2018 No.	2017 No.
Raising funds	7	6
Public display of collections	51	46
Support	27	25
Governance	2	1
	87	78

9 Related party transactions

Compton Verney House Trust receives endowment income annually from the Compton Verney Fund. In 2018 Compton Verney received £1.4 million (2017: £1.25 million).

Compton Verney House Trust match funding from the Compton Verney Fund ceased in 2018. In 2017 Compton Verney received 2017: £0.58 million.

A number of Governors have voluntarily contributed to the benefactor schemes. Further details of the Related Party organisation are included in the Governors Report.

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:

	2018 £	2017 £
UK corporation tax at 20% (2017: 20%)	-	-

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

	Main Compton Verney land and estate £	New Buildings and Fit Out Costs £	Plant & machinery £	Fixtures, Fittings & Motor Vehicles £	Total £
Cost					
At the start of the year	20,417,043	4,177,113	390,497	411,954	25,396,606
Transfers	-	-	-	-	-
Additions in year	-	165,124	39,746	6,809	211,678
Disposals in year	-	-	-	-	-
At the end of the year	20,417,043	4,342,237	430,243	418,762	25,608,284
Depreciation					
At the start of the year	-	1,340,393	289,537	324,206	1,954,136
Transfers	-	-	-	-	-
Charge for the year	-	133,502	45,073	41,371	219,947
Eliminated on disposal	-	-	-	-	-
At the end of the year	-	1,473,895	334,610	365,577	2,174,083
Net book value					
At the end of the year	20,417,043	2,868,342	95,632	53,185	23,434,202
At the start of the year	20,417,043	2,836,720	100,960	87,748	23,442,470

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 prior year to distinguish between the main Compton Verney estate and any later freehold land and buildings acquired.

New Build and Fit Out costs includes a cost of £48,357 for the car park – which is an asset under construction. No depreciation has been charged in the year on this asset.

All of the above assets are used for charitable purposes.

12 Listed investments

	The group		The charity	
	2018	2017	2018	2017
	£	£	£	£
Fair value at the start of the year	3,736,647	1,893,795	3,736,647	1,893,795
Additions at cost	-	1,500,000	-	1,500,000
Disposal proceeds	(1,100,000)	-	(1,100,000)	-
Net gain / (loss) on change in fair value	25,992	342,852	25,992	342,852
	2,662,639	3,736,647	2,662,639	3,736,647
Fair value at the end of the year				
	1,900,000	3,000,000	1,900,000	3,000,000
Historic cost at the end of the year				

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:

	2018	2017
	£	£
Turnover	654,332	442,846
Turnover from sales to parent undertaking	-	-
Cost of sales	(325,846)	(203,729)
Cost of sales related to purchases from parent undertaking	-	-
Gross profit	328,486	239,117
Administrative expenses	(14,286)	(4,613)
Management Charge from parent undertaking	(118,975)	
Other operating income	-	(8,500)
Profit / (loss) on ordinary activities	195,225	226,004
Taxation on profit on ordinary activities	-	-
Total comprehensive income for the financial year	195,225	226,004
Changes in equity		
Total equity brought forward	2	2
Total comprehensive income for the year	195,225	226,004
Gift aid distribution to parent charity	(195,225)	(226,004)
Total equity carried forward	2	2
The aggregate of the assets, liabilities and funds was:		
Assets	126,550	95,559
Liabilities	(126,548)	(95,557)
Funds	2	2

Amounts owed to the parent undertaking £70,062 (2017 – £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:

	2018 £	2017 £
Gross income	2,765,832	2,927,301
Result for the year	(426,946)	426,696

15 Stock

	The group		The charity	
	2018	2017	2018	2017
Finished goods	30,308	28,468	30,308	28,468

16 Debtors

	The group		The charity	
	2018 £	2017 £	2018 £	2017 £
Trade debtors	48,316	65,323	5,033	12,207
Other debtors	79,329	229,550	79,329	216,686
VAT	38,461	23,526	29,866	27,501
Amount due from group undertaking	–	–	70,062	35,198
Prepayments and accrued income	140,720	670,981	136,029	670,981
	306,825	989,380	320,319	962,574

17 Creditors: amounts falling due within one year

	The group		The charity	
	2018 £	2017 Restated £	2018 £	2017 Restated £
Trade creditors	71,258	96,519	60,148	68,675
Taxation and social security	31,254	45,811	31,254	45,811
Accruals and deferred income	1,080,863	922,073	1,035,794	893,533
	1,183,375	1,064,403	1,127,196	1,008,020

18 Deferred income

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

	The group		The charity	
	2018 £	2017 £	2018 £	2017 £
Balance at the beginning of the year	36,199	47,943	9,533	20,282
Amount released to income in the year	(25,467)	(38,797)	(1,862)	(15,093)
Amount deferred in the year	37,961	27,053	269	4,344
Balance at the end of the year	48,693	36,199	7,940	9,533

19 Pension scheme

As at 31 December 2018 contributions amounting to £4,861 (2017: £4,613) were outstanding or owed to the defined contribution pension schemes. At the year end the Aegon administered pension schemes had a total of 36 active members (2017: 39 active members).

Compton Verney House Trust

Notes to the financial statements

For the year ended 31 December 2018

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

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	-	23,434,202	-	23,434,202
Investments	-	2,662,639	-	2,662,639
Net current assets	800,543	533,246	4,300	1,338,089
Net assets at 31 December 2018	800,543	26,630,087	4,300	27,434,930

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

	General unrestricted £	Designated funds Restated £	Restricted funds £	Total funds Restated £
Tangible fixed assets	-	23,442,470	-	23,442,470
Investments	-	3,736,647	-	3,736,647
Net current assets	797,826	(143,059)	2,000	656,767
Net assets at 31 December 2017	797,826	27,036,058	2,000	27,835,885

21a Movements in funds (current year)

	At 1 Jan 2018 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 Dec 2018 £
Restricted funds:					
Park restoration project	-	128,661	(128,661)	-	-
Gallery redisplay	-	50,000	(50,000)	-	-
Exhibition funding	-	6,000	(4,000)	-	2,000
Art for Café Walls / Sensory Wall	-	15,250	(14,750)	-	500
CRM Funding	-	5,600	(5,600)	-	-
Endowment	2,000	-	-	-	2,000
Café Connect	-	1,200	(1,200)	-	-
Forest School	-	1,000	(1,000)	-	-
Dementia Café	-	2,120	(2,120)	-	-
Art Space & Arts Connect	-	5,000	(5,000)	-	-
Ice House Capital Repairs	-	2,000	(2,000)	-	-
Pigment Garden	-	-	(200)	-	(200)
	-	-	-	-	-
Total restricted funds	2,000	216,831	(214,531)	-	4,300
Unrestricted funds:					
Designated funds:					
Building and gallery fund	23,442,470	-	-	(8,269)	23,434,201
Arts Council NPO	-	150,000	(133,902)	-	16,098
Christina Lee	30,000	-	(26,455)	-	3,545
Elizabeth Coxon	27,400	-	(27,400)	-	-
Building and gallery sustainability fund	3,536,188	-	-	(359,944)	3,176,244
Total designated funds	27,036,058	150,000	(187,757)	(368,213)	26,630,088
General funds	797,826	2,765,125	(3,130,621)	368,213	800,543
Total unrestricted funds	27,833,885	2,915,125	(3,318,378)	-	27,430,631
Total funds at 31 Dec 2018	27,835,885	3,131,956	(3,532,909)	-	27,434,931

The negative fund balance on the Pigment Garden is due to spend in 2018, which will count towards a grant to be awarded in 2019 from Finnis Scott.

21b Movements in funds (prior year)

	At 1 Jan 2017 Restated £	Income & gains Restated £	Expenditure & losses Restated £	Transfers Restated £	At 31 Dec 2017 Restated £
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	4,289,352	-	(184,518)	(568,646)	3,536,188
Total designated funds	26,582,703	57,400	(184,518)	580,473	27,036,058
General funds	785,000	3,286,756	(2,693,456)	(580,473)	797,826
Total unrestricted funds	27,367,703	3,344,156	(2,877,974)	-	27,833,885
Total funds at 31 Dec 2017	27,367,703	3,713,001	(3,244,819)	-	27,835,885

Purposes of restricted funds

HLF continued to fund the Park Restoration Project, with £128,661 2018 investments in engagement activities, staff, Eye Catcher Projects and management costs. The standing collection redisplay of the Folk Art Collection was funded with £36,000 from DCMS and £14,000 from CVCS. Funding for exhibitions included £3,000 for the Whistler Publication, £2,000 for Painting Childhood and £1,000 for Private Views. ACE funded £15,250 towards the costs of installing Jackie Morris themed art work for the cafe walls and a new sensory wall. ACE funded a further £5,600 toward the CRM resilience project (started in 2017). Activity project funding was received for Cafe Connect £1,200, the Forest School £1,000, Dementia Cafe £2,120 and Summer Art Activity £5,000. Capital funding of £2,000 was found towards the rethatching of the Ice House.

Purposes of designated funds

Designated funds represent funds ring-fenced by the Governors for special purposes. The largest fund is the Building and Gallery Fund (£23,442,471 2018) and it shows the value of monies already invested in the development of the gallery, grounds and other fixed assets. The value of the fund reduced by £8,269 in the year – being the difference between capital investments of £211,678 and annual depreciation £219,947.

The second largest fund is the Building & Sustainability fund which has been built up over the past few years with the help of the Matched Funding from 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. In 2016 this fund stood at £4,289,352. In 2017 the Governors chose to spend £1,149,120 on Garden House and Kitchen improvements resulting in the fund falling to £3,536,188. The fund has reduced further in 2018 to £3,176,244.

The Elizabeth Coxon legacy income of £27,400 funded the completion of the Folk Art Redisplay in 2018 and the Christina Lee In Memoriam of £30,000 funded park developments, outdoor learning and music in 2018. A new designated fund was set up in 2018 using the first annual funding from the Arts Council NPO to fund outdoor programming at £150,000 (from Q2 2018 to Q1 2019). At the end of our financial year £16,098 was committed to be spent on commissioning for 2019 activity.

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 £800,543 and was in line with the policy.

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

	2018 £	2017 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(400,954)	652,700
Depreciation charges	219,947	192,983
(Gains)/losses on investments	(25,992)	(342,854)
Dividends, interest and rent from investments	(5,297)	(1,360)
(Profit)/loss on the disposal of fixed assets	-	-
(Increase)/decrease in stocks	(1,840)	11,514
(Increase)/decrease in debtors	682,555	(587,158)
Increase/(decrease) in creditors	118,972	(30,455)
Net cash provided (used in)/ by operating activities	587,391	(104,631)

23a Analysis of cash and cash equivalents

	At 1 January 2018 £	Cash flows £	Other changes £	At 31 December 2018 £
Cash at bank and in hand	703,322	381,010	-	1,084,332
Notice deposits (less than 3 months)	-	-	-	-
Overdraft facility repayable on demand	-	-	-	-
Total cash and cash equivalents	703,322	381,010	-	1,084,332

23b Analysis of cash and cash equivalents (prior year)

	At 1 January 2017 £	Cash flows £	Other changes £	At 31 December 2017 £
Cash at bank and in hand	3,648,695	(2,945,373)	-	703,322
Notice deposits (less than 3 months)	-	-	-	-
Overdraft facility repayable on demand	-	-	-	-
Total cash and cash equivalents	3,648,695	(2,945,373)	-	703,322

24 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 2018 £	2017 £
Less than 1 year	1,093	1,491
1 – 5 Years	1,391	2,484
	2,484	3,975

25 Capital commitments

At the balance sheet date, the group had no commitments in respect of capital projects £550,000 (2017: £Nil).

26 Prior period restatement

The VAT position of the Trust has been reviewed. This review has highlighted a potential VAT liability, HMRC has been notified of the circumstances surrounding this. The Trust has made the case to HMRC of the current tax treatment to be followed. However, the Trust considers that for financial reporting purposes it is prudent to estimate the VAT position should HMRC not agree to maintain the current position.

A prior year adjustment has been made to restate the Trust's balance sheet and reported results as follows:

	Previously Reported £	Adjustment £	Reported as Restated £
Balance Sheet Impact			
Net assets as 1 January 2017	28,038,464	(670,761)	27,367,703
Net assets as 31 December 2017	28,691,164	(855,279)	27,835,885
SOFA Impact			
Net income/(expenditure) for the year to 31 December 2016	1,987,668	(510,846)	1,476,822
Net income/(expenditure) for the year to 31 December 2017	652,700	(184,519)	468,181