

Company Registration Number 02653428

Charity Number 1006009

THE HANDEL HOUSE TRUST LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 OCTOBER 2022

THE HANDEL HOUSE TRUST LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2022

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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 OBE	
	Victoria Broackes	1, 3
	William J Conner	
	Simon Daniels (appointed 11 January 2022)	
	Claire Davies (resigned 11 January 2022)	
	Peter Kerber	2
	Lucy Le Fanu	
	Jane Ridley	
	Michael Ridley	2, 3
	Simon Weil (Chairman)	1, 2, 3

1 = member of the Nominations Committee

2 = member of the Finance Committee

3 = member of the Building Committee

Auditor

Price Bailey LLP
Chartered Accountants & Statutory Auditor
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 2022

After several years in the planning, 2021-22 finally saw the commencement of the delivery phase of the Hallelujah Project. This project is our strategic priority and will see the complete restoration of Handel's house, new exhibitions, and significant improvements to the infrastructure of Handel & Hendrix in London generally.

In January, we handed over the museum building to our main contractor, Messenger, and the Hallelujah Project construction works began. Inevitably, the historic building had a few surprises in store for us, but our staff, the professional team and contractor have collaborated with imagination and a positive attitude to work around every challenge.

The Handel & Hendrix in London team has researched new content for exhibitions and acquired new historic objects and replicas to enhance the presentation of Handel's house. Of especial interest is the initiative to build, through acquisition and loan, a collection of art representative of Handel's own. We are very excited at the prospect of filling the rooms of 25 Brook Street with art, just as Handel did, and for our visitors to enjoy seeing this fine art in the sort of setting for which it was originally intended.

Alongside the building works, we have maintained an active presence on social media and worked with partners to reach existing and new audiences. In the summer, we were delighted to partner with the Royal School for Blind Children, the composer Ben See, NMC Recordings and members of The Sixteen to compose, record and produce a hopeful piece of choral music: 'Show Yourself'.

At the start of 2022, I was pleased to welcome Simon Daniels as Director of Handel & Hendrix in London and as a member of the Board of Trustees. Claire Davies, Deputy Director, acted as interim director for the interregnum in the final months of 2021, for which the whole Board of Trustees is most grateful. Finally, I would like to thank all our friends, circle members and donors, without whose generous and unstinting support none of our achievements this year would have been possible.

simon weil

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S Weil (Jul 27, 2023, 9:14pm)

Signed by **SIMON WEIL** (CHAIRMAN)

Date: 27 Jul 2023

THE HANDEL HOUSE TRUST LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING A DIRECTORS' REPORT) FOR THE YEAR ENDED 31 OCTOBER 2022

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 2022.

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 OBE
Victoria Broackes
William Conner
Claire Davies (resigned 11 January 2022)
Peter Kerber
Lucy Le Fanu
Simon Daniels (appointed 11 January 2022)
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 six times. Board meetings include members of staff as appropriate. The day-to-day running of the Trust was carried out by the permanent staff of the Trust under the leadership of the Director, 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 (INCORPORATING A DIRECTORS' REPORT) FOR THE YEAR ENDED 31 OCTOBER 2022 (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

The Board met regularly to discuss and monitor the risks above. The commencement of the Hallelujah Project in January 2022 presented new risks to manage. The Trustees established a Project Board comprising the Chairman, Deputy Chairman, Director and the Chairman of the Building Committee, to provide close oversight of the project on behalf of the Board. A separate risk register is maintained by the Design Team which is reviewed on a monthly basis. The Project Board receives monthly reports on progress and budget and an assessment on key project risks/mitigations, as follows:

Risk	Mitigation
Unforeseen works increase costs.	Thorough site surveys completed prior to contract. Allocating realistic provisional sums for elements for which uncertainty remains. Close working between contractor and design team to workshop solutions to issues as they emerge.
Objections to stopping up order delay completion of front façade.	Appointed contractor that can programme works flexibly in order to work around delay. Ongoing engagement with Westminster City Council.
International supply chain pressures delay delivery of essential materials.	Appointed a contractor with a wide supplier network and able to programme flexibly when issues emerge. Regular reviewing of programme and discussions with contractor to flag supply chain concerns.

THE HANDEL HOUSE TRUST LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING A DIRECTORS' REPORT) FOR THE YEAR ENDED 31 OCTOBER 2022 (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 20th century.

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

Having closed to the public in September, investigations and surveys began at the museum in preparation for the construction phase of the Hallelujah Project. Following competitive tender Messenger were appointed main contractor and work began on site in January with a target completion date of November.

During the stripping out of the ground floor and basement areas, we discovered significant additional steel work dating from before our stewardship of the building. This required a modest redesign of structural elements, though without any compromise on the presentation of the historic rooms, resulting in some delay to works starting in earnest. This, coupled with other unforeseen works that arose later during the year, pushed our re-opening date back from March to May 2023. The costs associated with these works was absorbed by existing contingencies.

These delays aside, however, delivery of the Hallelujah Project has been a story of good teamwork producing work of excellent quality. The Design Team, led by Project Director Alex Homfray, has worked constructively with our contractor. Messenger has demonstrated a great understanding of the heritage value of the museum and, as a result, has been committed to achieving the highest standards. It has been exciting to see the original façade and interior layout of the lower floors of Handel's house gradually take shape over the year.

Away from the construction site Deputy Director Claire Davies has led the work to furnish the ground floor, kitchen and the other historic rooms. This has included commissioning new sconces and mirrors, pewter and ceramic items for the kitchen and acquiring new George II furniture. Of particular note is a project, generously supported by Simon Weil and Maecenas, to create a collection of art representative of the impressive collection of 100 works Handel himself amassed at Brook Street. This collection, which will continue to evolve in future years, comprises both loans from other collections and new acquisitions by the Trust. The latter include works by Huysmans, Ruisdael, Servandoni, Tempesta and Wootton. This project benefited from the additional expertise of our Art Panel Omnia Art and Sarah Talbot Capes.

The building works required us to take our public programme offsite for the year. December saw the delayed 'Showcase Concert' at St George's Hanover Square for the 2020 intake of the Handel's House Talent programme. In May, we were delighted to collaborate with our sister charity the Handel House Foundation of America, ensemble House of Time and Gotham Early Music Scene to stage a wonderful concert of Handel and Hendrix's music at St Paul's Chapel, Broadway, one of Manhattan's finest 18th-century buildings.

Over the summer we collaborated with the Royal School for Blind Children to create an opportunity for a group of students to create a new piece of music inspired by the Hallelujah Project. Working with composer Ben See, the students wrote the lyrics and music for a 4-part choral work 'Show Yourself', a piece which exudes the confidence and optimism new beginnings can bring. The students also enjoyed a visit to the studio of NMC Recordings to experience the recording of the piece by members of The Sixteen. All this work was complemented by social media. We were pleased to see growth in our fans and followers across all our social channels.

Fundraising for the Hallelujah Project has also been a significant focus for the Trust this year. Our lead gift from the estate of the late Mark Ransom provided a firm foundation on which to build support. Members of the Handel Hundred continued with their generous subscriptions, and we were delighted to receive substantial grants from the Garfield Weston Foundation, the Foyle Foundation and other generous donors during the year.

THE HANDEL HOUSE TRUST LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING A DIRECTORS' REPORT) FOR THE YEAR ENDED 31 OCTOBER 2022 (Continued)

PUBLIC BENEFIT

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

PLANS FOR THE COMING YEAR

Work continued on the Hallelujah Project into the first quarter of 2023, and we re-opened to the public in May. We look forward to welcoming visitors back into the museum and we will begin to implement marketing and public engagement strategies to reach a target of 30,000 visitors per year. We hope to re-start our learning programme in autumn 2023, providing funding can be found, following consultation with teachers and realigning the programme to meet the requirements of the National Curriculum. A new series of concerts will begin in the autumn and a second 'Handeliade' festival of Handel and the 18th century will take place in September.

Commercial activity will receive increased attention, in part to make up for lost rental income. This will include an improved museum shop and an enhanced function hires offer.

FINANCIAL REVIEW

The museum has been closed to the public for the entire year, which is reflected in reduced income from admissions and concerts of £2,773 (2021: £31,099). Trading income of £1,866 was also lower than last year (2021: £10,840) for the same reason. The principal fundraising effort has been for the Hallelujah Project and we made encouraging progress towards our target. A total of £817,057 was raised from all philanthropic sources (2021: £1,294,177), the reduction on last year reflecting the receipt of £1m in legacy funds from the estate of the late Mark Ransom in 2020/21.

The operating costs of the Trust have been largely met by drawing on investments. The outturn was a deficit of £27,672 (2021 surplus: £1,492,061). We have planned for an operating deficit in 2022/23, before returning to operating surplus in later years. The Trustees are satisfied that reserves are more than adequate to cover the planned losses.

RESERVES AND INVESTMENT POLICY

The Trust has a designated fund of £8,795,233 (2021: £7,402,533) 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 £1,110,235 (2021: £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 £534,259 (2021: £2,324,133). These funds are being utilised on the Hallelujah Project, and are expected to be back in line with the policy once the project is complete.

Having produced detailed forecasts and scenario planning the board considers that the strong reserves position and availability of funds is a sufficient buffer against loss of income caused by the Hallelujah Project and the impact of global events, particularly the uncertainty caused by the war in Ukraine. 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.

THE HANDEL HOUSE TRUST LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING A DIRECTORS' REPORT) FOR THE YEAR ENDED 31 OCTOBER 2022 (Continued)

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 (2021 - 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.

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.

THE HANDEL HOUSE TRUST LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING A DIRECTORS' REPORT) FOR THE YEAR ENDED 31 OCTOBER 2022 (Continued)

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.

27 Jul 2023

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

simon weil

.....
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 2022 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 2022, 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.

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.

THE HANDEL HOUSE TRUST LIMITED

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

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.

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.

THE HANDEL HOUSE TRUST LIMITED

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

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 Charity Commission, agreeing the financial statement disclosures to underlying supporting documentation, and making enquiries of management and officers of the Charitable Company. We reviewed 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.

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.



Michael Cooper-Davis FCCA ACA (Senior Statutory Auditor)
for and on behalf of
Price Bailey LLP
Chartered Accountants
Statutory Auditors

24 Old Bond Street
London
W1S 4AP

Date: 28 July 2023

THE HANDEL HOUSE TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 OCTOBER 2022

	Note	Unrestricted Funds £	Designated Funds	Restricted Funds £	Endowment Funds £	Total Funds 2022 £	Total Funds 2021 £
INCOME							
Donations and Legacies	2	119,718	-	697,339	-	817,057	1,294,177
Charitable Activities	5	2,773	-	-	-	2,773	31,099
Other trading activities	3	1,866	-	-	-	1,866	10,840
Investments & Other income	4	137,988	-	-	-	137,988	73,233
TOTAL INCOME		262,345	-	697,339	-	959,684	1,409,349
EXPENDITURE							
Raising funds	6	62,322	-	27,430	-	89,752	77,265
Charitable activities	7	485,040	-	82,689	-	567,729	493,013
TOTAL EXPENDITURE		547,362	-	110,119	-	657,481	570,278
Net gains/ (losses) on investments	13	(112,158)	-	-	(217,718)	(329,876)	652,990
transfers	21	-	-	-	-	-	-
NET INCOME/ (EXPENDITURE)	9	(397,175)	-	587,220	(217,718)	(27,673)	1,492,061
Transfers between funds		(1,392,700)	1,392,700	-	-	-	-
NET MOVEMENT IN FUNDS		(1,789,875)	1,392,700	587,220	(217,718)	(27,673)	1,492,061
Total funds brought forward		2,324,133	7,402,533	229,690	2,999,998	12,956,354	11,464,293
TOTAL FUNDS CARRIED FORWARD		534,258	8,795,233	816,910	2,782,280	12,928,681	12,956,354

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

The notes on pages 15 to 27 form part of these financial statements

THE HANDEL HOUSE TRUST LIMITED

Company Registration Number 02653428

BALANCE SHEET AS AT 31 OCTOBER 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible assets	12	7,684,998	6,432,431
Heritage assets	13	1,110,235	970,102
Investments	14	3,688,969	4,398,803
		<u>12,484,202</u>	<u>11,801,336</u>
CURRENT ASSETS			
Stocks		11,600	11,600
Debtors	15	126,528	1,095,629
Cash at bank and in hand		888,578	147,458
		<u>1,026,706</u>	<u>1,254,687</u>
CREDITORS: Amounts falling due within one year	16	<u>(582,227)</u>	<u>(99,669)</u>
NET CURRENT ASSETS		<u>444,479</u>	<u>1,155,018</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>12,928,681</u>	<u>12,956,354</u>
NET ASSETS		<u>12,928,681</u>	<u>12,956,354</u>
FUNDS			
Endowment funds	17	2,782,280	2,999,998
Restricted income funds	18	816,910	229,690
Designated funds	19	8,795,233	7,402,533
Unrestricted income funds	19	534,258	2,324,133
TOTAL FUNDS		<u>12,928,681</u>	<u>12,956,354</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 27 Jul 2023

and signed on their behalf by:

simon weil

.....
SIMON WEIL (CHAIRMAN)

SIMON WEIL (2023-07-14pm)

THE HANDEL HOUSE TRUST LIMITED

STATEMENT OF CASH FLOWS YEAR TO 31 OCTOBER 2022

Note	2022 £	2021 £
Cash flows from operating activities:		
Net cash provided by operating activities	<u>1,668,018</u>	<u>101,484</u>
Cash flows from investing activities:		
Investments, dividends and interest income	137,988	73,233
Purchase of fixed assets	(1,444,845)	(197,548)
Purchase of investments	(131,400)	(171,814)
Proceeds from the sale of investments	<u>578,430</u>	<u>167,610</u>
Net cash provided by investing activities	<u>(859,827)</u>	<u>(128,519)</u>
Change in cash and cash equivalents in the reporting period	<u>808,191</u>	<u>(27,035)</u>
Cash and cash equivalents at the beginning of the reporting period	<u>163,527</u>	<u>190,562</u>
Cash and cash equivalents at the end of the reporting period	<u>971,718</u>	<u>163,527</u>

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

	Current Year £	Prior Year £
Net income/(expenditure) for the reporting period (as per the statement of financing activities)	(27,673)	1,492,061
Adjustments for:		
Depreciation	47,342	82,612
loss on sale of fixed assets	4,803	-
(Gains)/losses on investments	329,876	(652,990)
Investments, dividends and interest income	(137,988)	(73,233)
Decrease/ (Increase) in debtors	969,101	(798,551)
Increase/ (Decrease) in creditors	482,558	49,230
Decrease/ (Increase) in stock	-	2,355
Net cash provided by/(used in) operating activities	<u>1,668,018</u>	<u>101,484</u>

Analysis of cash and cash equivalents

	Current Year £	Prior Year £
Cash in hand	888,578	147,458
Cash deposits held within investments	<u>16 83,140</u>	<u>16,069</u>
Total cash and cash equivalents	<u>971,718</u>	<u>163,527</u>

Analysis of Changes in Net Debt

	At 1 November 2021 £	Cash Flows £	Other non- cash changes £	At 31 October 2022 £
Cash and cash equivalents				
Cash	163,527	808,191	-	971,718

THE HANDEL HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

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 2022

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

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 2022

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 2022

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 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. 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 YEAR TO 31 OCTOBER 2022

2 DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Endowment funds	Total Funds 2022 £	Total Funds 2021 £
Handel House Foundation of America	23,139	-	-	23,139	15,620
Donations from individuals	24,234	697,339	-	721,573	122,602
Legacies	15,000	-	-	15,000	1,130,833
Grants	57,345	-	-	57,345	25,122
	<u>119,718</u>	<u>697,339</u>	<u>-</u>	<u>817,057</u>	<u>1,294,177</u>

£697,339 of donations and legacies reviewed during the year in respect of restricted funds (2021: £47,906).

3 OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Rental income	-	-	-	-
Shop income	1,866	-	1,866	10,840
	<u>1,866</u>	<u>-</u>	<u>1,866</u>	<u>10,840</u>

All income from other trading activities in 2021 was in respect of unrestricted funds.

4 INCOME FROM INVESTMENTS & OTHER INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Income from listed investments	131,921	-	131,921	29,677
Other income	6,067	-	6,067	43,556
	<u>137,988</u>	<u>-</u>	<u>137,988</u>	<u>73,233</u>

All of income from investment income received in 2021 was in respect of unrestricted funds.

5 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Admission fees	10	-	10	23,347
Education	-	-	-	125
Exhibitions and events	2,763	-	2,763	7,627
	<u>2,773</u>	<u>-</u>	<u>2,773</u>	<u>31,099</u>

£Nil of income from charitable activities received during the year in respect of restricted funds (2021: £7,461).

THE HANDEL HOUSE TRUST

NOTES TO THE ACCOUNTS FOR YEAR TO 31 OCTOBER 2022

6 EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £	Restricted Funds	Total Funds 2022 £	Total Funds 2021 £
Fundraising	39,859	27,430	67,289	40,730
Shop costs	3,546	-	3,546	12,338
Investment management fees	18,917	-	18,917	10,714
Other support costs	-	-	-	13,483
	<u>62,322</u>	<u>27,430</u>	<u>89,752</u>	<u>77,265</u>

All expenditure on raising funds spent in 2021 was in respect of unrestricted funds.

7 EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs £	Support costs £	Total 2022 £
Museum running expenses	47,299	187,176	234,475
Education	8,935	-	8,935
Exhibitions and events	10,177	-	10,177
Capital project costs	202,265	72,095	274,360
Governance costs	1,994	37,788	39,782
	<u>270,670</u>	<u>297,059</u>	<u>567,729</u>

£86,289 (2021: £74,938) of expenditure on charitable activities was in respect of restricted funds.

COMPARATIVE	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>

8 Support costs

	2022 £	2021 £
Staff	(1,824)	2,350
Premises	190,483	116,200
IT Costs	50,752	33,778
Maintenance	3,313	24,507
Marketing	-	18,247
Events and exhibition support	-	3,860
Finance	2,780	16,151
Other costs	13,767	13,895
Governance costs:		
Legal and professional fees	15,773	4,717
Audit and accountancy fees	22,015	13,660
Other costs	-	8,190
	<u>297,059</u>	<u>255,555</u>
Charitable activities	297,059	242,072
Raising funds	-	13,483
	<u>297,059</u>	<u>255,555</u>

THE HANDEL HOUSE TRUST

NOTES TO THE ACCOUNTS FOR YEAR TO 31 OCTOBER 2022

9 NET INCOME FOR THE YEAR

This is stated after charging:

	2022	2021
	£	£
Depreciation & impairment	47,342	82,612
Auditor's remuneration:		
- audit of the financial statements (exclusive of VAT)	12,000	9,350
- other fees - accountancy and payroll	5,400	1,925
	<u>54,742</u>	<u>93,887</u>

10 STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2022	2021
	£	£
Wages and salaries	176,252	179,530
Social security costs	18,099	15,603
Other staff costs	4,654	4,502
	<u>199,005</u>	<u>199,635</u>

There was one employee (2021- none) 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 £79,644 (2021: £27,308).

11 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:

	2022	2021
	No	No
Capital project	3.2	-
Museum running	0.5	3.7
Education	0.2	0.5
Fundraising	1.1	0.2
Events	0.2	0.6
Support	0.1	1.9
	<u>5.3</u>	<u>6.9</u>

THE HANDEL HOUSE TRUST

NOTES TO THE ACCOUNTS FOR YEAR TO 31 OCTOBER 2022

12 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 2021	4,378,173	1,870,894	273,894	343,869	205,260	109,348	7,181,438
Additions			1,304,712				1,304,712
Disposals				(320,141)		(109,348)	(429,489)
At 31 October 2022	<u>4,378,173</u>	<u>1,870,894</u>	<u>1,578,606</u>	<u>23,728</u>	<u>205,260</u>	<u>-</u>	<u>8,056,661</u>
At 1 November 2021	90,105	212,889	-	343,869	-	102,144	749,007
Charge for the year	7,523	37,418	-			2,401	47,342
Depreciation on Disposals				(320,141)		(104,545)	(424,686)
At 31 October 2022	<u>97,628</u>	<u>250,307</u>	<u>-</u>	<u>23,728</u>	<u>-</u>	<u>-</u>	<u>371,663</u>
At 31 October 2022	4,280,545	1,620,587	1,578,606	-	205,260	-	7,684,998
At 31 October 2021	<u>4,288,068</u>	<u>1,658,005</u>	<u>273,894</u>	<u>-</u>	<u>205,260</u>	<u>7,204</u>	<u>6,432,431</u>

13 HERITAGE ASSETS

	At valuation 2022 £
Balance at 1 November 2021	970,102
Additions	140,133
Balance at 31 October 2022	<u>1,110,235</u>

An analysis of the last five years is as follows:

	2022 £	2021 £	2020 £	2019 £	2018 £
Value of acquisitions by donations			-	956,210	-
Value of acquisitions by purchase	140,133	13,892			
Total capitalised	<u>140,133</u>	<u>13,892</u>	<u>-</u>	<u>956,210</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 2022

14 INVESTMENTS

	2022	2021
	£	£
Movement in market value		
Market value at 1 November 2021	4,398,803	3,740,334
Additions	131,400	171,814
Disposals proceeds	(578,430)	(167,610)
Net gains/(losses) on revaluations in the year	(329,875)	652,990
Movement in cash	67,071	1,275
Market value at 31 October 2022	<u>3,688,969</u>	<u>4,398,803</u>
Historical cost at 31 October 2022	<u>2,549,073</u>	<u>2,996,103</u>

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

	2022	2021
	£	£
Cash	83,140	16,069
UK Equities	3,605,829	4,382,734
	<u>3,688,969</u>	<u>4,398,803</u>

15 DEBTORS

	2022	2021
	£	£
Trade debtors	60	12,962
Other debtors	-	32,667
Prepayments and accrued income	26,225	1,050,000
VAT	100,243	-
	<u>126,528</u>	<u>1,095,629</u>

THE HANDEL HOUSE TRUST

NOTES TO THE ACCOUNTS FOR YEAR TO 31 OCTOBER 2022

16 CREDITORS: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	10,775	5,059
Taxation and social security	-	11,963
Other creditors	1,203	33,228
Accruals	570,249	49,419
VAT	-	-
	<u>582,227</u>	<u>99,669</u>

17 ENDOWMENT FUNDS	Balance at 1 Nov 2021	Income and transfers	Unrealised investment gains	Balance at 31 Oct 2022
	£	£	£	£
Expendable endowment	2,999,998	-	(217,718)	2,782,280
	<u>2,999,998</u>	<u>-</u>	<u>(217,718)</u>	<u>2,782,280</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 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>

THE HANDEL HOUSE TRUST

NOTES TO THE ACCOUNTS FOR YEAR TO 31 OCTOBER 2022

18 RESTRICTED INCOME FUNDS

	Balance at 1 Nov 2021 £	Income £	Expenditure £	Transfers £	Gains/losses £	Balance at 31 Oct 2022 £
Capital project development phase	225,986	697,339	(108,863)	-	-	814,462
Art fund	3,704		(1,256)	-	-	2,448
	<u>229,690</u>	<u>697,339</u>	<u>(110,119)</u>	<u>-</u>	<u>-</u>	<u>816,910</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 2020 £	Income £	Expenditure £	Transfers £	Gains/losses £	Balance at 31 Oct 2021 £
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>

19 UNRESTRICTED FUNDS

	Balance at 1 Nov 2021 £	Income £	Expenditure £	Transfers £	Gains/losses £	Balance at 31 Oct 2022 £
Designated Fixed Assets Fund	6,432,431	-	-	1,252,567	-	7,684,998
Heritage Assets Fund	970,102	-	-	140,133	-	1,110,235
General Funds	2,324,133	262,345	(547,362)	(1,392,700)	(112,158)	534,258
	<u>9,726,666</u>	<u>262,345</u>	<u>(547,362)</u>	<u>-</u>	<u>(112,158)</u>	<u>9,329,491</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 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>8,604,215.00</u>	<u>1,353,982</u>	<u>(491,583)</u>	<u>-</u>	<u>260,052</u>	<u>9,726,666</u>

THE HANDEL HOUSE TRUST

NOTES TO THE ACCOUNTS FOR YEAR TO 31 OCTOBER 2022

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Heritage assets £	Investments £	Net current assets £	Total £
Restricted Income Funds:					
Capital project development phase	-	-	-	816,910	816,910
	-	-	-	816,910	816,910
Endowment Funds:					
Expendable endowment	-	-	2,782,280	-	2,782,280
	-	-	2,782,280	-	2,782,280
Unrestricted Income Funds:					
Designated Fixed Assets Fund	7,684,998	-	-	-	7,684,998
Heritage Assets Fund	-	1,110,235	-	-	1,110,235
General Funds	-	-	906,689	(372,431)	534,258
	7,684,998	1,110,235	906,689	(372,431)	9,329,491
Total Funds	7,684,998	1,110,235	3,688,969	444,479	12,928,681

COMPARATIVE	Tangible fixed assets £	Heritage assets £	Investments £	Net current assets £	Total £
Restricted Income Funds:					
Capital project development phase	-	-	-	229,690	229,690
	-	-	-	229,690	229,690
Endowment Funds:					
Expendable endowment	-	-	2,999,998	-	2,999,998
	-	-	2,999,998	-	2,999,998
Unrestricted Income Funds:					
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
Total Funds	6,432,431	970,102	4,398,803	1,155,018	12,956,354

THE HANDEL HOUSE TRUST

NOTES TO THE ACCOUNTS FOR YEAR TO 31 OCTOBER 2022

21 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 £23,139 (2021: £15,620) from the Foundation.

22 RELATED PARTY TRANSACTIONS

Personal donations were made by Trustees of £52,085 (2021 - £23,946) and Trustees expenses totalled £683 (2021 - £Nil).

Simon Weil is a former partner of Bircham Dyson Bell, who were paid £Nil for legal services (2021 - £2,610) as an arms length transaction during the year. There were no outstanding balances as at 31 October 2022 (2021 - none)

Claire Davies was Acting Director of the Charity from 1 October 2021 to 10 January 2022 and is also a Trustee. Claire received a total remuneration of £10,353 for her role as Deputy Director during this period. The role of both director and trustee is allowed by the charities Memorandum and Articles of Association section 5 as updated in 2007.

Simon Daniels was Director of the Charity from 11 January 2022 and is also a Trustee. Simon received a total remuneration of £69,291 for his role as Director. This role is also in accordance with the articles as stated above.

There were no other related party transactions or Trustee expenses (2021 - none).

23 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):

	2022	2021
	£	£
<i>Printing equipment</i>		
Less than 1 year		1,098
2 to 5 years	-	-
Greater than 5 years	-	-

The operating lease is in respect of printing equipment, with total lease payments expensed during the year £7,001 (2021: £7,202)

24 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 (2021: 10 members).

25 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.