

draft

Guide to the finances and accounts of the Somerset Archaeological and Natural History Society

David Dawson, Hon.Treasurer

This guide is produced to assist in understanding the structure of the finances of the Society and the way in which the formal accounts reflect that structure.

The Society is an unincorporated registered charity no. 201929.

Our annual reports and accounts for preceding years are published on line on the Charity Commission website www.charitycommission.gov.uk. The financial management of the Society is the responsibility of the Hon.Treasurer acting in concert with the Executive Officers and he is accountable to the Board. The Accounts are prepared by the Society's Independent Examiner, Anthony Porter of Amherst & Shapland, in collaboration with the Hon.Treasurer. They are prepared in the strict format in accordance with a Statement of Recommended Practice (SORP) 2005, amended in April 2009, and in the light of further advice and guidance published by the Charity Commission.

All our fundraising and expenditure is applied to the charitable objects of the Society. These are: to promote the study of archaeology, natural history and history of the historic county of Somerset, in such ways, including publications and information technology, as the Board of Trustees may deem appropriate. There is one subsidiary charity, the Maltwood Fund (no. 201929-1) 'for archaeological and historical research in the historic county of Somerset.'

The guide is divided into four parts:

- | | |
|----------------------------------|-------------|
| 1) income | see page 2; |
| 2) expenditure | see page 4; |
| 3) the Society's funds | see page 5; |
| 4) the Society's heritage assets | see page 7. |

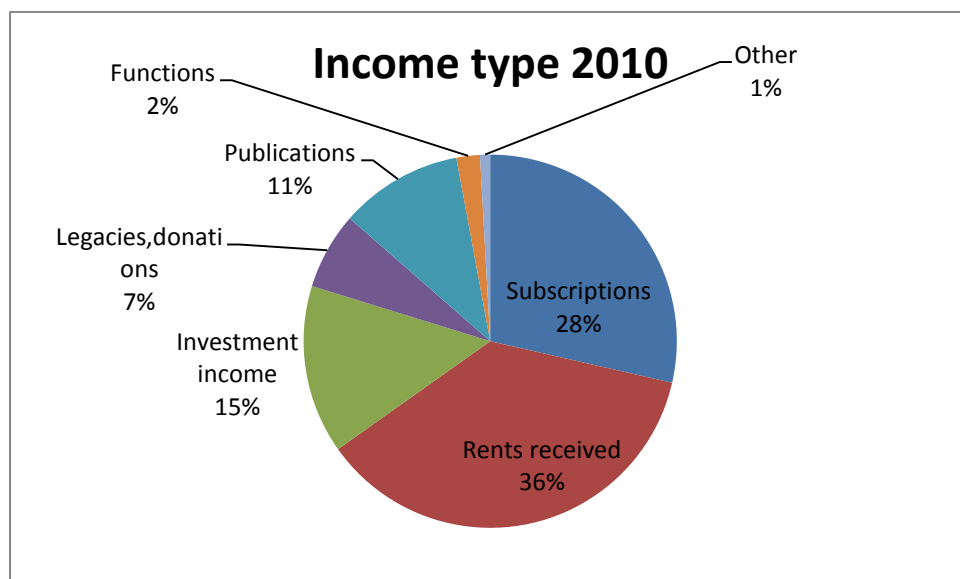
1) INCOME

Income is shown in the Annual Statement of Financial Activities.

The largest part is income from rentals, currently from Somerset County Council for the County Museum and Taunton Castle, from Taunton Deane Borough Castle for the Northern Gardens and from the Castle Hotel for the Castle Gardens. In 2010 a substantial part was the grant from Somerset County Council to offset the costs of renting library and office premises at Paul Street, Taunton.

Subscriptions account for the second largest portion of our income – a portion that the Trustees aim to increase by recruiting more subscribers to the Society.

Both these sources of income together with income from functions and ‘other’ sources are devoted to our unrestricted (general) fund which the Trustees have at their disposal to pursue the charitable objects of the Society.



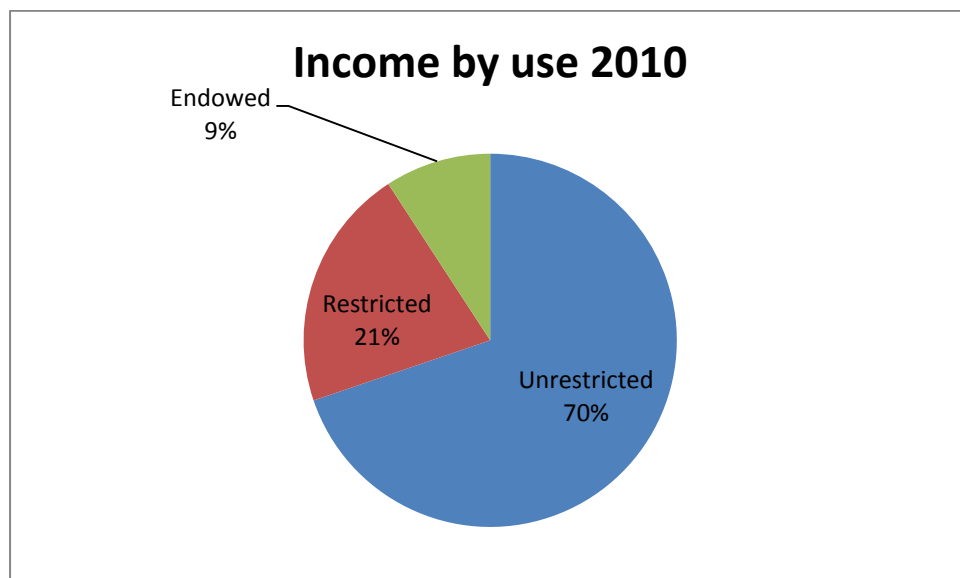
Investment income accounts for the third largest portion. This is normally split between the three types of fund the Society holds (see below).

Income from sales of publications is used to top up the Publications Fund (see below).

Legacies and donations will go to the unrestricted (general) fund unless the donor specifies a particular restricted or endowment fund (see below).

What is the difference between unrestricted, restricted and endowed funds?

The unrestricted (general) fund is the financial pot available to the Board to spend as they see fit to pursue the charitable objects of the Society. It is the general fund used to run the Society. About 70% of the income is devoted to this purpose.



Restricted funds are specific funds whose expenditure is reserved (restricted) to the particular purpose assigned to each fund.

They fall into three categories:

- a) to make grants to promote and encourage study in the archaeology, history, natural history and vernacular buildings of the historic county;
- b) to maintain the library and develop of our museum collections;
- c) to disseminate new information through publication.

These are listed and further explained in section 3 below.

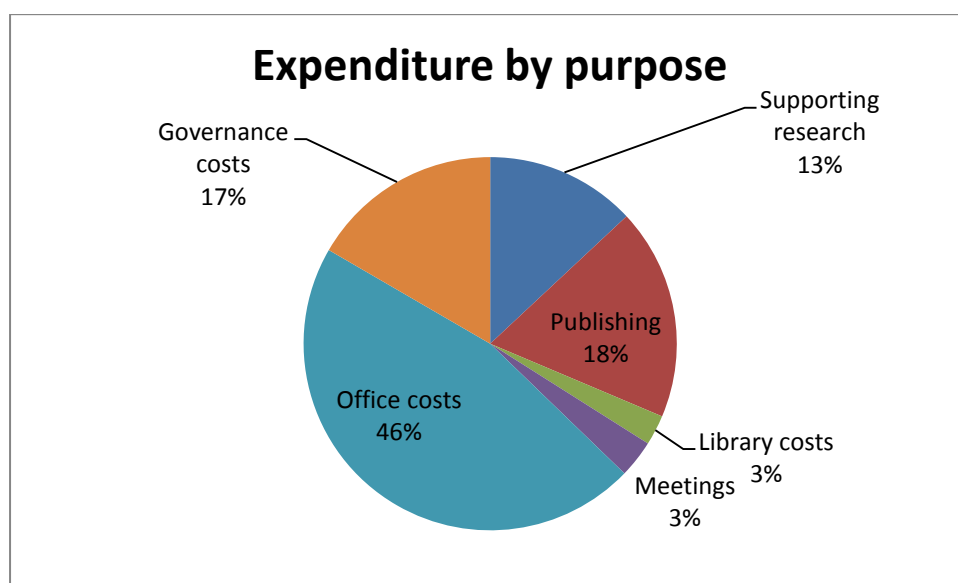
Endowment funds are specific funds invested to generate income for the restricted funds which support grants and the maintenance of the library. These too are listed and further explained in section 3. The subsidiary charity, the Maltwood Fund, is one of the endowment funds.

The Society has been going through a period of substantial renewal and expenditure, especially on professional fees, has been abnormally high. In 2011 income into the unrestricted fund, as in 2010, will not be sufficient to cover the call for expenditure and the shortfall will be drawn down from our unrestricted reserves. Further income anticipated from rents and hopefully further income from more membership subscriptions should bring the finances for 2012 back into balance.

2) EXPENDITURE

Expenditure is shown in the Annual Statement of Financial Activities.

By far the largest portion is spent on office costs. This is expenditure to support the activities of the Society. In 2010 shown in the pie chart below, rent for the space occupied by the library and office in Paul Street is included. Since September 2010, these facilities now in the Somerset Heritage Centre have been made free of charge. Office or support costs include salaries, rates, insurance, committee expenses, office running costs and professional fees. The detail can be found in the note attached to the Annual Statement.



Governance costs are a proportion of the overall support costs that have been estimated to cover the costs of running the formal general and advisory meetings of the Society and of the Board.

Publishing includes the costs of producing and distributing the Proceedings, the Newsletter and occasional publications. These are listed in the Annual Report.

Supporting research is entirely in the form of grants made from specific restricted funds. They are listed in the Annual Report.

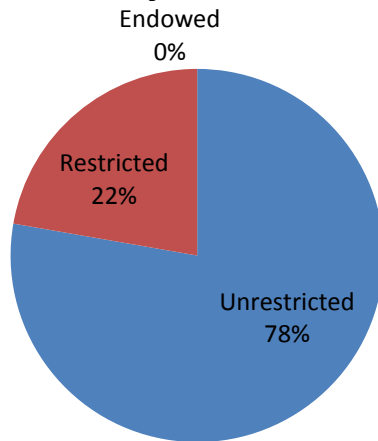
Library costs reflect the expenditure on cataloguing and acquisitions for the library.

Whilst Committees try to cover the costs of meetings, special meetings are supported by unrestricted funds and again are listed in the Annual Report.

The proportion of types of expenditure will vary from year to year especially payments from restricted funds.

In 2010 78% of expenditure was paid from the unrestricted fund (see below).

Expenditure by use of funds 2010



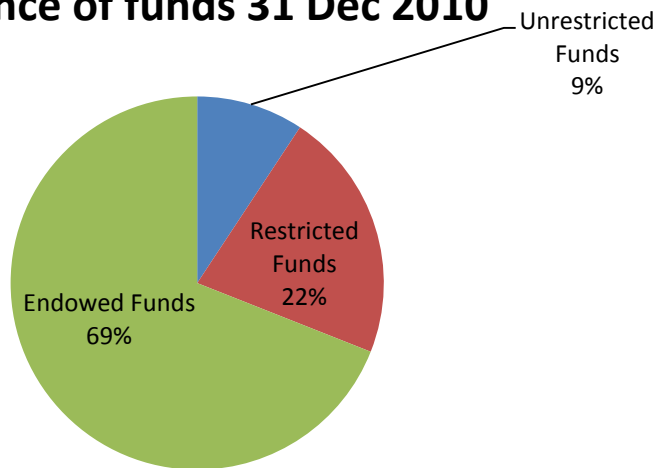
3) THE SOCIETY'S FUNDS

The difference between the three types of fund is explained above.

Our reserves at 31 December 2010 were:

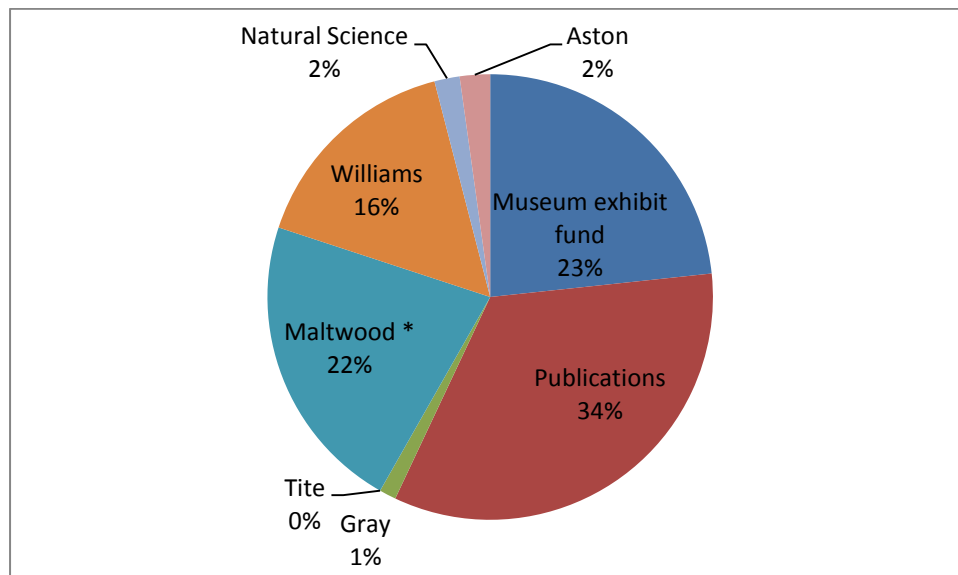
Unrestricted fund	£22,844
Restricted funds	£53,402
Endowment funds	£169,715

Balance of funds 31 Dec 2010



Restricted Funds

These are specific funds whose expenditure is reserved (restricted) to the particular purpose assigned to each fund. Their relative size at 31 December 2010 is illustrated in the pie chart below.



They fall into three categories:

a) to make grants to promote and encourage study in the archaeology, history, natural history and vernacular buildings of the historic county;
The income derived from investing in the specific endowment fund is made available for distribution as grants.

The funds comprise:

Three funds administered as the Heritage Funds, namely:

The Maltwood Fund – for supporting research into the archaeology and history of Somerset;

The H St George Gray Fund - for encouraging wider participation in archaeological research and fieldwork in Somerset;

The Aston Fund – for imaginatively promoting archaeology.

Two further funds separately administered, namely:

The Williams Fund - a Bequest for fieldwork and supporting research in historic buildings in Somerset;

The Natural Science Research (Pat Hill Cottingham Memorial) Fund – for supporting research into the geological and biological sciences of the county.

b) to maintain the library and develop of our museum collections;

The Tite Fund for maintaining the library is supported by income from the Tite endowment fund;

The Museum Exhibit Replacement Fund is specifically for the acquisition or support of the museum collections.

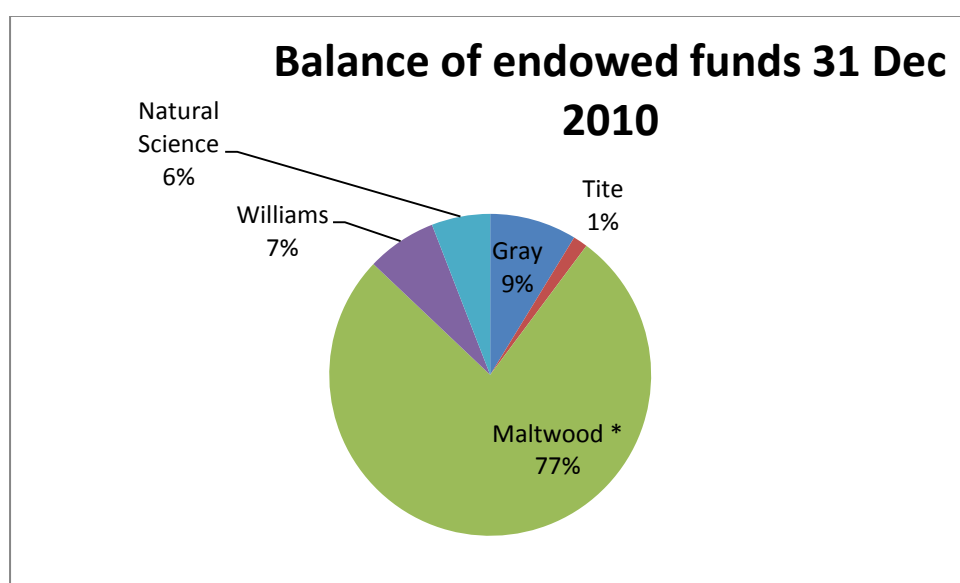
c) to disseminate new information through publication.

The Publications Fund is a rolling fund to support specifically the production of occasional publications.

Endowment funds

Apart from publication, establishing endowment funds and developing them has been the primary way in which the Society supports and promotes interest in and further study of Somerset.

The endowments are shown below. The largest is the Maltwood Fund, a subsidiary charity transferred to the Society from the Royal Academy and most recently further augmented with a substantial legacy from Nicholas Dea.



4) THE SOCIETY'S HERITAGE ASSETS

These are given a nil capital value and hence do not appear in the Accounts except as a note. This practice is in full accord with SORP and current Charity Commission guidance.

At its inception in 1849 the Society had as one of its primary objectives the development of heritage assets as integral to their objective of educating the public and furthering understanding and knowledge of the archaeology, natural history and culture of Somerset in its widest setting. Speaking in 1849, the then secretary, Rev.T.F.Dymock, expressed that, 'no time be lost in getting together a collection of sufficient importance to be of real help to those studies which the Society is established to promote'.

The need to secure these developing collections and make them accessible to the public for the purposes of their education, study and enjoyment led to the search for permanent

premises and ultimately to the purchase of Taunton Castle and subsequent development of the site.

During 2010 all three collections were almost entirely removed to the modern Somerset Heritage Centre built and equipped by Somerset County Council at Norton Fitzwarren at a cost of £8 million where they are subject to current accepted standards of collection care, security and access. In 2011 the refurbished County Museum will open as the Museum of Somerset after a £6.5 million programme part funded (£4.8m) by the Heritage Lottery Fund.

1) Museum collections

From 1849 onwards the Society developed its museum collections, mainly by gift and bequest, some resulting from active fieldwork by its members, and also by purchase and exchange. The expansion of the collections is recorded mainly in the Society's *d* and from 1901 in the accessions registers and card indices. By the time the collections were leased to Somerset County Council on 1 August 1958 the collection numbered several hundreds of thousands of specimens, artefacts and works of art. Detailed documentation is incomplete, complicated by such factors as imperfectly documented disposals by the Society and the lack of general progress in taxonomic research and identification especially related to potential type specimens. The collection was placed on formal loan to the County Council in 1988 acknowledging the protocol that all County Museums Service collections not otherwise documented and known to have been acquired before 1958 is deemed to belong to the Society. The loan agreement is enshrined in a new Museums Collections Agreement of 1 April 2007 for 49 years. In their current state the collections now comprise substantial regionally important material of archaeology, geology (including palaeontology), natural history (both botanical and zoological), social history, fine and decorative arts and to a far lesser extent foreign archaeology and ethnography. Under the agreement the County Council is responsible for the care of the collections, ensuring public access to them and using them for the purposes of public study, education and enjoyment. The Society occasionally contributes to the care and research of its collections and to acquisitions to the museum collections.

2) Library collections

In the early years of the Society, the library was treated as part of the Museum Collections and developed in exactly the same way in addition to issues of the Proceedings being exchanged with those of other societies. Acquisitions were regularly reported in *d*. The collections are recorded in paper listings kept at the Society's office and in the record of the Tite Bequest. Inevitably there is a backlog of detailed checking and listing which is steadily being addressed. The library is now managed by Somerset County Council on behalf of the Society in accordance with the Library Collections Agreement of 28 July 2010 which lays on the County Council the same responsibilities for care and public access as for the museum collection. The Society occasionally contributes to the care and research of its collections and regularly purchases new acquisitions.

3) **Archive collections**

In the early years of the Society, the archive collections were also treated as part of the Museum Collections and developed in exactly the same way mainly by gift and bequest and occasionally by purchase and exchange. Acquisitions were regularly reported in *d*. The collections are recorded in the accessions records of the Somerset Record Office but again there is a backlog of detailed checking and listing. The mechanism by which Somerset County Council manages the collections on behalf of the Society is being reviewed and an Archives Collections Agreement is being negotiated. The Society occasionally contributes to the care and research of its collections.

4) **The Castle Estate**

Following a decision of the AGM on 19th August 1873, Taunton Castle was purchased in 1874 for £2,850 through a public subscription raised under the auspices of the Society specifically to house and display its museum and its collections. Various parcels of land have been added and sold since that date but the property held today comprises most of that original purchase. Through the generosity of William Wyndham substantial alterations were made to the buildings in the 1930s including the construction of the Wyndham Hall. A further story was added to the Wyndham block funded by the Somerset Military Museum Trust for their museum.

The current estate as defined by our deeds and by the entry in the UK Land Registry comprises:

- a) Taunton Castle including the buildings housing the Museum of Somerset, Castle House, the Wyndham Hall and the Moat Gardens;
- b) The Northern Gardens located between the Castle buildings and the Mill Leet;
- c) The Norman Gardens located to the east of the Castle buildings and site of the Society's excavations in 1922-28 of what had been interpreted as the Castle keep.

Part (a) is leased to Somerset County Council for 49 years from 1 April 2007 for the purposes of providing a public museum. A license to sublet Castle House is currently under negotiation to ensure its preservation and future public use;

Part (b) is leased to Taunton Deane Borough Council from 9 February 1977 for 50 years for the purposes of providing public gardens. This lease is being renegotiated to allow improved public access under the auspices of Project Taunton;

Part (c) is leased to the Castle Hotel from 29 September 2010 for 25 years on a commercial basis except for a portion known as Ine's Cottage Garden which is under negotiation for leasing to another party.

The lease of premises at Paul Street has been terminated and the Society now holds its registered office under licence from Somerset County Council at a nil rent.

David Dawson
June 2011