

SANHS Annual General Meeting 20th May 2023

2022 Annual Report of the Trustees

Trustees

Christopher Chanter	2016 to 2023
Sue Goodman	2019 to 2022
Lizzie Induni	2020 to 2023
Christine Jessop	2021 to 2024 (resigned 2022)
David Reid	2021 to 2024
Harriet Induni	2021 to 2024 (resigned 2022)
Martin Salzer	2021 to 2024
Gerardine McHugh Soliman	2021 to 2024
Christine Webster	2021 to 2024
Emma Turk	2022 to 2025

Charity Number: 201929

Registered address: Somerset Heritage Centre, Brunel Way, Norton Fitzwarren, TA2 6SF

Accountant: Amherst & Shapland, Unit 2, Old Brewery Road, Wiveliscombe, TA4 2PW

Investment Manager: Brewin Dolphin, The Paragon, Counterslip, Bristol, BS1 6BX

Proceedings Editor: Rob Webley

Management of the Society in 2022

The Society has been working with a small number of trustees over most of the year with the burden of administrative tasks falling on a few shoulders. However, there is now a full complement within the Executive Committee which now comprises of the Chair, Deputy Chair, Honorary Treasurer and an Honorary Secretary.

The 2022 AGM was held in May, when a rule change was tabled and approved to allow the then Chair to extend his tenure as a trustee from six to seven years, and thereby allow him to remain as Chair. However, the Charity Commission advised the Society that the approach adopted to extend tenure was inadmissible and a further Special General Meeting was held in July to rectify this matter. The proposals of the Membership Working Party to update the membership categories (including a new Family Membership) and to increase the subscriptions from January 2024 were approved by the members during this AGM. The process of integrating the membership databases was started in 2022 to ensure all the changes required could be dealt with in an efficient way.

Perhaps the most important issue raised during the May AGM was the agreement by Society members to support changing the Society from an 'Unincorporated Association' to a 'Charitable Incorporated Organisation (CIO)'. Although this is primarily a governance issue, it is the modern approach to charity management, favoured by the Charity Commission and

others. It reduces the liability of trustees and in certain circumstances other members of the Society, and there are certain external funding sources available to CIOs which are not available to Unincorporated Associations. A dedicated team to spearhead this project was set up late in 2022 with initial work focusing upon: - identifying the assets and the legal documents that underwrite them; - and, drafting a new constitution. The conversion process is complicated, exacerbated by the numerous Society assets and endowment funds, and will continue throughout 2023.

The Society Welfare Policy was reviewed in 2022 to include a rigorous risk assessment form and an Equality, Diversity and Inclusion Policy was composed. The Trustees are still very aware that there needs to be a new trustee information pack to be put together and a clear induction programme. A clear understanding of what underpins the success and the longevity of the Society is crucial for trustees to carry out their duties.

The webinars, created through necessity in Covid lock-downs, continued in 2022, with eight events held throughout the year, again supported by all sections of the Society, ranging from single lectures (mainly held weekday evenings) through to a multi-lecture event, on an archaeological topic. The webinars have been well supported; their smooth running and success is due to a small behind-the-scenes team of members. Webinars, enabling, as they do, participation from Society members geographically remote from Somerset and members who, for other reasons, might be unable to participate, will become a long-term addition to the SANHS repertoire.

During late 2022, it became clear that the website needed vital updating. A website development team were brought in to make the system stable and secure but more work is required in 2023. The Society has been fortunate to recruit a new Web Manager who has approached the job with great enthusiasm. It is hoped to provide thorough training to ensure she is supported in this vital role.

The South West Heritage Trust (SWHT) is a key partner in the management and use of SANHS assets. After a number of years when regular meetings between SANHS and SWHT had lapsed, a meeting was held in 2022, and regular meetings will now resume. The Society is now looking forward to working with the SWHT in setting up some events and activities in the future.

For many years the Wyndham Hall, also part of the SANHS Castle Estate, has been held by Somerset County Council, unused and unloved. From September, SANHS resumed direct custody of the building and took the opportunity to open the building for six days during the national September Heritage Open Days, when it attracted considerable interest from the public. It is proposed to undertake minimal remedial work before getting the Hall into routine use both by the Society and local organisations. As example, a Taunton Art Cinema group has expressed considerable interest in using the facility. The long-term viability of the hall will depend upon further development and attracting regular community usage.

2022 was an ambitious year for SANHS with a number of new developments. The trustees, however, are aware of the risks that are faced by the Society. Funding is being sought for the CIO conversion, the Wyndham Hall refurbishment as well as the overhaul of the SANHS

Website and the Executive are working hard to source the required finance. There are only seven Trustees and it is vital that this number is increased to allow the Society to carry out its charitable duties. Developing and maintaining a secure and fully functioning website which supports the aims of the Society is high on our list of priorities for 2023 together with halting the deterioration of parts of the SANHS estate.

Financial Report 2022

The overall assets of the society were £332k at the end of 2022, down £33k from £365k at the year start.

The society assets are segregated into:

- Endowment funds, which are treated as inviolate, but the income and gains are used for specific purposes in accordance with both the bequest and the society charitable objectives.
- Restricted funds, either derived from the endowment funds or funds obtained for specified purposes, the use of which is therefore strictly controlled.
- Unrestricted funds, which, although some are designated for particular purposes, can largely be used at the discretion of the trustees to support the society.

The endowment funds, many of the restricted funds and parts of some unrestricted funds are held in an investment portfolio by an investment management company. As anticipated in my report for 2021, 2022 proved a difficult year for such investments. The value of the portfolio reduced by £43k from £312k at year start to £268k at year end, although the income paid by the portfolio over the year was not substantially different (about £9k).

Endowment and Restricted Funds

The total of the endowment funds reduced from £216k at the year start to £190k at year end, this figure including the transfer of £4.7k to the corresponding restricted funds. Payment of grants from the restricted funds aligned to the endowments has increased from £3.5k in 2020 to £9.0k in 2021 and £10.8k in 2022; this marks welcomed increased activity following the relaxation in Covid limitations from 2021 onward.

The accounts identify two Restricted funds which are not included in the investment portfolio; the Norman Gardens Project and the Dunster Project. The Norman Garden Project is very nearly complete and there were no financial transactions recorded during 2022; the fund currently stands at £18.4k. It is hoped that the remaining activities can be concluded during 2023 and the project formally closed.

The Dunster Project received two final grants during 2022 (totalling £2k) and incurred £0.8k expenditure. It is hoped that this project also will be closed in 2023.

Unrestricted Funds

The Museum Exhibit Replacement Fund and the Publications Fund are part invested in the investment portfolio, and so accrue gains, losses, interest and management charges according to the portfolio performance. The Contingency Fund was included in the portfolio in 2021 with the aim of producing long-term growth in accordance with society policy.

The Museum Exhibit Replacement Fund, although categorised as unrestricted, is designated according to an agreement with the Museum of Somerset to be used solely in support of the SANHS museum collection. There was no expenditure during 2022, but the fund value reduced from £19.0k to £17.4k over the year as a result of the above discussed portfolio performance.

The Publications Fund incurred costs of £3.8k, primarily in the issue of a new publication. This was offset by a grant of £0.8k, and there was additional income from sales of £1.8k. In combination, and as a result also of the partial exposure to the investment portfolio, the Publications Fund reduced from £9.2k at year start to £7.3k at year end.

There were no calls on the Contingency Fund during 2022, but because it is included in the investment portfolio its value reduced from £5.4k to £4.9k at year end.

Unrestricted Funds – the General Purposes Fund - Overview

Notwithstanding the significant total assets of the society, the day-to-day operation of the society is dependent upon the General Purposes Fund, the last of the unrestricted funds. Its assets were £12.9k at year start increasing to £20.8k at year end. These values, however, include fixed and intangible assets, with the result that at year end the money available in this fund was about £12.6k.

Unrestricted Funds – the General Purposes Fund - Income

One of the principal income streams for the general purposes fund is from subscriptions. After a gradual reduction in subscription income over several years, this showed a small increase in 2022 (2021 = £12.3k; 2022 = £12.5k). In addition, at the end of 2022, there was already £1.0k from advance subscriptions for 2023.

The other main income stream for the general purposes fund is from rents received from the Castle Estate properties. At the beginning of the year, there was an ongoing dispute with one of the lease holders. Following legal intervention, the rental payment aspects of this dispute were resolved, resulting in a back payment as well as a resumption of regular payments. In addition, scheduled rent increments were assessed and paid on two properties. As a result, rental income for the year was £18.1k, up from £8.7k the previous year, but this figure is inflated by the back payment from one tenant from earlier years.

Sundry donations reduced marginally from £2.1k in 2021 to £1.5k in 2022, but there was also an exceptional payment of £7k, paid by the Council upon return of the Wyndham Hall to direct SANHS custody. Although not so prescribed by the Council, this £7k is being ring-fenced for the Wyndham Hall costs.

Unrestricted Funds – the General Purposes Fund - Expenditure

The largest single expense against the general purposes fund is employment cost of the office manager. After accounting for an employment allowance grant, this increased marginally in 2022 from £15.3k to £15.7k.

Significant professional fees (£6.6k), essentially legal costs, were accrued during 2022 on issues relating to the Castle Estate (2021 = £2.4k).

Another significant expenditure against the fund is the Proceedings. For Issue 164 (released in early 2022 and part funded in 2021 and 2022), the editor secured substantial grants in support of publication, so the net cost to the General Purposes fund for that issue was only about £1.1k.

Looking Forward

The investment market seems mainly to have accounted for the ongoing political situation in Eastern Europe, but high inflation is certain to remain for much of 2023, resulting in higher costs for most of SANHS activities. Our investment portfolio, which dipped to a minimum in Q3 2022, recovered slightly in Q4 2022, and this trend is expected to continue at least for the first part of 2023. (I will provide an update for Q1 2023 at the AGM).

The major concern looking forward remains the balance of the general purposes fund. It did not prove practicable to implement the increase in membership fees, agreed at the 2022 AGM, for 2023, and this is now scheduled for 2024. So, any increased subscription income will depend upon a continued drive to recruit new members. The other main stream of income is the rents received from the Castle Estate. No routine uplifts are scheduled for 2023, and the elevated rental income for 2022 (which included significant back-payments) will in consequence reduce in 2023. Legal costs associated with the Castle Estate will continue during 2023, and there remains much uncertainty over the likely total of these costs. It is hoped that two issues of Proceedings will be released in 2023 (165 and 166), and, despite the grants received, these also will have a negative impact upon the general purposes fund.

Two initiatives, commenced during 2022, deserve comment. Firstly, despite the above-mentioned receipt of £7k upon return of the Wyndham Hall to SANHS direct custody, even the minimal costs involved in basic restoration and getting the hall operational will exceed that figure. External fundraising will be critical to this project.

Secondly, is CIO conversion. Society members (and others) have already expended very many hours in supporting this project, but significant legal (and other) costs will be incurred before this project can be brought to fruition. SANHS is contributing £2k to initiate formal legal discussions, and external fundraising has already commenced to cover anticipated costs.

It remains therefore that the general purposes fund is fragile with very significant uncertainties over expenditure which will be closely monitored.

I would like to thank Anthony Porter (of Amherst and Shapland) for production and assessment of the annual accounts. The society continues to owe debt to our office manager, Louisa Gillet, in managing the day-to day finances of the Society and I to her patience in describing to me, often repeatedly, many the intricacies of the society finances.

Signed

A handwritten signature in black ink, appearing to read 'C Webster', written in a cursive style.

Christine Webster
Hon. Secretary