

FINANCIAL STRATEGY

1. Objects of the Charity

The Charity's Financial Strategy flows from its Objects, which are:

To advance the education of the public in the history and cultural heritage of West Cornwall by the provision of support and assistance to Penlee House Gallery & Museum, in particular by:

- (a) Making grants to Penlee House Gallery & Museum to assist in the acquisition and conservation of artistic works and items of heritage, educational and outreach activities and costs associated with exhibitions.*
- (b) Making grants to assist in the provision of staffing and the development of facilities for the collections and educational activities, excluding the maintenance and repair of the buildings and furnishings.*
- (c) Organising lectures, talks and other activities and publishing a magazine to extend the public's knowledge and engage the public in the collections.*
- (d) Maintaining communications between the trustees and Penzance Council to develop a shared understanding of the needs of the Penlee House Gallery & Museum.*

2. Fund-raising and the development of income streams

The Trustees will:

- seek to increase membership of the Friends by attracting new members and retaining existing members and by introducing opportunities for increasing regular giving
- introduce the opportunity of corporate membership
- encourage donations and bequests from members and supporters
- actively pursue other income streams, examples being the staging of events, the sale of 'Friends' merchandise and where appropriate seeking sponsors and crowdfunding
- where appropriate, and in partnership with Penzance Council, submit bids for external funding for projects that are of direct benefit to Penlee House Gallery & Museum.

3. Expenditure policy

The Trustees will:

- prepare annual budgets to accommodate all existing commitments, distinguishing between fixed and variable costs. The annual budget will adhere to the principle that 'regular annual expenditure' will be met from 'regular annual income', or that it will be met by use of reserves set aside in advance for that purpose, recognising that the Charity's income can vary significantly from year to year

- regularly review the extent to which the Charity's budgeted expenditure will include contributions to the Gallery & Museum's Education and Outreach work, Exhibition Costs and other projects, recognising that, subject to the availability of funds, actual expenditure may need to depart from that budgeted for during the course of the year in response to unforeseen opportunities or challenges
- develop and maintain clear and transparent arrangements between Penzance Town Council and the Charity in relation to the level of assistance and the services that the Town Council provides to the Charity in recognition of the support provided by the Charity to Penlee House Gallery & Museum
- only make financial contributions towards the cost of Town Council projects where the project is of direct benefit to Penlee House Gallery & Museum and is wholly compatible with the charitable objects as stated above
- ring-fence any funds received for a stated purpose or accompanied by stated wishes, using them only for the stated purpose or stated wishes
- seek to avoid the use of donations, bequests and grants to fund the day-to-day administration costs of the Charity.

4. Working capital requirement

The Trustees:

- will ensure that at all times there are sufficient unrestricted funds to cover the Charity's fixed costs for a minimum of twelve months. These funds will be held in instant access or easy access savings accounts (typically not to exceed 90-day access) with a bank or building society backed by the Financial Services Compensation Scheme (FSCS). Accounts chosen will be suitable for charities and be covered by the current FSCS provision for savings protection across all accounts in total within the bank/banking group
- will maintain such contingency funds as they deem appropriate over and above the Working Capital requirement in the previous clause, also to be held in instant access or easy access savings accounts (typically not to exceed 90-day access) with a bank or building society backed by the FSCS
- may from time to time, invest a proportion of any remaining uncommitted funds and reserves in one or more short term, fixed interest rate accounts or bonds, typically no longer than 12 months duration, in order to benefit from a higher interest rate, the investment also to be held with a bank or building society backed by the FSCS
- will publish a statement on the Use of Reserves as an Appendix to this Strategy, in the interests of transparency and accountability.

5. Monitoring and review

- To ensure the successful implementation of the Financial Strategy, the Trustees will maintain an awareness of these guidelines and of the annual budget at all times and receive a budget report and accounts at each meeting.
- The Strategy will be reviewed at the end of each financial year to ensure that it remains appropriate and 'fit for purpose' and a report on compliance against it, as recommended by the Charity Commission's guidance, will be included in the Annual Report.

Approved by the Trustees: 26 March 2025



THE FRIENDS OF PENLEE HOUSE GALLERY & MUSEUM

STATEMENT ON THE USE OF RESERVES

The Charity holds reserves to ensure the financial stability of our organisation and to support the ongoing work of Penlee House Gallery & Museum. We are committed to using our funds in a responsible and meaningful way, ensuring that they provide lasting benefits to Penlee House, and to our members.

As a guiding principle, we anticipate continuing to set aside sufficient funds to cover commitments made, budgeted expenditure for the current financial year, and fixed costs for the following 12 months.

Beyond this, we anticipate that our surplus reserves will be used to:

- **Support the acquisition of important works of art and historical objects** that enhance the collections, in accordance with the Gallery & Museum's acquisition policy and stated priorities.
- **Contribute towards the future of Penlee House Gallery & Museum**, ensuring its continued growth and accessibility for all. To maximise the impact of the Charity's contribution, the Trustees may as appropriate accumulate reserves over several years for a particular project.

The Trustees will consider funding opportunities as they arise, balancing the Charity's long-term financial security, meeting existing commitments, and supporting the Gallery & Museum in a meaningful way. We recognise that priorities may evolve over time.

Approved by the Trustees 26 March 2025