

BRANTWOOD TRUST

**ANNUAL REPORT &
FINANCIAL STATEMENTS**
for the year ended 31 December 2020

Charity Commission Registration No:
504743

Prepared by:

IAN DALZELL LTD
Chartered Accountants

Broughton Lodge Mews
Field Broughton
Grange-over-Sands
Cumbria LA11 6HL

BRANTWOOD TRUST

MANAGEMENT TRUSTEES' REPORT AND FINANCIAL STATEMENTS for the year ended 31 December 2020

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BRANTWOOD TRUST

CHARITY INFORMATION

Charity Commission Registration Number: 504743

Inland Revenue Exemption Number: XN 69869

Trustee: The Education Trust Limited

Management Trustees: Ms Charlotte J G Robins (Chair)
The Hon Mrs C G Edwards
Professor R A P Hewison
Ms J Nichola Johnson
Mr Colin T M Simon
Professor S Walker

Director of Brantwood: Howard Hull

Secretary to the Management Trustees: Howard Hull
Brantwood
CONISTON
Cumbria LA21 8AD

Correspondence Address: Brantwood Trust
Brantwood
CONISTON
Cumbria LA21 8AD

Telephone: 015394 41396

Bankers: Barclays Bank PLC
Market Place
Ambleside
Cumbria LA22 9BY

Independent Examiner: Ian Dalzell Ltd
Broughton Lodge Mews
Field Broughton
Grange-over-Sands
Cumbria LA11 6HL

BRANTWOOD TRUST

MANAGEMENT TRUSTEES' ANNUAL REPORT

The Management Trustees are pleased to present their Annual Report and the Financial Statements for the year ended 31 December 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

Creation

The Charity was formed by an Order of the High Court dated 10 July 1951. The Education Trust Ltd is the Trustee of the Charity and appoints Management Trustees.

The Charity is registered with the Charity Commissioners under number 504743. The Inland Revenue recognise the Trust as a charity within the definition of Section 506(1) Income and Corporation Taxes Act 1988.

Objectives

The objectives of the Charity are to administer Brantwood

- as a permanent memorial to John Ruskin and as a museum, to which members of the public shall have access, containing collections of drawings, books and objects of interest connected with John Ruskin
- as a place of study and recreation for members of universities, colleges and other places of education and such other members of the public as may from time to time be approved by the Management Trustees.

The Management Trustees have considered the Charity Commission' guidance on public benefit, including the guidance on public benefit and fee charging. The Trust relies on grants, donations and income from admission charges to cover its operating costs. In setting the level of fees, charges and concessions, the Management Trustees give careful consideration to the accessibility to Brantwood to all who wish to visit.

The strategies employed to achieve the charity's aims and objectives in the last year are set out in the Review of Activities below.

Review of Activities

The Charity continued to administer Brantwood throughout 2020. Until March 23rd Brantwood house and estate were open daily to the public, except for Mondays and Tuesdays during the winter period. The advent of the Covid 19 Pandemic forced varying periods of closure upon different parts of the visitor offer, in accordance with legal requirements imposed by government and best practice advice. During periods of closure some members of staff were able to continue working part-time from home and some could work outside, however, the severe financial impact meant that others were furloughed for varying periods. No staff were made redundant. The small and constricted rooms at Brantwood with congested passageways made it difficult to offer any amount of social distancing without re-routing access, creating more office space and addressing ventilation and group working. A major re-arrangement of visitor flows, ticketing and the administrative environment ensued. The closure of the house also meant that a much-desired deeper level of maintenance of the fabric and re-display of the historic rooms was possible.

BRANTWOOD TRUST

MANAGEMENT TRUSTEES' ANNUAL REPORT (continued)

Review of Activities (continued)

Wherever possible Brantwood availed itself of business support grants. It was possible during the summer months to open the Terrace café outdoor service (benefiting from the reduced VAT rate of 5%), the gardens and out-building exhibitions, and visitors took advantage of the opportunity to have safe fresh air experiences. In October Brantwood was successful in acquiring a grant of £234,260 from the Arts Council's Culture Recovery Fund to undertake work to make Brantwood ready for re-opening and support the finances over winter.

The historic collections in their original setting continued to be the primary asset and a full review of the Whitehouse loans was undertaken by the Director and Professor Sandra Kemp from the Ruskin at Lancaster University. All items were re-catalogued on Modes, photographed and condition checked. The fabric and items on display are maintained according to good conservation standards and presented in an accessible manner. Brantwood continues to meet national standards of collection care and public and scholarly access as an Accredited Museum. Loans of special importance are protected under the Government Indemnity Scheme, the criteria for which Brantwood satisfies. In addition to presenting its historic rooms and collections to the general public, Brantwood is a busy centre for the contemporary arts, ordinarily hosting a large range of special exhibitions, displays, performances, talks and educational activities throughout the year. Although most of these were postponed or cancelled during 2020, the Studio programme was partly able to go ahead. Paying accommodation for up to eleven adults and children was variously provided on site in the Eyrie and Lodge. Some adaptations in the cleaning regimes were made to make it possible once lockdown was lifted for guests to stay. The Coachman's Quarters and Hay Loft were given a substantial make-over to prepare them for wider use in 2021.

There was one exhibition in the Blue Gallery before closure: *The Making of Mountains – works on a geological theme by John Ruskin*. Studio exhibitions featured: *Above and Below – paintings by Phil Entwistle; Roots – work by Cumbrian furniture makers; Water Essays – paintings by Frances Winder; True to Nature – works by Greg Howard*.

BRANTWOOD TRUST

MANAGEMENT TRUSTEES' ANNUAL REPORT (continued)

Financial Information (continued)

The results of the Charity's activities are contained in the attached financial statements.

Visitors (2020: 4,302; 2019: 27,526; 2018: 23,354; 2017: 23,148; 2016: 23,162, 2015: 22,388, 2014: 22,963, 2013: 23,350, 2012: 23,486, 2011: 27,567, 2010: 27,934) to Brantwood were very much lower than in 2019 and previous years due to Covid restrictions. The House was open until 23 March 2020 but remained closed for the remainder of the year. The café, garden, some out-building attractions and accommodation were able to trade during the periods between lockdowns. Shop sales at £6,112 were also very much lower than in 2019 (£75,736). The profit margin on shop sales was higher in the year at 69% compared with 40.9% in 2019. Unrestricted grants and donations were higher in 2020 than in 2019 (2020: £260,878; 2019: £19,636; 2018: £14,943; 2017: £15,079; 2016: £24,856). This was due to a large donation from The Education Trust to assist with cash flow, Covid Business Support Grants (£22,349) and the Covid Job Retention Scheme (£42,888). Restricted grants totalling £238,228 were received in 2020 (which included £234,260 from the Arts Council of England Covid Culture Recovery Fund). Excluding irrecoverable VAT, the cost of operating the house and gardens decreased by 15% in 2020 to £281,598 compared with £330,399 in 2019. Employee costs rose by 3% (2020: £182,399; 2019: £177,043; 2018: £153,760; 2017: £159,285; 2016: £142,422) even though there were the same number of employees. Governance and Support Costs of the Charity decreased by 12% to £68,707 from £78,096 in 2019 (2018: £71,274) largely due to much lower motor and travelling expenses which were restricted by the Covid pandemic.

The net result was a increase in overall funds of £258,853 (2019: 182,415; 2018: decrease £88,428; 2017: increase £11,091; 2016: increase £228,410) made up by an increase in Unrestricted funds of £90,132 (2019: £46,947; 2018: decrease £46,685; 2017: decrease £77,582; 2016: increase £37,149), an increase in Restricted funds of £126,229 (2019: £141,788; 2018: decrease £10,157; 2017: decrease £5,267; 2016: increase £183,097), and an increase in the Endowment fund of £42,492 (2019: £87,574; 2018: decrease £31,586; 2017: increase £83,406; 2016: increase £8,164). The Endowment fund sold all its investments for £445,213. From the proceeds it repaid two loans of £85,000 (to assist with cash flow) and £204,000 (for Café Development) from Bowland Charitable Trust, and transferred £10,000 to the Unrestricted fund to assist with cash flow. This left just the Endowment fund's bank accounts of £161,401.

Due to the Charity's objective of maintaining the house and gardens of Brantwood, it is necessary to build up reserves as much as possible so that the Charity is less reliant on large donations and grants. Major projects undertaken at Brantwood have been financed from grants, donations and loans (with no fixed terms of repayment or interest) for those purposes. Once major projects have been completed, it is necessary to continue to maintain them (despite the grants having been used up). Therefore, further increases in reserves are necessary.

The Management Trustees have assessed the major risks to which the Charity is exposed, those related to its operations and finances, and are satisfied that systems are in place to mitigate the exposure to the major risks.

BRANTWOOD TRUST

MANAGEMENT TRUSTEES' ANNUAL REPORT (continued)

Heritage Assets Management Policy

Brantwood maintains a collection of artefacts, pictures and literature related to John Ruskin. Most of them are on display, while the remainder are held in the archives being maintained as necessary.

Acquisitions are made by purchase or donation. Very rarely, Brantwood disposes of objects from the collection in order to fund new acquisitions where the Management Trustees determine that this does not detract from the integrity of the collection.

The Charity maintains a register for its collection of heritage assets which records the nature, provenance and current location of each asset. The exhibits are managed by the Collection Manager who reports to the Charity's Director. The Director ensures that the exhibits are managed in accordance with policies approved by the Trustees.

Management Trustees

The names of Management Trustees are stated in the Charity Information attached to this Report. The Trustee of the Charity is the Education Trust Ltd.

Staff

The Charity employs staff to care for the exhibits and grounds at Brantwood. In addition, volunteers are used to steward the house. Mr Howard Hull is the Director.

Voluntary Assistance

Some voluntary assistance is received by the Charity especially from the Friends of Brantwood.

Connected Charities

Education Trust Limited (Registered number 9049R under the Co-operative & Community Societies Act 2014) is the Trustee of Brantwood Trust and appoints its Management Trustees.

Some of the Management Trustees of Brantwood Trust are also Directors of Education Trust Limited (Registered number 9049R under the Co-operative & Community Societies Act 2014).

Some of the Management Trustees of Brantwood Trust were also Trustees/Directors of The Ruskin Foundation (Charity number 1032302) (dissolved on 7 January 2020).

By order of the Board of Management Trustees

Charlotte J G Robins
Chair

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BRANTWOOD TRUST

STATEMENT OF MANAGEMENT TRUSTEES' RESPONSIBILITIES

The management trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the management trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing financial statements the management trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable trust will continue in operation.

The management trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charitable trust and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and trust deed. They are responsible for safeguarding the assets of the charitable trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BRANTWOOD TRUST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF BRANTWOOD TRUST

We report on our examination of the accounts of Brantwood Trust for the year ended 31 December 2020.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the "Act") and that an independent examination is needed. The charity's gross income exceeded £250,000 and we are qualified to undertake the examination under section 145 of the Act by being a qualified member of the Institute of Chartered Accountants in England & Wales.

It is our responsibility to:

- examine the accounts under section 145 of the Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 14(5)(b) of the Act; and
- state whether particular matters have come to our attention.

Basis of independent examiner's statement

Our examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no material matters have come to our attention which give us cause to believe that, in material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Ian R Dalzell MA FCA
on behalf of
IAN DALZELL LTD
Chartered Accountants
Broughton Lodge Mews
Field Broughton
Grange-over-Sands
Cumbria LA11 6HL

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BRANTWOOD TRUST
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2020

	Notes	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Endowment Fund 2020 £	Total 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Endowment Fund 2019 £	Total 2019 £
Income and Endowments from:									
Donations, Grants & Legacies	2	260,878	238,228	-	499,106	19,636	169,856	-	189,492
Charitable Activities									
House & Garden Admission Charges		24,601			24,601	175,036			175,036
Takings from Events & Courses	3	1,840			1,840	34,299			34,299
Other Trading Activities									
Ground & Building Rents		9,676			9,676	36,416			36,416
Sales of Merchandise	4	6,112			6,112	75,736			75,736
Accommodation Receipts	4	32,474			32,474	70,381			70,381
Fees Received for Staff Services		-			-	1,244			1,244
Investment Income	5	17		2,781	2,798	14		5,183	5,197
Total Income		335,598	238,228	2,781	576,607	412,762	169,856	5,183	587,801
Expenditure on:									
Costs of Raising Funds:									
Costs Relating to Merchandise Sold	4	(1,894)			(1,894)	(44,744)			(44,744)
Charitable Activities:									
Cost of Operating House & Gardens	6	(242,076)	(110,971)		(353,047)	(391,746)	(21,104)		(412,850)
Artistes' Fees & Events Expenses	3	(1,496)	(1,028)		(2,524)	(23,219)	(6,964)		(30,183)
Total Expenditure		(245,466)	(111,999)	-	(357,465)	(459,709)	(28,068)	-	(487,777)
Net Income/(Expenditure) before before Gains/Losses on Investments		90,132	126,229	2,781	219,142	(46,947)	141,788	5,183	100,024
Net Gains/(Losses) on Investment Assets:									
Realised	9			39,711	39,711			-	-
Unrealised	9			-	-			82,391	82,391
Net Income/(Expenditure)		90,132	126,229	42,492	258,853	(46,947)	141,788	87,574	182,415
Transfers between Funds		299,000		(299,000)	-	-		-	-
Net Movement in Funds		389,132	126,229	(256,508)	258,853	(46,947)	141,788	87,574	182,415
Reconciliation of Funds									
Fund Balances brought forward		8,820	614,226	927,844	1,550,890	55,767	472,438	840,270	1,368,475
Fund Balances carried forward		397,952	740,455	671,336	1,809,743	8,820	614,226	927,844	1,550,890

The attached Notes form part of these financial statements

BRANTWOOD TRUST
BALANCE SHEET
as at 31 December 2020

	Notes	2020 £	2019 £
<u>Fixed Assets</u>			
Tangible Fixed Assets	8	1,383,462	1,330,476
Investments	9	161,402	417,910
<i>Total Fixed Assets</i>		<u>1,544,864</u>	<u>1,748,386</u>
<u>Current Assets</u>			
Stocks	10	20,989	17,014
Debtors	11	164,200	165,699
Cash at Bank and in Hand	12	116,749	40,749
<i>Total Current Assets</i>		<u>301,938</u>	<u>223,462</u>
<u>Creditors : Amounts falling due within one year</u>	13	(37,059)	(420,958)
<u>Net Current Assets/(Liabilities)</u>		<u>264,879</u>	<u>(197,496)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,809,743</u>	<u>1,550,890</u>
<u>Charity Funds</u>			
Unrestricted Funds	14	397,952	8,820
Restricted Funds	15	740,455	614,226
Endowment Fund	16	671,336	927,844
TOTAL CHARITY FUNDS	17	<u>1,809,743</u>	<u>1,550,890</u>
Approved by the Board of Management Trustees on 2021 and signed on its behalf by :		-	-

Charlotte J G Robins
Chair of Management Trustees

The attached Notes form part of these financial statements

BRANTWOOD TRUST
CASH FLOW STATEMENT
for the year ended 31 December 2020

	Notes	2020 £	2019 £
Net Cash Outflow from Operating Activities	18	(658,041)	(27,370)
Returns on Investments and Servicing of Finance :			
Bank Interest Received		17	14
Investment Income Received		2,781	5,183
Bank Interest Paid		-	(26)
Net Cash Inflow from Returns on Investments and Servicing of Finance		2,798	5,171
Capital Expenditure & Financial Investment :			
Payments to Acquire Tangible Fixed Assets		(68,332)	(129,813)
Receipts from Sales of Tangible Fixed Assets		-	-
Receipts from Sales of Fixed Asset Investments		445,213	-
Receipts from Sales of Fixed Asset Investments (Bank)		(148,994)	(5,183)
Movement in Trading Subsidiary Indebtedness		4,250	(6,021)
Net Movement in Cashflows attributable to Endowment Fund		-	-
Net Cash Outflow from Investing Activities		232,137	(141,017)
Net Cash Outflow before Financing		(423,106)	(163,216)
Financing :			
Donations & Grants Received		499,106	189,492
Net Movement in Cashflows attributable to Endowment Fund		-	-
Net Cash Inflow from Financing		499,106	189,492
Increase/(Decrease) in Cash & Cash Equivalents	19	76,000	26,276
		-	-

The attached Notes form part of these financial statements

BRANTWOOD TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

1. Summary of Significant Accounting Policies

General Information and Basis of Preparation

The Charity was formed by an Order of the High Court dated 10 July 1951. The Education Trust Ltd is the Trustee of the Charity and appoints Management Trustees. The address of the registered office is given in the Charity Information on page 3 of this Annual Report. The objectives and nature of the charity's operations and principal activities are described in the Trustees Annual Report.

The Charity constitutes a public benefit entity as defined by FRS102.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2015) applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and UK Generally Accepted Practice.

The financial statements have been prepared on a going concern basis under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these Financial Statements. The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The financial statements do not consolidate the results of the charity and its wholly owned subsidiary Brantwood Trust Enterprises Ltd because The Charities Act 2011 (as amended by the Charities Act 2011 (Group Accounts) Regulations 2015 (SI2015/322)) has raised the limit of gross income from £500,000 to £1 million.

a) Fund Accounting

Unrestricted funds are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the Charity, principally investments. Income and capital gains arising on the endowment funds can be used in accordance with the objects of the Charity and are periodically transferred to unrestricted funds. Investment management charges and legal advice relating to the fund are charged against the fund.

b) Income

All income resources are included in the Statement of Financial Activities (SOFA) when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

BRANTWOOD TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2020

1. Accounting Policies (continued)

b) Income (continued)

Income from grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the Charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers (in line with the SORP (FRS102)).

For legacies, entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the Charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the Charity's right to receive payment is established.

c) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the headings shown in the SOFA.

Governance and Support Costs comprise costs which assist the work of the Charity but do not directly represent charitable activities and include office and travel costs, director's payroll costs and governance costs. They are incurred directly in support of expenditure on the objects of the charity. Where governance and support costs cannot be directly attributed to particular headings they have been allocated to expenditure on charitable activities. The costs are disclosed as a separate note because the management of the Charity exerts budgetary control over these costs and not on any basis of allocation. Although some support costs relate to raising restricted donations and grants, they are not allocated against those designated funds or projects.

d) Tangible Fixed Assets & Heritage Assets

Land & Buildings

The land and buildings which comprise the Brantwood estate include the main building and outbuildings, gardens and woodland. The house was built in the late 18th century and had many distinguished owners. Perhaps the most was John Ruskin who purchased it in 1871, made many additions and alterations, and occupied it until his death in 1900. Ruskin also developed the grounds of 250 acres into gardens and woodlands.

The estate and buildings thereon were purchased by J H Whitehouse in the 1930s and he helped to form the Charity in 1951 to care for the property in perpetuity. The property was transferred by a Deed of Appointment dated 28 May 1952 to the trust of The Education Trust Limited (a connected Charity of Brantwood Trust which appoints its Management Trustees). The Education Trust Limited has resolved that it is appropriate for Brantwood Trust to treat the estate and buildings as it own.

BRANTWOOD TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2020

1. Accounting Policies (continued)

d) Tangible Fixed Assets & Heritage Assets (continued)

Land & Buildings (continued)

The cost of major additions to buildings and the grounds are capitalised in the Balance Sheet. The Charity aims to maintain the property and estate in a steady state of repair. Therefore, no depreciation is charged. The costs of maintenance are charged to the Statement of Financial Activities when incurred.

Exhibits

The Charity has a collection of artefacts, pictures and literature related to John Ruskin which are held in support of the Charity's primary objective of increasing knowledge, understanding and appreciation of John Ruskin.

The Charity's collection of artefacts, pictures and literature is reported in the Balance Sheet at market value or cost (where the acquisition was made after a valuation). Valuations are made by professional valuers (Lyon & Turnbull). Gains and losses on revaluation are recognised in the Statement of Financial Activities. A valuation of the exhibits was carried out in 2009 and this revaluation, plus the cost of additions thereafter is included in the financial statements. Previously, additions to Exhibits prior to 1 January 1990 were not capitalised and from that date additions costing more than £500 have been capitalised.

It is the Charity's policy to maintain and preserve its collection of artefacts, pictures and literature in good order. These costs are charged to the Statement of Financial Activities when incurred. Items in the collection of artefacts, pictures and literature are deemed to have indeterminate lives and the Management Trustees do not consider it appropriate to charge depreciation.

Acquisitions are made by purchase or donation. Purchases are initially recorded at cost and donations are recorded at current value ascertained by the Charity's curators with reference, where possible, to commercial markets using recent transaction information from auctions.

The Charity's management policy in respect of heritage assets is summarised in the Trustees' Report

The Charity also exhibits some items relating to John Ruskin which are loaned from other collections of artefacts, pictures and literature. These items are not accounted for in the financial statements of the Charity.

Preservation and Conservation Costs

Expenditure which, in the Management Trustees' view, is required to preserve or prevent further deterioration of individual items, including preservation work on land and buildings, is recognised in the Statement of Financial Activities when it is incurred.

e) Depreciation is provided on certain tangible fixed assets so as to write off the cost less scrap value over their estimated useful lives. The following rates and methods are used :

Fixtures, Fittings & Equipment	- 15% per annum reducing balance
Computer Equipment	- 33.3% per annum straight line

Due to ongoing maintenance and their particular historic importance, the valuation of buildings and exhibits is not expected to fall. Therefore, the costs associated with the buildings and exhibits are not depreciated.

f) All Investments are stated at market value. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

g) Foreign Currencies. Transactions in foreign currencies are translated into sterling at the rate ruling at the date the transaction is settled.

h) Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

BRANTWOOD TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2020

1. Accounting Policies (continued)

- i) Pension Scheme. The Charity operates a defined contribution pension scheme for certain employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension charge represents contributions payable by the Charity to the scheme.
- j) Value Added Tax. Since 01/01/2016 the Charity has only been able to claim Input Tax using the "partial exemption" rules. This is because it has been agreed with HMRC that Admission Fees and Education Courses Income are exempt from VAT. The irrecoverable VAT on additions to tangible fixed assets is added to the cost of those additions. Irrecoverable VAT on expenses has been allocated to the cost of operating the house and gardens as this is the major area where it arises.
- k) Tax The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.
- l) Going Concern The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

BRANTWOOD TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2020

	2020	2019
	£	£
2. Donations, Grants & Legacies Received		
a) <u>Unrestricted</u> :		
Education Trust (for Cash Flow)	185,000	-
SLDC Covid Business Support Grants	22,349	-
Covid Job Retention Scheme	42,888	-
Gift Aid received	3,675	13,355
Friends of Brantwood	-	4,000
Ruskin Mill Trust	5,000	0
Rawdon Smith Trust	372	0
Visitors & Others	1,594	2,281
	<u>260,878</u>	<u>19,636</u>
b) <u>Restricted</u> :		
Arts Council for England (Covid Culture Recovery Fund)	199,260	-
Arts Council for England (Covid Culture Recovery Fund)	35,000	-
Bowland Charitable Trust (Geology Collection)	-	100,000
V&A (Geology Collection)	-	35,000
Friends of Brantwood (Geology Collection)	3,000	-
Arts Council England (Natural Connections)	-	13,452
Bowland Charitable Trust (Outdoor Wifi)	-	16,060
Heather Rhodes (Learning Loft Project) inc Gift Aid	458	1,144
BAE Systems (Learning Loft Project Travel)	500	0
Cumbria County Council (Learning Loft Project)	-	200
Eric Wright Trust (Learning Loft Project)	-	1,000
Other Contributions to Learning Loft Project	10	-
Japan Centre Group (Japanese Tea Party)	-	3,000
	<u>238,228</u>	<u>169,856</u>
c) Total Donations and Grants Received	<u>499,106</u>	<u>189,492</u>
3. Events & Courses		
	2020	2019
	£	£
Takings	1,840	34,299
Artistes' Fees & Events Expenses	(1,496)	(26,219)
	<u>344</u>	<u>8,080</u>
Learning Loft Project Costs (funded by Grants)	(1,028)	(3,964)
	<u>(1,028)</u>	<u>(3,964)</u>

BRANTWOOD TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2020

4. Trading Operations		2020		2019
		£		£
a) Sales of Books, Prints, Gifts & Garden Produce		6,112		75,736
Cost of Sales		(1,894)		(44,744)
		<hr/>		<hr/>
Gross Profit	69.0%	4,218	40.9%	30,992
		<hr/> <hr/>		<hr/> <hr/>
5. Investment Income		2020		2019
		£		£
Bank Interest Received (from Unrestricted Funds)		17		14
Dividends & Interest on Investments (from Endowment Funds)		2,781		5,183
		<hr/>		<hr/>
		2,798		5,197
		<hr/> <hr/>		<hr/> <hr/>
6. Cost of Operating House & Gardens		2020		2019
		£		£
Employees' Salaries & NIC		170,245		166,776
Employer's NIC		8,384		7,993
Employer's Pension Contributions		3,770		2,274
Garden and Building Repairs Sub-Contractors		11,336		15,332
Volunteers' Expenses		1,329		2,532
Marketing & Publicity		10,203		21,029
Project Development - Natural Connections		1,575		1,575
Commission on Admissions		27		2,509
Heat & Light		17,064		22,487
Rent of Pier, Rates & Water Charges		1,144		3,745
Insurance & Security		17,089		18,438
Cleaning & Laundry		4,974		4,335
Rented Accommodation Costs		6,800		15,907
Repairs & Renewals		5,519		23,686
Estate & Garden Expenses		5,733		2,038
Equipment Depreciation		15,345		15,874
Artefacts Repairs, Exhibitions Renewals & Materials		1,061		3,869
Irrecoverable VAT		2,742		4,355
		<hr/>		<hr/>
		284,340		334,754
Governance & Support Costs (see Note 7)		68,707		78,096
		<hr/>		<hr/>
		353,047		412,850
		<hr/> <hr/>		<hr/> <hr/>
a) The average number of employees (including Director) during the year was:		13		13
b) No employees earned more than £60,000				

BRANTWOOD TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2020

7. Governance & Support Costs	2020	2019
	£	£
Director's Salary & NIC	37,779	37,779
Employer's NIC	3,359	3,777
Employer's Pension Contributions	4,000	4,000
Director's Accommodation Costs	1,983	2,109
Telecommunications	5,198	3,906
Subscriptions, Licences, Staff Training & Courses	1,285	2,620
Computer Consultancy & Maintenance	6,761	7,095
General Office & Sundry Expenses	2,971	2,445
Credit Card Charges	1,245	3,770
Bank Charges	393	348
Bank Interest	-	26
Motor & Travelling Expenses	1,133	8,621
Trustees' Expenses	-	-
Independent Examiners Fees	2,600	1,600
	<u>68,707</u>	<u>78,096</u>
	<u><u>68,707</u></u>	<u><u>78,096</u></u>

BRANTWOOD TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2020

8. Fixed Tangible Assets comprise :

	Buildings	Grounds	Exhibits	Fixtures, Fittings & Equipment	Total
	£	£	£	£	£
Cost & Valuations :					
At Start adjusted	635,140	153,400	469,881	318,137	1,576,558
Disposals at cost	-	-	-	-	-
Additions at cost	25,393	1,784	27,019	14,136	68,332
At End	<u>660,533</u>	<u>155,184</u>	<u>496,900</u>	<u>332,273</u>	<u>1,644,890</u>
Aggregate Depreciation :					
To Start	-	-	-	246,082	246,082
Eliminated in respect of Disposals	-	-	-	-	-
Charge for year	-	-	-	15,346	15,346
To End	<u>-</u>	<u>-</u>	<u>-</u>	<u>261,428</u>	<u>261,428</u>
Net Book Value :					
At Start	<u>635,140</u>	<u>153,400</u>	<u>469,881</u>	<u>72,055</u>	<u>1,330,476</u>
At End	<u>660,533</u>	<u>155,184</u>	<u>496,900</u>	<u>70,845</u>	<u>1,383,462</u>

As stated in Note 1d), the land and buildings are treated as assets of Brantwood Trust. The original acquisition does not have a historical cost and, due to its historic nature and background (and listed status) as a heritage asset.

Five year financial summary of heritage (exhibits) asset transactions:

	2020	2019	2018	2017	2016	2015
	£	£	£	£	£	£
<u>Cost or Valuation</u>						
At start of year	469,881	354,710	353,710	353,276	340,914	340,914
Additions	27,019	115,171	1,000	434	12,362	-
Donations	-	-	-	-	-	-
Revaluation surplus	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At end of year	<u>496,900</u>	<u>469,881</u>	<u>354,710</u>	<u>353,710</u>	<u>353,276</u>	<u>340,914</u>

The exhibits were revalued in Summer 2009 by professional valuers (Lyon & Turnbull) at £338,120. The revaluation surplus was added to the Endowment Fund.

	2020	2019	2018	2017	2016	2015
	£	£	£	£	£	£
Additions at cost since the valuation:						
Geology Collection	27,019	114,763				
Books		408				
Paintings for House			1,000			
Van Burd Library Bookcases				434	12,362	

No disposals have taken place since the valuation.

The above information relates only to transactions in artefacts, pictures and literature.

BRANTWOOD TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2020

9. Fixed Tangible Investments comprise :	2020	2019
	£	£
<u>Listed Investment Trusts & Shares :</u>		
Cost at Start	57,840	57,840
Unrealised Gains to Start	347,662	265,271
	<hr/>	<hr/>
Market Value at Start	405,502	323,111
Additions at Cost		
Disposal Proceeds	(445,213)	
Realised Gains/(Losses) in Year	39,711	
Unrealised Gains/(Losses) in Year	-	82,391
	<hr/>	<hr/>
Market Value at End	-	405,502
	<hr/> <hr/>	<hr/> <hr/>
<u>Bank Deposit</u>	161,401	12,407
	<hr/> <hr/>	<hr/> <hr/>
Total Cost at End	161,401	70,247
	<hr/> <hr/>	<hr/> <hr/>
Total Market Value at End	161,401	417,909
	<hr/> <hr/>	<hr/> <hr/>
<u>Unlisted Shares:</u>		
Investment in Subsidiary	1	1
	<hr/> <hr/>	<hr/> <hr/>

The Charity owns all the share capital of a trading subsidiary company which operates the restaurant at Brantwood.

Brantwood Trust Enterprises Ltd - registered in England number 09397946.

The accounts of the subsidiary are not consolidated into these accounts because the gross income of the charity and subsidiary is less than £1million.

10. Stocks comprise :	2020	2019
	£	£
Books	11,899	9,741
Gifts & Post Cards	9,090	7,273
	<hr/>	<hr/>
	20,989	17,014
	<hr/> <hr/>	<hr/> <hr/>

11. Debtors comprise :	2020	2019
	£	£
Trade Debtors	4,418	1,332
Other Debtors :		
Gift Aid Due	778	96
Trading Subsidiary	156,381	160,631
Prepayments	2,623	3,640
	<hr/>	<hr/>
	164,200	165,699
	<hr/> <hr/>	<hr/> <hr/>

BRANTWOOD TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2020

12. Cash at Bank and in Hand comprises :	2020	2019
	£	£
Managers` Accounts	115,448	37,256
Cash	1,301	3,493
	<u>116,749</u>	<u>40,749</u>

13. Creditors : Amounts falling due within one year comprise :	2020	2019
	£	£
Bank Overdraft - Managers` Account & Credit Card	-	-
Trade Creditors	5,629	13,672
Deposits Received for Wedding Bookings & Concerts	16,803	9,032
Loan from Bowland Charitable Trust for Cafe Development	-	204,000
Loan from Bowland Charitable Trust for Cash Flow Purposes	-	85,000
Loan from Education Trust for Cash Flow Purposes	-	85,000
Rents Received in Advance	5,316	2,663
Monies Collected for Friends of Brantwood	235	565
Other Creditors :		
PAYE & NIC	2,169	4,838
VAT	1,289	9,352
Accruals	5,618	6,836
	<u>37,059</u>	<u>420,958</u>

The Loans from Bowland Charitable Trust and Education Trust had no fixed term for repayment and are interest free.

14. Unrestricted Funds	2020	2019
	£	£
Balance at Start	8,820	55,767
Movement in funds for the year	389,132	(46,947)
	<u>397,952</u>	<u>8,820</u>

BRANTWOOD TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2020

15. Restricted Funds

	Buildings £	Grounds £	Exhibits £	Equipment £	Projects £	Total £
At 31-12-18	288,898	84,930	27,952	61,618	9,040	472,438
Grants & Donations received in 2019					169,856	169,856
Costs Incurred			114,764	14,642	(143,653)	(14,247)
Depreciation				(13,821)		(13,821)
At 31-12-19	288,898	84,930	142,716	62,439	35,243	614,226
Grants & Donations received in 2020					238,228	238,228
Costs Incurred	25,438	1,436	23,236	2,427	(151,246)	(98,709)
Depreciation				(13,290)		(13,290)
At 31-12-20	314,336	86,366	165,952	51,576	122,225	740,455

The Buildings, Grounds and Exhibits Funds arise from grants and donations to the Charity which have enabled it to make major alterations to the buildings or grounds at Brantwood or purchase exhibits for Brantwood.

The Equipment Fund arises from grants and donations to the Charity which are used to purchase equipment and motor vehicles for use by the Charity. This equipment and vehicles are depreciated and a transfer is made from the Fund each year to Unrestricted Funds so as to write off the Fund balance at the same rate as the underlying assets.

The Projects Fund arises from grants and donations to the Charity for specific purposes. When these purposes have been fulfilled (including incurring costs and expenses), the funds are transferred to Unrestricted Funds so as to reduce the costs and expenses incurred by that Fund for that purpose.

Grants received which have not yet been fully spent are as follows (shown above as carried forward in Projects):

	2020 £	2019 £
Bio-Dynamic Gardening Group	1,366	1,773
Learning Loft	1,197	1,257
Geology Collection	-	20,236
Natural Connection	10,302	11,877
Building Conservation	100	100
Arts Council Recovery Fund	-	-
	12,965	35,243

16. Endowment Fund

	2020 £	2019 £
Balance at Start	927,844	840,270
Surplus for Year on Income	2,781	5,183
Realised Gain/(Loss) on Disposals of Investments in year	39,711	-
Unrealised (Deficit)/Surplus for year on Investments	-	82,391
Transfer to Unrestricted Funds	(299,000)	-
	671,336	927,844

BRANTWOOD TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2020

17. Analysis of Net Assets between Funds

	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total Funds £
Tangible Fixed Assets	255,297	618,230	509,935	1,383,462
Tangible Investment Assets	1	-	161,401	161,402
Cash at Bank and in Hand	(5,476)	122,225	-	116,749
Other Current Assets	185,189	-	-	185,189
Current Liabilities	(37,059)	-	-	(37,059)
	<u>397,952</u>	<u>740,455</u>	<u>671,336</u>	<u>1,809,743</u>

18. Net Cash Inflow/(Outflow) from Operating Activities

	2020 £	2019 £
Net Incoming Resources	219,142	100,024
Depreciation	15,345	15,874
(Increase)/Decrease in Stocks	(3,975)	443
(Increase) in Debtors	(2,751)	5,346
Increase/(Decrease) in Creditors	(383,898)	45,606
Investment Income	(2,798)	(5,197)
Donations & Grants Received	(499,106)	(189,492)
Bank Interest Paid	-	26
Net Cash (Outflow) from Operating Activities	<u>(658,041)</u>	<u>(27,370)</u>

19. Cash & Cash Equivalents

	2020 £	2019 £
a) Endowment Fund		
Balance at Start	-	-
Net Cash Inflow/(Outflow) in year	-	-
Balance at End	<u>-</u>	<u>-</u>
b) Managers & Café Accounts		
Balances at Start	37,256	8,412
Net Cash Inflow/(Outflow) in year	78,192	28,844
Balances at End	<u>115,448</u>	<u>37,256</u>
c) Cash		
Balance at Start	3,493	6,061
Net Cash Inflow/(Outflow) in year	(2,192)	(2,568)
Balance at End	<u>1,301</u>	<u>3,493</u>
d) Total		
Balance at Start	40,749	14,473
Net Cash Inflow/(Outflow) in year	76,000	26,276
Balance at End	<u>116,749</u>	<u>40,749</u>

BRANTWOOD TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2020

20. Transactions with Trustees and Connected Persons

The Management Trustees neither received nor waived any remuneration during the year (2019: £nil).

The Charity did not pay for accommodation or travel for Management Trustees attending trustees' meetings.

21. Connected Charities

The following Charity shares some common trustees with Brantwood Management Trustees :

The Ruskin Foundation (dissolved 07/01/20)

The following Charity is the Trustee of Brantwood and appoints its Management Trustees. Some of the directors are also Management Trustees of Brantwood :

Education Trust Limited

22. Other Work by Independent Examiner

In common with many other entities of our size and nature we use our independent examiner to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements. When required, they also install, maintain and instruct us in the use of book-keeping and payroll computer software and also perform relief book-keeping services. They also assist in the appointment of book-keeping staff.