

Company Registration Number 02653428

Charity Number 1006009

**THE HANDEL HOUSE TRUST LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**31 OCTOBER 2021**

# THE HANDEL HOUSE TRUST LIMITED

## FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2021

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# THE HANDEL HOUSE TRUST LIMITED

## REFERENCE AND ADMINISTRATIVE INFORMATION

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

**Charity number** 1006009

**Company registration number** 02653428

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

**President** Christopher Purvis CBE

### Trustees

The Earl of Balfour	2
Harry Bicket	
Victoria Broackes	1, 3
Lucy Le Fanu	
Elizabeth Nicholson (until 22 June 2021)	
Jane Ridley	
Michael Ridley	2, 3
Simon Weil (Chairman)	1, 2, 3
Peter Kerber	2

Claire Davies (appointed 1 October 2021)  
William J Conner  
Robert Dickins (until 5 July 2021)

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

### Auditor

Price Bailey LLP  
Chartered Accountants & Statutory Auditor  
3rd Floor,  
24 Old Bond St,  
Mayfair,  
London  
W1S 4AP

### Investment advisers

Ruffer  
80 Victoria Street  
London  
SW1E 5JL

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

### Bankers

Lloyds TSB plc  
185 Baker Street  
London NW1 6XB

# THE HANDEL HOUSE TRUST LIMITED

## CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2021

The year 2020-21 began in the bleak context of renewed lockdowns caused by the rapid spread of the 'Alpha' variant of coronavirus. The contrast with the summer, in which we had re-opened the museum and welcomed visitors once again was stark. However, through careful management of our resources and use of COVID-19 support through the Job Retention Scheme the Trust has continued to thrive and develop important plans for the future. The Trustees join me in commending the Trust's staff and volunteers for their resilience and hard work during this time.

The Hallelujah Project is the strategic priority for the Trust. This £2.9m capital project will complete the restoration of Handel's home and open it to the public. The ground floor and basement will at last be enjoyed as the great composer's parlours and kitchen; the upper floors will be refurbished; and additional spaces in Number 23 will be open to visitors for the first time. During this year, we achieved the key milestone of securing planning permission. This was a significant step forward for the project, a boost for staff morale and added momentum to our fundraising campaign.

We began a planned closure of the museum, likely to be for 18 months, in September 2021 in order to start work on the Hallelujah Project. Our fundraising continues and we look forward to re-opening the expanded and refurbished museum to visitors in spring 2023.

We were thrilled to finally stage our much anticipated 'Handeliade', a festival of music and Handeliana held at a Georgian country house in the Cotswolds. It was an enlightening and hugely enjoyable festival, and one which we hope to repeat in future years.

Soon after the conclusion of the Handeliade, we said farewell to Elizabeth Nicholson who retired as Director of the Trust. In her five years as Director, Elizabeth has shown outstanding commitment to the Trust. Among her many achievements, successfully navigating the Trust through the pandemic and completing the planning for the Hallelujah Project stand out as particularly important. The Trustees would like to record their gratitude to Elizabeth for her many contributions to the Handel House Trust. We wish her well for the future.

Finally, on behalf of the Board of Trustees I would like to thank our volunteers, donors and supporters for all their assistance, goodwill and support during the year.

*simon weil*

Simon Weil (Jul 14, 2022, 1:06pm)

.....

Signed by SIMON WEIL (CHAIRMAN)

Date: 14 Jul 2022

# THE HANDEL HOUSE TRUST LIMITED

## TRUSTEES' ANNUAL REPORT (INCORPORATING A DIRECTORS' REPORT) FOR THE YEAR ENDED 31 OCTOBER 2021

The Trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements for the year ended 31 October 2021.

### REFERENCE AND ADMINISTRATIVE DETAILS

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

#### The Trustees

The Trustees who served during the year were as follows:

The Earl of Balfour  
Harry Bicket  
Victoria Broackes  
William Conner  
Claire Davies (appointed 1 October 2021)  
Robert Dickins CBE (term completed 5 July 2020)  
Peter Kerber  
Lucy Le Fanu  
Elizabeth Nicholson (term completed 22 June 2021)  
Jane Ridley  
Michael Ridley (Deputy Chairman)  
Simon Weil (Chairman)

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Legal Status

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

#### Organisational structure

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

#### Trustees

Trustees are elected by the Members at meetings during the year and casual vacancies may be filled by the existing trustees. All newly appointed trustees are sent an induction pack that includes information about the charity and their role. There is a Nominations Committee that reviews the tenure of board members, the skills that are required on the board and the succession policy. It makes recommendations to the board on possible future appointments. An information pack is sent to new trustees, which includes an outline of their duties and the organisation's expectations of its board members.

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

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

# THE HANDEL HOUSE TRUST LIMITED

## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 OCTOBER 2021 (continued)

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

### Risk management

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

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

Note: The board continued to monitor closely the impacts of COVID-19 on our business and operations during the year. The Coronavirus Job Retention Scheme mitigated the financial impacts of enforced closure and expectations for income from visitors, retail and events were kept under constant review. The levels of reserves held gave the board confidence in the Trust's ability not only to survive but also to invest in the Hallelujah Project and, therefore, proceeded with a planned closure of the museum at the end of September. .

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

The Trustees highlight the following as the most significant risks to the organisation

Risk	Mitigation
Targets for income are not achieved.	The museum generates income from a variety of earned and raised sources, balancing risk of under performance in any particular revenue stream.
Damage to buildings and collections.	The museum provides training to relevant staff and volunteers responsible for collections and buildings safety, retains outside expertise on fire safety and other risks, and maintains adequate insurance policies.
Damage to the museum's reputation.	The museum maintains a consistent tone of voice across our communications channels and proactively manages relationships with partners and stakeholders.

# THE HANDEL HOUSE TRUST LIMITED

## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 OCTOBER 2021 (continued)

### Mission

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

### ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

The effects of the pandemic continued to be felt during 2021, with government restrictions causing the museum to be closed for much of the year under review. Throughout, we continued to offer our online concerts featuring many wonderful musicians and provided 'lockdown learning' materials to support home schooling.

Having gained possession of the ground floor and basement of No. 25 Brook Street, we saw an opportunity to create something new to offer a fresh welcome to visitors. Artist Iona Rowland created a Jimi Hendrix mural on in the ground floor shop window inspired by Hendrix's home and the life he led from there. It combined references to Hendrix's fashion, record collection, iconic photography and a psychedelic colour palette to create an eye-catching work of art for visitors and passers-by to enjoy. It also led to some brilliant digital content, which can be found on our website.

A further addition to our Hendrix presentation was a recreation of the audio set up he had in the bedroom of the flat he shared with Kathy Etchingham. Our research revealed that Hendrix invested in top quality expensive and powerful audio equipment for his flat. Through the generous support of Bang & Olufsen, Lowther and LEAK we were able to recreate Jimi's set up and experience how he would have listened to his extensive record collection.

We re-opened when government restrictions allowed. Visitors during the summer season were given a new way to experience the museum's stories, by using digital audio room guides recorded by the staff and volunteers during the lock down.

Meanwhile, planning continued at pace for the Hallelujah Project. This £2.9m capital project will complete the restoration of Handel's home by recreating his kitchen and ground floor parlours. Visitors will enter through Handel's front door and enjoy historically informed Georgian interiors and new displays. The Hendrix offer for visitors will be expanded with a new room dedicated to his music on the second floor. The bequest from the Mark Ransom estate, noted in last year's annual report, enabled us to expedite our plans and proceed with confidence.

We were delighted to receive planning permission from Westminster City Council and completed a planned closure of the museum in September. The collection was decanted and put in secure storage and investigations began on the ground floor and basement. As the financial year closed we began our tender process to appoint a main contractor to complete the project.

The finale of the year was undoubtedly the 'Handeliade', a four-day country house festival of all things Handel. Guests were treated to performances by the likes of the Brook Street Band, Emma Kirkby, the English Concert, and Ensemble Molliere and fascinating talks by speakers including Handel's biographer Jonathan Keates, author of 'Handel in London' Jane Glover and the novelist and noted Handel enthusiast Louis de Bernieres. Originally scheduled for 2020, it was a great joy to finally bring together so many devotees of Handel's music in a splendid Cotswold setting.

### PUBLIC BENEFIT

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

# **THE HANDEL HOUSE TRUST LIMITED**

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 OCTOBER 2021 (continued)**

### **PLANS FOR THE COMING YEAR**

The museum will remain closed for all of next year, whilst the Hallelujah Project construction takes place. We expect the contractor to be on site from January 2022 and for the museum to re-open in March 2023. Our programme will, therefore, move off site, and we look forward to staging events including our Christmas Showcase for the Handel House Talent Scheme. In addition, we will consult with our audiences and stakeholders to develop new programming ideas and opportunities for learning and to increase our charitable impact.

### **FINANCIAL REVIEW**

The impact of the pandemic continued to disrupt museum opening arrangements and presented a challenging operating environment. Income from visitor admissions and charitable activities was, therefore, lower than last year at £42,679 (2020: £71,377). Trading income of £10,840 was far lower than last year (2020: £119,178). This reduction is a result of both pandemic-linked business interruption and the loss of rental income following the departure of the retail tenant of the lower floors of 25 Brook Street. From December 2020 we made use of the Coronavirus Job Retention Scheme.

The charity achieved a surplus for the year of £1,530,883 (2020: -£6,785,255) despite the challenging operating environment. We are very grateful to have received £1,294,177 in donations and legacies (2020: £595,535). This included significant funds from the bequest generously left to the Trust by the late Mark Ransom. It was this legacy that gave Trustees the confidence to commence the Hallelujah Project during the year, which was earlier than originally planned. Income will remain depressed whilst the museum is closed for the next 18 months. The surplus we have built up this year will help to fund the operating costs of the museum during this period, as well as the building works.

# THE HANDEL HOUSE TRUST LIMITED

## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 OCTOBER 2021 (continued)

### RESERVES AND INVESTMENT POLICY

The Trust has a designated fund of £7,402,533 (2020: £7,287,597) representing the museum's heritage assets and fixed assets. The heritage assets transferred to the Trust in 2019 from the Handel House Collections Trust represent some £970,102 of this. The other substantial part of this represents the value of a 999-year lease on the building and the investment portion of which has been adjusted to fair value as noted above. The board's policy is to maintain a minimum of eight months' operating expenditure in free reserves, which is between £450,000 and £550,000 at current estimates. The Trust considers free reserves to be unrestricted funds not including the designated funds above. These currently total £2,324,133 (2020:£1,316,618) These funds clearly currently exceed the target level, in prudent anticipation of the forthcoming financial demands of the Hallelujah Project, and potential after-effects of Covid 19 in continuing to suppress visitor income.

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

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

### CONNECTED CHARITIES

The Handel House Trust continues to work closely with its other connected charity, the Handel House Foundation of America, USA. The Foundation provides fundraising and other support for Handel House Trust Limited. Handel House Foundation of America currently has Simon Weil as a common trustee with the Handel House Trust Ltd. Further details of transactions and balances with these connected entities are given in the notes to the financial statements.

### FUNDRAISING REGULATOR AND COMPLIANCE

Fundraising at the Trust is led by the Director with the close involvement of the Trustees. Fundraising performance and methods of engagement of donors and prospective donors is regularly discussed at board meetings. The Trust does not use professional fundraisers and has not worked with a commercial participator during the year. The Director is aware of her responsibilities under the Code of Fundraising Practice. Proactive fundraising is done through applications to charitable foundations or companies and through tailored approaches to individuals who have generally expressed an interest in our work. We protect more vulnerable members in our community of supporters by not issuing appeals using direct marketing methods or telephone fundraising, and we limit our communications in general to an amount a supporter would reasonably expect to receive to keep informed about the charity's activities.

No complaints were received by the charity or a person acting on its behalf about fundraising activities carried out by the charity (2020- none).

### RESPONSIBILITIES OF THE TRUSTEES

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

# THE HANDEL HOUSE TRUST LIMITED

## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 OCTOBER 2021 (continued)

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP FRS102 (2019);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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

In so far as the trustees are aware:

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

### AUDITOR

Price Bailey have expressed their willingness to continue as auditors in the next financial period.

### SMALL COMPANY PROVISIONS

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

14 Jul 2022

Signed on behalf of the trustees on.....

*simon weil*

Simon Weil (Jul 14, 2022, 1:06pm)

.....  
SIMON WEIL (CHAIRMAN)

# THE HANDEL HOUSE TRUST LIMITED

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

### Opinion

We have audited the financial statements of Handel House Trust Limited (the 'charitable company') for the year ended 31 October 2021 which comprise the Statement of Financial Activities incorporating the Income and Expenditure account, the Charitable Company Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including 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 charitable company's affairs as at 31 October 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

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

# THE HANDEL HOUSE TRUST LIMITED

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the trustees' report and from the requirements to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

# THE HANDEL HOUSE TRUST LIMITED

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Charitable Company and the sector in which it operates, and considered the risk of the Charitable Company not complying with the applicable laws and regulations including fraud in particular those regulations directly related to the financial statements, including financial reporting, and tax legislation. In relation to the operations of the Charitable Company this included compliance with the Companies Act 2006, Charities Act 2011 and SORP 2019, GDPR, employment law, fundraising regulator, safeguarding and health and safety.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

Reviewing minutes of Board meetings, reviewing any correspondence with the Fundraising Regulator, Charity Commission, agreeing the financial statement disclosures to underlying supporting documentation, and made enquiries of management and officers of the Charitable Company. We reviewed any procedures in place for the reporting of any incidents to the Trustee Board including serious incident reporting of these matters as necessary with the Charity Commission and a review of legal fees during the period.

Management override: To address the risk of management override of controls, we carried out testing of journal entries and other adjustment for appropriateness. We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates.

Because of the inherent limitations of an audit, there is the risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involved intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.

# THE HANDEL HOUSE TRUST LIMITED

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

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Helena Wilkinson FCA**  
Senior Statutory Auditor

**Price Bailey LLP**  
Chartered Accountants  
Statutory Auditors  
3rd Floor,  
24 Old Bond St,  
Mayfair,  
London  
W1S 4AP

Dated: 15 July 2022

## THE HANDEL HOUSE TRUST LIMITED

### STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 OCTOBER 2021

	Note	Unrestricted Funds £	Designated Funds	Restricted Funds £	Endowment Funds £	Total Funds 2021 £	Total Funds 2020 £
<b>INCOME</b>							
Donations and Legacies	2	1,246,271	-	47,906	-	1,294,177	595,535
Charitable Activities	5	23,638	-	7,461	-	31,099	71,377
Other trading activities	3	10,840	-	-	-	10,840	119,178
Investments & Other income	4	73,233	-	-	-	73,233	2,712
<b>TOTAL INCOME</b>		<b>1,353,982</b>	<b>-</b>	<b>55,367</b>	<b>-</b>	<b>1,409,349</b>	<b>788,802</b>
<b>EXPENDITURE</b>							
Raising funds	6	77,265	-	-	-	77,265	45,382
Charitable activities	7	414,318	-	78,695	-	493,013	507,002
<b>TOTAL EXPENDITURE</b>		<b>491,583</b>	<b>-</b>	<b>78,695</b>	<b>-</b>	<b>570,278</b>	<b>552,384</b>
Net gains/ (losses) on investments transfers	13 21	260,052 -	- -	- -	392,938 -	652,990 -	(7,021,673) -
<b>NET INCOME/ (EXPENDITURE)</b>	9	<b>1,122,451</b>	<b>-</b>	<b>(23,328)</b>	<b>392,938</b>	<b>1,492,061</b>	<b>(6,785,255)</b>
Transfers between funds	10	(114,936)	114,936	-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>1,007,515</b>	<b>114,936</b>	<b>(23,328)</b>	<b>392,938</b>	<b>1,492,061</b>	<b>(6,785,255)</b>
Total funds brought forward		1,316,618	7,287,597	253,018	2,607,060	11,464,293	18,249,548
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>2,324,133</b>	<b>7,402,533</b>	<b>229,690</b>	<b>2,999,998</b>	<b>12,956,354</b>	<b>11,464,293</b>

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

The notes on pages 16 to 28 form part of these financial statements

**THE HANDEL HOUSE TRUST LIMITED**

Company Registration Number 02653428

**BALANCE SHEET AS AT 31 OCTOBER 2021**

	Note	2021 £	2020 £
<b>FIXED ASSETS</b>			
Tangible assets	13	6,432,431	6,331,387
Heritage assets	14	970,102	956,210
Investments	16	4,398,803	3,740,334
		<u>11,801,336</u>	<u>11,027,931</u>
<b>CURRENT ASSETS</b>			
Stocks		11,600	13,955
Debtors	17	1,095,629	297,078
Cash at bank and in hand		<u>147,458</u>	<u>175,768</u>
		1,254,687	486,801
<b>CREDITORS: Amounts falling due within one year</b>	18	<u>(99,669)</u>	<u>(50,439)</u>
<b>NET CURRENT ASSETS</b>		<u>1,155,018</u>	<u>436,362</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		12,956,354	11,464,293
<b>NET ASSETS</b>		<u>12,956,354</u>	<u>11,464,293</u>
<b>FUNDS</b>			
Endowment funds	19	2,999,998	2,607,060
Restricted income funds	20	229,690	253,018
Designated funds	21	7,402,533	7,287,597
Unrestricted income funds	21	2,324,133	1,316,618
<b>TOTAL FUNDS</b>		<u>12,956,354</u>	<u>11,464,293</u>

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

Approved by the trustees and authorised for issue on 14 Jul 2022

and signed on their behalf by:

*simon weil*

Simon Weil (Jul 14 2022 1:06pm)  
SIMON WEIL (CHAIRMAN)

# THE HANDEL HOUSE TRUST LIMITED

## STATEMENT OF CASH FLOWS YEAR TO 31 OCTOBER 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities		101,484	(65,268)
<b>Cash flows from investing activities:</b>			
Investments, dividends and interest income		73,233	2,712
Purchase of fixed assets		(197,548)	-
Purchase of investments		(171,814)	(1,081,134)
Proceeds from the sale of investments		167,610	1,089,071
<b>Net cash provided by investing activities</b>		<b>(128,519)</b>	<b>10,649</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(27,035)</b>	<b>(54,619)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>190,562</b>	<b>245,181</b>
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>163,527</b>	<b>190,562</b>

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

	Current Year £	Prior Year £
<b>Net income/(expenditure) for the reporting period (as per the statement of financing activities)</b>	<b>1,492,061</b>	<b>(6,785,255)</b>
Adjustments for:		
Depreciation	82,612	84,719
(Gains)/losses on investments	(652,990)	7,021,673
Investments, dividends and interest income	(73,233)	(2,712)
Decrease/ (Increase) in debtors	(798,551)	(264,806)
Increase/ (Decrease) in creditors	49,230	(118,250)
Decrease/ (Increase) in stock	2,355	(637)
<b>Net cash provided by/(used in) operating activities</b>	<b>101,484</b>	<b>(65,268)</b>

### Analysis of cash and cash equivalents

		Current Year £	Prior Year £
Cash in hand		147,458	175,768
Cash deposits held within investments	16	16,069	14,794
<b>Total cash and cash equivalents</b>		<b>163,527</b>	<b>190,562</b>

### Analysis of Changes in Net Debt

	At 1 November 2020 £	Cash Flows £	Other non- cash changes £	At 31 October 2021 £
Cash and cash equivalents				
Cash	190,562	(27,035)	-	163,527

# THE HANDEL HOUSE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

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

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

#### **Income**

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

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

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

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

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

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

#### **Investments**

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

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

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

#### **Funds**

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

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

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

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

# THE HANDEL HOUSE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

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

#### **Expenditure**

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

Expenditure on raising funds comprise fundraising and marketing expenditure.

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

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

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

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

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

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

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

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

#### **Investments**

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

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

# THE HANDEL HOUSE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

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

#### **Heritage Assets**

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

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

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

#### **Stock**

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

#### **Operating lease agreements**

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

#### **Foreign currencies**

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

#### **Financial instruments**

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

#### **Debtors**

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

#### **Creditors**

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

#### **Taxation**

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

# THE HANDEL HOUSE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

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

#### Critical accounting estimates and areas of judgement

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

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

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

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

i) current prices in an active market for properties of a different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;

ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and

iii) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

iv) analysis of rental yields against those of published figures.

v) The most recent valuations – which were carried out in October 2017.

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

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

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

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

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

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

# THE HANDEL HOUSE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR TO 31 OCTOBER 2021

### 2 DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Endowment funds	Total Funds 2021 £	Total Funds 2020 £
Handel House Foundation of America	15,620	-	-	15,620	44,490
Donations from individuals	74,696	47,906	-	122,602	233,198
Legacies	1,130,833	-	-	1,130,833	317,847
Grants	25,122	-	-	25,122	
	<u>1,246,271</u>	<u>47,906</u>	-	<u>1,294,177</u>	<u>595,535</u>

£47,906 of donations and legacies reviewed during the year in respect of restricted funds (2020: £137,475).

### 3 OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Rental income	-	-	-	100,910
Shop income	10,840	-	10,840	18,268
	<u>10,840</u>	-	<u>10,840</u>	<u>119,178</u>

All income from other trading activities in 2020 was in respect of unrestricted funds.

### 4 INCOME FROM INVESTMENTS & OTHER INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Income from listed investments	29,677	-	29,677	2,712
Government Grants	43,556	-	-	-
	<u>73,233</u>	-	<u>29,677</u>	<u>2,712</u>

All of income from investment income received in 2020 was in respect of unrestricted funds.  
Government grants consist of the coronavirus job retention scheme and contain no unfulfilled conditions.

### 5 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Admission fees	23,347	-	23,347	50,589
Education	125	-	125	3,790
Exhibitions and events	166	7,461	7,627	16,998
	<u>23,638</u>	<u>7,461</u>	<u>31,099</u>	<u>71,377</u>

All income from charitable activities received in 2020 was in respect of unrestricted funds.

# THE HANDEL HOUSE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR TO 31 OCTOBER 2021

### 6 EXPENDITURE ON RAISING FUNDS

	Unrestricted		Total Funds	Total Funds
	Funds	Restricted Funds	2021	2020
	£		£	£
Fundraising	40,730	-	40,730	7,252
Shop costs	12,338	-	12,338	12,086
Investment management fees	10,714	-	10,714	13,761
Other support costs	13,483	-	13,483	12,283
	<u>77,265</u>	<u>-</u>	<u>77,265</u>	<u>45,382</u>

All expenditure on raising funds spent in 2020 was in respect of unrestricted funds.

### 7 EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs	Support costs	Total 2021
	£	£	£
Museum running expenses	119,779	209,919	329,698
Education	39,927	1,693	41,620
Exhibitions and events	21,960	3,163	25,123
Capital project costs	67,279	730	68,009
Governance costs	1,996	26,567	28,563
	<u>250,941</u>	<u>242,072</u>	<u>493,013</u>

£74,938 (2020: £128,279) of expenditure on charitable activities was in respect of restricted funds.

COMPARATIVE	Direct costs	Support costs	Total 2020
	£	£	£
Museum running expenses	145,032	195,516	340,548
Education	48,344	20,257	68,601
Exhibitions and events	27,044	11,804	38,848
Capital project costs	-	36,244	36,244
Governance costs	2,417	20,344	22,761
	<u>222,837</u>	<u>284,165</u>	<u>507,002</u>

### 8 Support costs

	2021	2020
	£	£
Staff	2,350	7,607
Premises	116,200	120,008
IT Costs	33,778	37,905
Maintenance	24,507	27,130
Marketing	18,247	25,567
Events and exhibition support	3,860	36,750
Finance	16,151	16,114
Other costs	13,895	5,023
Governance costs:		
Legal and professional fees	4,717	1,503
Audit and accountancy fees	13,660	10,150
Other costs	8,190	8,691
	<u>255,555</u>	<u>296,448</u>
<b>Allocation:</b>		
Charitable activities	242,072	284,165
Raising funds	13,483	12,283
	<u>255,555</u>	<u>296,448</u>

# THE HANDEL HOUSE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR TO 31 OCTOBER 2021

### 9 NET INCOME FOR THE YEAR

This is stated after charging:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Depreciation & impairment	82,612	84,719
Auditor's remuneration:		
- audit of the financial statements (exclusive of VAT)	9,350	8,400
- other fees - accountancy and payroll	1,925	1,750
	<u>                    </u>	<u>                    </u>

### 11. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	179,530	206,167
Social security costs	15,603	24,294
Other staff costs	4,502	11,714
	<u>                    </u>	<u>                    </u>
	<u>199,635</u>	<u>242,175</u>

There were no (2020 - none) employees whose emoluments amount to over £60,000.

The key management personnel comprise the trustees and the Director. The total benefits received by key management personnel in the year amounted £27,308 (2020: £34,603).

### 12 EMPLOYEE NUMBERS

The average number of employees during the year was 8 (2020: 8). The number of employees on the basis of full-time equivalents, was as follows:

	<b>2021</b>	<b>2020</b>
	<b>No</b>	<b>No</b>
Museum running	3.7	3.7
Education	0.5	0.5
Fundraising	0.2	0.2
Events	0.6	0.6
Support	1.9	1.9
	<u>                    </u>	<u>                    </u>
	6.9	6.9

# THE HANDEL HOUSE TRUST

## NOTES TO THE ACCOUNTS FOR YEAR TO 31 OCTOBER 2021

### 14 TANGIBLE FIXED ASSETS

	Long leasehold property £	Buildings incl. Learning & exhibitions £	Asset under construction £	Museum fittings £	Musical instruments & antiques £	Computers & office equipment £	Total £
At cost 1 November 2020	4,378,173	1,870,304	90,828	343,869	205,260	109,348	6,997,782
Transfer from investment property	-	-	-	-	-	-	-
Additions	-	590	183,066	-	-	-	183,656
At 31 October 2021	<u>4,378,173</u>	<u>1,870,894</u>	<u>273,894</u>	<u>343,869</u>	<u>205,260</u>	<u>109,348</u>	<u>7,181,438</u>
At 1 November 2020	82,583	175,471	-	309,799	-	98,542	666,395
Charge for the year	7,522	37,418	-	34,070	-	3,602	82,612
At 31 October 2021	<u>90,105</u>	<u>212,889</u>	<u>-</u>	<u>343,869</u>	<u>-</u>	<u>102,144</u>	<u>749,007</u>
At 31 October 2021	4,288,068	1,658,005	273,894	-	205,260	7,204	6,432,431
At 31 October 2020	<u>4,295,590</u>	<u>1,694,833</u>	<u>90,828</u>	<u>34,070</u>	<u>205,260</u>	<u>10,806</u>	<u>6,331,387</u>

### 15 HERITAGE ASSETS

	At valuation 2021 £
Balance at 1 November 2020	956,210
Additions	13,892
Balance at 31 October 2021	<u>970,102</u>

An analysis of the last five years is as follows:

	2021 £	2020 £	2019 £	2018 £	2017 £
Value of acquisitions by donations	-	-	956,210	-	-
Value of acquisitions by purchase	13,892	-	-	-	-
Total capitalised	<u>13,892</u>	<u>-</u>	<u>956,210</u>	<u>-</u>	<u>-</u>

In 2019 the charity was donated a large collection by the Handel House Collection Trust of Handel memorabilia and artifacts, all of which are available for display and preservation at the museum. These items were valued for insurance purposes after donation and held at this valuation as the Trustees best estimate of fair value. More detail on the contents of these assets is in the accounting policies to the accounts.

# THE HANDEL HOUSE TRUST

## NOTES TO THE ACCOUNTS FOR YEAR TO 31 OCTOBER 2021

### 15 INVESTMENTS

	2021	2020
	£	£
Movement in market value		
Market value at 1 November 2020	3,740,334	3,543,276
Additions	171,814	1,081,134
Disposals proceeds	(167,610)	(1,089,071)
Net gains/(losses) on revaluations in the year	652,990	228,327
Movement in cash	1,275	(23,332)
Market value at 31 October 2021	<u>4,398,803</u>	<u>3,740,334</u>
Historical cost at 31 October 2021	<u>2,996,103</u>	<u>2,991,899</u>

At 31 October 2021 the analysis of investments is as follows:

	2021	2020
	£	£
Cash	16,069	14,794
UK Equities	4,382,734	766,637
Overseas Equities	-	831,737
Uk Unit Trusts	-	2,127,166
	<u>4,398,803</u>	<u>3,740,334</u>

### 16 DEBTORS

	2021	2020
	£	£
Trade debtors	12,962	8,688
Other debtors	32,667	20,543
Prepayments and accrued income	1,050,000	267,847
	<u>1,095,629</u>	<u>297,078</u>

# THE HANDEL HOUSE TRUST

## NOTES TO THE ACCOUNTS FOR YEAR TO 31 OCTOBER 2021

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

	2021 £	2020 £
Trade creditors	5,059	3,253
Taxation and social security	11,963	3,149
Deferred income	-	-
Other creditors	33,228	32,547
Accruals	49,419	11,490
VAT	-	-
	<u>99,669</u>	<u>50,439</u>

### Deferred income reconciliation

	2021 £	2020 £
Balance brought forward	-	5,062
Released in the year	-	(5,062)
Received in advance	-	-
Balance carried forward	<u>-</u>	<u>-</u>

### 18 ENDOWMENT FUNDS

	Balance at 1 Nov 2020 £	Income and transfers £	Unrealised investment gains £	Balance at 31 Oct 2021 £
Expendable endowment	2,607,060	-	392,938	2,999,998
	<u>2,607,060</u>	<u>-</u>	<u>392,938</u>	<u>2,999,998</u>

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

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

### COMPARATIVE

	Balance at 1 Nov 2019 £	Income and transfers £	Unrealised investment gains £	Balance at 31 Oct 2020 £
Expendable endowment	-	-	-	-
	<u>2,456,364</u>	<u>-</u>	<u>150,696</u>	<u>2,607,060</u>
	<u>2,456,364</u>	<u>-</u>	<u>150,696</u>	<u>2,607,060</u>

# THE HANDEL HOUSE TRUST

## NOTES TO THE ACCOUNTS FOR YEAR TO 31 OCTOBER 2021

### 19 RESTRICTED INCOME FUNDS

	Balance at 1 Nov 2020 £	Income £	Expenditure £	Transfers £	Gains/losses £	Balance at 31 Oct 2021 £
Music in making	-	-	-	-	-	-
Capital project development phase	253,018	47,906	(74,938)	-	-	225,986
Art fund	-	7,461	(3,757)	-	-	3,704
	<u>253,018</u>	<u>55,367</u>	<u>(78,695)</u>	<u>-</u>	<u>-</u>	<u>229,690</u>

**Capital project development phase:** This fund was set up to support the development phase of the capital project *Handel & Hendrix in London*.

**Music in Making:** This fund was set up to support a new project to schedule regular open rehearsals of baroque music in the house during opening hours.

COMPARATIVE	Balance at 1 Nov 2019 £	Income £	Expenditure £	Transfers £	Gains/losses £	Balance at 31 Oct 2020 £
Music in making	1,207	-	(1,207)	-	-	-
Capital project development phase	264,009	116,081	(127,072)	-	-	253,018
	<u>265,216</u>	<u>116,081</u>	<u>(128,279)</u>	<u>-</u>	<u>-</u>	<u>253,018</u>

### 20 UNRESTRICTED FUNDS

	Balance at 1 Nov 2020 £	Income £	Expenditure £	Transfers £	Gains/losses £	Balance at 31 Oct 2021 £
Designated Fixed Assets Fund	6,331,387	-	-	101,044	-	6,432,431
Heritage Assets Fund	956,210	-	-	13,892	-	970,102
General Funds	1,316,618	1,353,982	(491,583)	(114,936)	260,052	2,324,133
	<u>8,604,215</u>	<u>1,353,982</u>	<u>(491,583)</u>	<u>-</u>	<u>260,052</u>	<u>9,726,666</u>

The Designated Fixed Assets Fund represents the net book value of the fixed assets of the charity and the property. The transfer represents the movement in their value.

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

The Heritage assets fund represents the heritage assets gifted to the Charity from the closure of the Handel House Collections Trust in 2019. The object of this fund is to designate and ring fence the value of these assets within the charity.

### COMPARATIVE

	Balance at 1 Nov 2019 £	Income £	Expenditure £	Transfers £	Gains/losses £	Balance at 31 Oct 2020 £
Designated Fixed Assets Fund	13,575,278	-	-	6,109	(7,250,000)	6,331,387
Heritage Assets Fund	956,210	-	-	-	-	956,210
General Funds	996,480	672,721	(424,105)	(6,109)	77,631	1,316,618
	<u>15,527,968.00</u>	<u>672,721</u>	<u>(424,105)</u>	<u>-</u>	<u>(7,172,369)</u>	<u>8,604,215</u>

# THE HANDEL HOUSE TRUST

## NOTES TO THE ACCOUNTS FOR YEAR TO 31 OCTOBER 2021

### 21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Heritage assets £	Investments £	Net current assets £	Total £
<b>Restricted Income Funds:</b>					
Capital project development phase	-	-	-	229,690	229,690
	-	-	-	229,690	229,690
<b>Endowment Funds:</b>					
Expendable endowment	-	-	2,999,998	-	2,999,998
	-	-	2,999,998	-	2,999,998
<b>Unrestricted Income Funds:</b>					
Designated Fixed Assets Fund	6,432,431	-	-	-	6,432,431
Heritage Assets Fund	-	970,102	-	-	970,102
General Funds	-	-	1,398,805	925,328	2,324,133
	6,432,431	970,102	1,398,805	925,328	9,726,666
<b>Total Funds</b>	<b>6,432,431</b>	<b>970,102</b>	<b>4,398,803</b>	<b>1,155,018</b>	<b>12,956,354</b>

COMPARATIVE	Tangible fixed assets £	Heritage assets £	Investments £	Net current assets £	Total £
<b>Restricted Income Funds:</b>					
Capital project development phase	-	-	-	253,018	253,018
	-	-	-	253,018	253,018
<b>Endowment Funds:</b>					
Expendable endowment	-	-	2,140,797	466,263	2,607,060
	-	-	2,140,797	466,263	2,607,060
<b>Unrestricted Income Funds:</b>					
Designated Fixed Assets Fund	6,331,387	-	-	-	6,331,387
Heritage Assets Fund	-	956,210	-	-	956,210
General Funds	-	-	1,599,537	(282,919)	1,316,618
	6,331,387	956,210	1,599,537	(282,919)	8,604,215
<b>Total Funds</b>	<b>6,331,387</b>	<b>956,210</b>	<b>3,740,334</b>	<b>436,362</b>	<b>11,464,293</b>

# THE HANDEL HOUSE TRUST

## NOTES TO THE ACCOUNTS FOR YEAR TO 31 OCTOBER 2021

### 22 CONNECTED CHARITIES

The Trust has the following two connected charities:

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

Handel House Foundation of America which provides fundraising and other support for Handel House Trust Limited. As shown in Note 2, The Handel House Trust Limited received donations of £15,620 (2020: £44,490) from the Foundation.

### 23 RELATED PARTY TRANSACTIONS

Personal donations were made by Trustees of £23,946 (2020 - £4,340) and Trustees expenses totalled £Nil (£2020 - Nil).

Simon Weil is a former partner of Bircham Dyson Bell, who were paid £2,610 for legal services (2020 - £3,218) as an arms length transaction during the year. There were no outstanding balances as at 31 October 2021 (2020 - none)

Elizabeth Nicholson is was a Director of the charity and also a Trustee until 22 June 2021. She received total remuneration of £27,308 during the year for her role as Director. The role of both director and trustee is allowed by the charities Memorandum and Articles of Association section 5 as updated in 2007.

Claire Davies was Acting Director of the Charity and also a Trustee from 1 October 2021 and she received a total remuneration of £29,113 for her role as Deputy Director. This role is also in accordance with the articles as stated above.

There were no other related party transactions or Trustee expenses (2020 - none).

### 24 OPERATING LEASE COMMITMENTS

As at 31 October 2021 the Trust was committed under non-cancellable operating leases to make the following annual minimum payments (at present value):

	2021 £	2020 £
<i>Printing equipment</i>		
Less than 1 year	1,098	4,394
2 to 5 years	-	1,098
Greater than 5 years	-	-

The operating lease is in respect of printing equipment, with total lease payments expensed during the year £7,202 (2020: £4,768)

### 25 COMPANY LIMITED BY GUARANTEE

The Trust is a company limited by guarantee. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £1 per member of the Trust. The Trust had 10 members at 31 October 2021 (2020: 10 members).

### 26 CONTINGENT ASSET

At 31 October 2021 the Charity had been notified of the residual estate of a legacy donor which was valued at £80,833 during the granting of probate and has not been recognised in these accounts.

### 27 ULTIMATE CONTROLLING PARTY

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