

**THE HOLBURNE MUSEUM
TRUSTEES ANNUAL REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**



Charity Registration No. 310288

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TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

STRUCTURE AND GOVERNANCE

The Trustees submit their annual report and accounts for the year ended 31 December 2019. The accounts (financial statements) have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with applicable law and United Kingdom Accounting Standards, including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and UK Generally Accepted Practice as it applies from 1 January 2015.

Reference and administration information

The Holburne Museum ("The Museum") is an independent institution with registered charitable status, established by Deed of Trust in 1883. The sole Trustee, by whom the Trust is administered, is the Holburne Museum Trust Company ("The Company"), a company limited by guarantee.

The directors and senior management of The Company are detailed on pages 9 and 10, together with the names of directors of The Company who acted during the course of the year but are no longer directors at the date of this report. Relevant registration information is shown below:

○ The Holburne Museum	Registered Charity Number:	310288
○ Holburne Trading Company Ltd	Company Number:	6954139
○ The Holburne Museum Trust Company	Company Number:	4104120
○ Museums and Galleries Commission	Registered Museum Number:	930

The address of The Museum, and its registered office, is Great Pulteney Street, Bath BA2 4DB. The names and addresses of The Museum's professional advisers and bankers are shown on page 11.

Structure, governance and management

▪ **Organisational structure**

The Museum is an independent registered charitable trust of which The Company is the sole trustee. The Company has one subsidiary, Holburne Trading Company, which operates the commercial activities of the Museum, being the café, shop, car park, commercial events and paying exhibitions.

▪ **Governance**

The charity is governed by the board of directors of The Company, known as "The Trustees" who are appointed by the members of The Company. The maximum number of general Trustees is eighteen. In addition, the Board may have up to three Representative Trustees of whom one is nominated by The Council of the University of Bath, one by Bath Spa University, and one by the Friends and Patrons of the Holburne Museum.

New Trustees are required to sign a "Declaration of Eligibility to Act" and a "Declaration of Interests" in order to comply with the Board's Conflicts of Interest policy.

▪ **Management**

The Trustees, who meet formally at least four times each year, are responsible for setting strategies and policies for the Museum and for ensuring that these are implemented. They are also responsible for:

- Appointing the Director.
- Approving the annual budget.
- Approving the Trustee's report and audited financial statements.



TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

STRUCTURE AND GOVERNANCE (continued)

The primary functions of the Trustees are to:

- Oversee the key decisions affecting the operation of the Museum.
- Assist the Director in formulating policy and with significant operational decisions.
- Review management accounts and key financial performance indicators against budget.
- Oversee the identification and management of risks.

There are formally constituted sub-committees of the Board in order to draw on the specific strengths and expertise of Board members, from fundraising to community engagement. These committees also allow increased opportunities for staff mentoring with opportunities for staff to join committee meetings.

- | | |
|---------------------------------------------|-------------------------------|
| ○ Finance, Audit & Investment Committee | Chair - The Treasurer |
| ○ Development Committee | Chair - Edward Bayntun-Coward |
| ○ Nominations Committee | Chair - Mark Humphriss |
| ○ Learning & Engagement Advisory Committee. | Chair - Patricia Lankester |

There is a Universities Partnership Group made up of representatives from the University of Bath, Bath Spa University, University of Bristol and The University of the West of England, which meets twice yearly.

The Trustees maintain a Risk Register which identifies the major risks to which the Museum, Trustees, staff and volunteers are exposed. This Register is maintained by the Treasurer and reviewed by the Trustees annually, thus bringing risks to the attention of the Trustees and enabling them to establish strategies for dealing with them.

The Museum staff comprises 19 full time equivalents. Salary levels and job descriptions are benchmarked against Museum Association guidelines. The Senior Management Team comprises the Director, Head of Finance & Operations, and Head of Development, its responsibilities are:

- Monitoring day-to-day performance (financial and operational) in order to report to the Trustees.
- Providing a forum for management support, in particular by identifying professional development opportunities for staff and addressing HR issues.
- Providing a platform for joined-up thinking across departments in implementing the Museum's strategy.

OBJECTIVES AND ACTIVITIES

The Holburne Museum was founded in 1882 as Bath's first art museum with, at its heart, the collection of Sir William Holburne (1793-1874). In 1916 the collection moved to its present location at the top of Great Pulteney Street and in May 2011 an award-winning extension by architect Eric Parry provided space for additional galleries and a garden café.

The Holburne is a treasure house of Old Master paintings, portrait miniatures, porcelain, Renaissance bronzes and ceramics, silver, and embroidery. It is particularly renowned for its eighteenth-century British portraits, most notably by Ramsay, Stubbs, Zoffany and Gainsborough. The collection continues to develop and a Collections Policy was agreed in 2018. The Holburne stages international exhibitions and other projects involving fine and decorative arts of all periods and is admired for its dynamic displays, vibrant learning and community engagement programme and innovative interpretation.



TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

OBJECTIVES AND ACTIVITIES (continued)

Mission

- To maintain a high-quality museum of fine and decorative arts for the city of Bath and beyond.
- To care for, enhance and extend the Museum's collection.
- To inspire and promote education in, access to, engagement with, and understanding of art.
- To seek, as a university museum, to develop and encourage the use of the Holburne's collection, site and expertise as educational resources and foundations for research.

Vision

Our vision is to make the Holburne an open, welcoming, inspiring and empowering space for everyone.

- At the heart of this vision is the powerful relationship of art, creativity and social and personal wellbeing.
- Our Vision is encapsulated by our slogan ***Changing Lives Through Art.***
- We seek to deliver our Mission with ***Ambition*** and ***Innovation***, ensuring that we always do so in ways that are ***Inclusive***, of the highest ***Quality, Relevant*** and ***Sustainable***.

When reviewing the charity's aims and objectives and planning future activities, the Trustees have had due regard to the public benefit guidance published by the Charity Commission. The activities undertaken to assist in the delivery of the Museum's objectives are outlined below.

Achievement and performance

The year 2019 was one of consolidation as changes to the business model, staff structure, artistic programme and museum's culture began to become evident. The measures taken previously, with the help of a major donation, led to the Museum breaking even for the first time, enabling to reflate its Unrestricted Reserves by c.£***,***.

The re-balancing of the exhibition programme to cover a broader historical range was evident. The year began with, in the Roper Gallery, George Shaw: Some Corner of a Foreign Field, the mid-career painter's first retrospective that came to the Holburne from the Yale Center for British Art. It was accompanied, in the Wirth and Ballroom galleries, by Why Museums Matter, a project coming out of and marking the end of the first three-year phase of 'Pathways to Wellbeing'. The summer programme included Edouard Vuillard: The Poetry of the Everyday, in the Roper, Lauren Child, a family-focused exhibition in the Wirth and around the building and garden, and the display of the craft collection of Charmian Adams, a long-time supporter of the Museum. In September we opened two exhibitions of etchings: Rembrandt, from the Ashmolean as part of the marking of the 350th anniversary of the artist's death, and Matisse, from the collection of legendary dealer John Kasmin. In the Ballroom, a display of local artist Candace Bahouth's work attracted considerable positive comment from visitors. All the Roper Gallery exhibitions attracted national reviews.

The museum continued to enjoy the invaluable support of both of Bath's universities in the form of on-going core support in terms of services from the University of Bath, and of funding from both University of Bath and Bath Spa University. The relationship with both institutions, their teaching, students and ethos remains a defining characteristic of the Holburne and was deepened by student groups taking on the curating of the monthly UpLates.

We continued our pioneering work with dementia patients and their carers in partnership with Bath Preservation Trust and Avon & Wiltshire Mental Health Partnership NHS Trust. This ground-breaking project brings both the Collection and personal memories to life, enabling people to enjoy art in a non-clinical setting. The sessions are led by an artist and arts psychotherapist supported by volunteers.



TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

OBJECTIVES AND ACTIVITIES (continued)

Achievement and performance (continued)

During the year we delivered an ambitious programme of creative activities for all ages, engaging with approximately 13,000 people including school groups (of which over 60% were from the maintained sector) and university students. We ran three different classes for pre-school children, art camps during the holidays and half terms, and Art Masterclasses for teenagers. Events for adults included a symposium on museums and wellbeing that attracted delegates from across the UK and a discussion on the theme 'Why Museums Matter' led by Chris Stephens and including Tristram Hunt, director of the V&A, Maria Balshaw, director of Tate, and the artist Sonia Boyce.

The success of the first three-year phase of 'Pathways to Wellbeing', a project to work with people affected by lived experience of mental health issues, homelessness and social isolation, was confirmed by renewed funding from the National Lottery Community Fund and St John's Foundation for a further three years. 'Pathways' offers different routes to improve confidence, skills and mental health. The programme has attracted national recognition and the project manager successfully bid for a Collaborative Doctoral Award with the University of Leicester.

During 2019, the Collection was enriched by the bequest of a small oil sketch by John Constable and the donation of Cornelis de Bryer's *Still Life with Fruit and Shellfish*. The new Collections Policy allows the Museum to collect more widely and we won the Hallett Independent Acquisition Award at the Royal Academy Print Fair, a purchase grant that enabled us to buy prints by Pablo Bronstein and Cornelia Parker.

In conclusion, 2019 was something of a turning point for the Holburne. The new Business Plan significantly improved ticket income and reduced the budgeted deficit dramatically. In the end, we returned a surplus.

The key contributing factor was the wider admission charge which almost doubled ticket income without significantly affecting visitor numbers or demographic. A renegotiated contract, increased income from the café and a strengthened retail offer was reflected in improved income. Long-term ambitions to grow the Endowment received a significant boost with the pledge of £1,000,000 match-funding from a major charitable trust. The first pledge of £250,000 was received late in the year.

While working to balance the Museum's budget in the long-term through structural change and strong programming and marketing, the match-funding pledge has significantly improved the chance of building our Endowment. The new vision has begun to make the Museum feel more energetic and contemporary, in content, look and tone of voice, while protecting all the best things that have secured the Museum its formidable reputation for excellence.

FINANCIAL REVIEW

Review of the year

The Trustees took the fundamental step in 2018 of reintroducing general admission charges in order to achieve the objective of bringing the operating result to at least breakeven, after including income from fundraising and the total return achieved on investments. These accounts therefore include a full year of admission charges in income.

Total income for the year amounted to £1,395,269, an increase of 20% or £231,230 over the previous year. This includes admission and similar income of £332,668, an increase of £149,774 following the change to full charging. Donations and grants receivable amounted to £649,073, or 46.5% of total income, an increase of £117,765 over 2018.



TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

FINANCIAL REVIEW

Review of the year (continued)

After charging costs of running the Museum, the net cost of operating was £386,761, after providing for depreciation of £236,513, a significant reduction in operating deficits compared to previous years (2018 £535,836 deficit).

Investment gains amounted to £321,706 (2018 £167,865 losses), whilst there was a deficit of £161,000 in respect of the actuarial revaluation of the defined benefit pension scheme (2018 £101,000 surplus)

After including all gains and losses, there was a net reduction in funds amounting to £226,055 (2018 £602,701 reduction). There was a reduction of £41,426 in Endowment Funds, a deficit of £435,069 in Restricted Funds (mainly as a result of charging depreciation against the Development Fund and the actuarial deficit against the Specific Acquisitions Fund) and a surplus of £250,440 in Unrestricted Funds.

At the end of 2019 the Museum's total net assets were £11,620,928, Unrestricted Funds amounting to £992,912.

Clearly the drain on the reserves caused by regular operating deficits is unsustainable. The result for 2019 was underwritten by an anonymous donation of £250,000 in order to provide time for the new plan, including charging for admissions, to bed in. In the long term the objective is to bring the operating results to a breakeven position at the minimum, and then rebuild the unrestricted fund which, taken together with the Catalyst and Education Endowment funds, will generate average total returns from investments sufficient to cover the Museum's core operating costs after annual fundraising and so ensure the longer term stability of the Museum and its operations.

Details of Funds

The Trustees long term objective is to maintain the following five funds, which are separately recorded and accounted for in the Trust's records.:

- **The Endowment Fund** comprises the DCMS/Heritage Lottery Fund's Catalyst: Endowments Fund award, together with matched donations. The National Lottery Heritage Fund agreed in 2018 to a loan of £400,000 being made from the Catalyst Fund to unrestricted funds, to be repaid over four years with interest
- **The Development Fund** is a restricted fund comprising the funds donated and grants raised to finance the Museum's major redevelopment scheme (including the Gardener's Lodge development). The annual depreciation charges on freehold and leasehold property, and on fixtures and fittings financed from the Development Fund, are charged against the fund
- **The Specific Purposes Fund**, also a restricted fund, is an amalgam of the many donations to the charity over the years made with a specific purpose or intent expressed at the time of gift. It also contains the Special Acquisition Fund which holds the proceeds of sale of an item from the collection in 2011. With the agreement of the Charity Commission, the deficit in respect of the Avon Pension Fund, a non-cash item, has been offset against the Special Acquisition Fund until the unrestricted reserves have been rebuilt.
- **The Unrestricted Fund** provides finance for the core operating costs relating to the on-going activities of the Museum. Total return income and gains from the Catalyst Endowment Fund, Education Endowment Fund and the Special Acquisition Fund are held within this fund.
- **The General Fund** is the fund through which all the Trust's day-to-day operating transactions (other than those that relate solely to one or more of the other funds) are recorded. This fund operates routinely in deficit and is subject to regular subsidy from the Unrestricted fund.



TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

FINANCIAL REVIEW (continued)

Investment policy and performance

The assets of the Endowment Fund and Special Acquisitions Fund have been invested through a third party professional investment manager, Heartwood Investment Management, with a medium to low risk/capital preservation total return mandate in accordance with the powers given to the Trustee under the Trustee Investment Act 1961. The invested funds totalled £2,832,340 (2018 £2,649,242), recording a surplus of £321,706 during the year (2018 - loss of £167,865). The balance of the funds is held in cash and is invested at regular intervals as appropriate. The performance of the investments is reported quarterly to the Trustees.

Unrestricted Funds operational approach

The Trustees are concerned to maintain a level of reserves which will provide sufficient working capital and enable the Museum to cope with unexpected shortfalls in income or increases in operating costs. A three-year Implementation Plan has been prepared and is being applied, the objective of which is to preserve the Endowment Funds and ultimately to increase them to a level at which the total return income generated will cover the annual deficit of the Museum.

It is the long term aim of the charity to establish unrestricted reserves, which are the free reserves of the Charity, at a level that is sufficient to cover the running costs of the Charity for at least six months, being in the region of £700,000. The actions set out above are currently being implemented with the aim to restore this headroom.

Pension Fund Deficit

The Museum's participation in the Avon Pension Fund defined benefit scheme for its employees resulted in a net actuarial deficit of £161,000 during the year (2018 net gain £101,000).

The present value of funded obligations is £1,940,000 (2018 £1,671,000), whilst the fair value of scheme assets is £1,113,000 (2018 £1,052,000) giving rise to a net pension liability of £827,000 (2018 £619,000). The scheme assets amount to 57% (2018 63%) of the projected liability that is expected to crystallise over a period of 20 years, and the resulting deficit may have to be funded from the charity's reserves in the future. With the agreement of the Charity Commission this deficit is covered by the balance held in the Restricted Special Acquisitions.

The liability is reassessed by the Scheme's actuary on a triennial basis. Since the year-end the Trustees have appointed an independent firm of specialist actuaries to review the overall position and advise on what steps the Museum might take to mitigate these liabilities.

In 2010 the Trustees closed the defined benefit scheme to new employees and offered them a defined contribution scheme with Scottish Widows, which enables them to exercise some control over their entitlements. There has been no take up of this scheme. In 2016 in line with government requirements, an automatic enrolment pension scheme was put into place, the provider being People's Pension.

Plans for future periods

The Museum entered 2020 with the priorities, as set out in the Museum's Forward Plan, being:

- **Excellence:** To maintain and develop the Museum's reputation for high quality in all its activities.
- **Resilience:** To create a sustainable museum through ambitious programming, fundraising, commercial activities, partnerships and staff development.
- **Engagement:** To increase and broaden audiences by providing engaging, meaningful and welcoming experience

A very significant Grayson Perry exhibition was booked for January – May 2020, which was expected to draw a record attendance, followed by a Canaletto exhibition in June-September 2020, and an operating budget was agreed showing a small increase in Unrestricted Reserves.



TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

FINANCIAL REVIEW (continued)

Plans for future periods

Unfortunately, the Museum was severely impacted by the Covid19 pandemic – it closed on 17 March and was shut for almost 15 weeks, with staff being furloughed, reopening on 4 July but with much reduced visitor numbers. However, a number of most generous benefactors have made donations, the National Lottery Heritage Fund has awarded a grant of £210,000 to help cushion the impact, the Grayson Perry exhibition has been extended to the end of the year, and the investment portfolios have not seen significant reductions in value. On this basis, it is considered that the Balance Sheet is in sufficiently sound state, with resources available to support operations in the short to medium term

Responsibility for the accounts and financial statements

The Charities Act 2011 requires the Trustees to prepare financial statements for each financial year that provide a true and fair view of the state of affairs of the charity's financial activities during the year and of its financial position at the end of the year. In preparing the financial statements, The Trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on a going concern basis unless it is inappropriate that the museum will continue operating.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position at any time and which ensure that the financial statements comply with the applicable rules and regulations. They are also responsible for safeguarding the assets of the charity and for their proper application under charity law, including taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are satisfied that the responsibilities set out above have been discharged and that these accounts have been prepared in accordance with the applicable accounting standards, save where stated in respect of donated heritage assets

Auditors

Moore Stephens have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted to the forthcoming Annual General Meeting.

Thanks

The Trustees convey their sincere thanks to all the staff and volunteers who have provided their support to the Museum, without which it could not continue to honour and deliver its response to the charitable objectives laid down for it by its founder in 1882.

This report was approved by the Trustees and signed on their behalf on 20 November 2020 by:

Edward Bayntun-Coward – Chairman

Angela Gillibrand - Treasurer



OFFICERS AND MANAGEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

The Board of Directors of The Holburne Museum Trust Company ('The Trustees')

Edward Bayntun-Coward CHAIRMAN	1, 2	Owner of George Bayntun, antiquarian bookbinders and booksellers Deputy Lieutenant of Somerset
John Barneby JOINT VICE CHAIRMAN	1	Former Chairman of Czarnikow Group Ltd
Prof. Brian Allen FSA, DLitt JOINT VICE CHAIRMAN	4	Chairman, Hazlitt Group Former Director of Studies at the Paul Mellon Centre
Antony Constantinidi FCA HON.TREASURER	1	Chartered Accountant Former tax partner, PricewaterhouseCoopers
Dr Martin Clarke	1	Founder partner at Ocean Bridge Partners Iford Arts - Dr Martin Clarke Young Organ Scholar's Trust Member - Advisory Board of the St Mary's University Business School Trustee of Friends of York Minster
Patricia Lankester	3,4	Educationalist, former Head of Education, National Trust Trustee of the Chelsea Physic Garden Former Trustee -Tate, National Gallery and Heritage Lottery Fund Former Director of Paul Hamlyn Foundation
Michael King	4	Consultant Solicitor Accredited Mediator Former Chairman of Stone King LLP solicitors Chairman, Prior Park Schools
Oluwatosin Onile-Ere-Rotimi	3	Contemporary African art specialist
Tim Sanderson	2	Fellow of the Ashmolean Museum and University College, Oxford Member - Chancellor of Oxford University's Court of Benefactors Chairman of Chalke Valley History Festival Ltd
Desmond Shawe-Taylor LVO		Surveyor of The Queen's Pictures Former Director of Dulwich Picture Gallery
Mark Humphriss	4	University Secretary, University of Bath (until June 2019); then Diocesan Secretary (CEO) Diocese of Oxford; Vide-Chair. Designability
Dr Christopher Stephens	1,2,3	Director of The Holburne Museum
Sarah Flannigan Appointed 20 September 2019		Consultant Chief Information Officer and non-executive Director Chair of Sawday's Trustee of National Lottery Heritage Fund & Kew Gardens
Francesca Beaman Appointed 20 September 2019	2	Writer, historian and television presenter World's leading expert on the history of the pineapple
Sandra Forbes Appointed 20 September 2019		Senior banking and corporate lawyer
Dr Andrew Salmon Appointed 20 September 2019	3	Nominated Trustee, Bath Spa University
Jamie Eastman Appointed 20 September 2019		Nominated Trustee, University of Bath

Committee Membership

1 - Finance, Audit & Investment Committee	2 - Development Committee
3 - Learning & Engagement Advisory Committee	4 - Nominations Committee

**OFFICERS AND MANAGEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Trustees who served during the year, but who are no longer in post at the date of this report:

Prof. Sue Rigby	Resigned 8 th May 2019
Cllr. Paul Crossley	Resigned 20 th May 2019
Antonia Johnson	Resigned 20 th Sept 2019
Adrian Tinniswood OBE	Resigned 20 th Sept 2019
John Lovering CBE	Resigned 17 th Oct 2019
Liam Wiseman	Appointed 20 th Sept 2019, resigned 10 th June 2020

Professional advisors:

Solicitors	Thrings LLP, 2 Queen Square, Bath BA1 2HQ Withy King, Midland Bridge House, Midland Bridge Road, Bath BA2 3FP
Auditors	Moore, Chartered Accountants & Statutory Auditors, 30 Gay Street, Bath BA1 2PA
Investment Managers and Advisors	Heartwood Investment Management No1 Kingsway London WC2B 6AN
Insurance Brokers	Jelf Insurance Brokers Ltd 1 Crescent Office Park, Clarks Way, Bath BA2 2AF Blackwall Green, The Wallbrook Building, 25 Wallbrook, London EC4N 8AW
Bankers	CafBank Ltd, PO Box 289, West Malling, Kent ME19 4TA



INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF THE HOLBURNE MUSEUM FOR THE YEAR ENDED 31 DECEMBER 2019

Opinion

We have audited the financial statements of The Holburne Museum (the 'charity') for the year ended 31 December 2019 which comprise the Consolidated Statement of Financial Activities, Charity and Consolidated Balance Sheets, Consolidated Statement of Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and the charitable company's affairs as at 31 December 2019 and of the group's 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 Charities Act 2011.

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 charity 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 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 audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF THE HOLBURNE MUSEUM FOR THE YEAR ENDED 31 DECEMBER 2019

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities Statement set out on page 5, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.



INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF THE HOLBURNE MUSEUM FOR THE YEAR ENDED 31 DECEMBER 2019

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Moore

Statutory Auditor
30 Gay Street
Bath
Somerset
BA1 2PA

23 November 2020

Moore is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Unrestricted Funds £	Restricted Funds £	Endowment fund £	Total Funds 2019 £	Total Funds 2018 £
INCOME AND ENDOWMENTS						
Donations and legacies	1	577,108	71,965	-	649,073	531,308
Income from charitable activities	2	375,951	71,837	-	447,788	258,095
Other trading activities	3	300,295	-	-	300,295	331,598
Income from investments	4	315	-	2,798	3,113	10,038
Other income	5	(5,000)	-	-	(5,000)	33,000
TOTAL INCOME AND ENDOWMENTS		<u>1,248,669</u>	<u>143,802</u>	<u>2,798</u>	<u>1,395,269</u>	<u>1,164,039</u>
EXPENDITURE						
Expenditure on raising funds	6	(100,493)	-	-	(100,493)	(102,445)
Investment management costs	7	-	-	(38,708)	(38,708)	(5,443)
Expenditure on charitable activities	8/9	(1,253,502)	(389,327)	-	(1,642,829)	(1,591,987)
TOTAL EXPENDITURE		<u>(1,353,995)</u>	<u>(389,327)</u>	<u>(38,708)</u>	<u>(1,782,030)</u>	<u>(1,699,875)</u>
NET INCOME/ (EXPENDITURE)	11	(105,326)	(245,525)	(35,910)	(386,761)	(535,836)
TRANSFERS BETWEEN FUNDS	12	355,766	(28,544)	(327,222)	-	-
NET INCOME/(EXPENDITURE) AFTER TRANSFERS		<u>250,440</u>	<u>(274,069)</u>	<u>(363,132)</u>	<u>(386,761)</u>	<u>(535,836)</u>
(Loss)/gain on investments	16	-	-	321,706	321,706	(167,865)
Actuarial (loss) / gain on defined benefit pension scheme	20	-	(161,000)	-	(161,000)	101,000
NET MOVEMENT IN FUNDS		<u>250,440</u>	<u>(435,069)</u>	<u>(41,426)</u>	<u>(226,055)</u>	<u>(602,701)</u>
FUND BALANCES BROUGHT FORWARD		742,472	9,375,269	1,729,242	11,846,983	12,449,684
FUND BALANCES CARRIED FORWARD		<u>992,912</u>	<u>8,940,200</u>	<u>1,687,816</u>	<u>11,620,928</u>	<u>11,846,983</u>

The above results relate wholly to continuing activities; there were no other recognised gains or losses in the year.

The accompanying accounting policies and notes form an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2019

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total Funds 2019 £	Total Funds 2018 £
FIXED ASSETS						
Tangible fixed assets:						
The Museum	14	550,000	7,437,121	-	7,987,121	8,159,094
Other assets	14	57,238	627,732	-	684,970	734,981
Heritage assets	15	-	761,000	-	761,000	753,000
Investments	16a	224,424	920,000	1,687,816	2,832,240	2,649,242
TOTAL FIXED ASSETS		831,662	9,745,853	1,687,816	12,265,331	12,296,317
CURRENT ASSETS						
Bookshop stock	17a	21,239	-	-	21,239	50,257
Debtors	18a	204,340	-	-	204,340	240,092
Bank balances and cash in hand		238,229	21,347	-	259,576	206,758
		463,808	21,347	-	485,155	497,107
CREDITORS: Amounts falling due within one year	19a	(302,558)	-	-	(302,558)	(327,441)
NET CURRENT ASSETS		161,250	21,347	-	182,597	169,666
NET ASSETS BEFORE PENSION DEFICIT		992,912	9,767,200	1,687,816	12,447,928	12,465,983
Pension scheme deficit	20	-	(827,000)	-	(827,000)	(619,000)
NET ASSETS		992,912	8,940,200	1,687,816	11,620,928	11,846,983
ENDOWMENT FUND	21	-	-	1,687,816	1,687,816	1,729,242
RESTRICTED FUNDS						
Specific Purposes Fund: Revenue	22	-	96,014	-	96,014	81,098
Specific Purposes Fund: Capital		-	-	-	-	22,548
Specific Purposes Fund: Heritage assets		-	761,000	-	761,000	753,000
Special Acquisitions Fund		-	920,000	-	920,000	920,000
Less: Pension scheme deficit offset		-	(827,000)	-	(827,000)	(619,000)
Development Fund		-	7,990,186	-	7,990,186	8,217,623
		-	8,940,200	-	8,940,200	9,375,269
UNRESTRICTED FUNDS						
General fund	23	992,912	-	-	992,912	742,472
		992,912	-	1,687,816	11,620,928	11,846,983

These financial statements were approved by the Trustees at their meeting on 20 November 2020 and are signed on their behalf by

Edward Bayntun-Coward – Chairman

Angela Gillibrand - Treasurer

The accompanying accounting policies and notes form an integral part of these financial statements.

COMPANY BALANCE SHEET AT 31 DECEMBER 2019

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total Funds 2019 £	Total Funds 2018 £
FIXED ASSETS						
Tangible fixed assets						
The Museum	14	550,000	7,437,121	-	7,987,121	8,159,094
Others	14	57,238	627,732	-	684,970	734,981
Heritage assets	15	-	761,000	-	761,000	753,000
Investments	16a	224,524	920,000	1,687,816	2,832,340	2,649,342
TOTAL FIXED ASSETS		831,762	9,745,853	1,687,816	12,265,431	12,296,417
CURRENT ASSETS						
Bookshop stock	17b	-	-	-	-	2,500
Debtors	18b	245,931	-	-	245,931	284,786
Bank balances and cash in hand		170,109	21,347	-	191,456	150,492
		416,040	21,347	-	437,387	437,778
CREDITORS: Amounts falling due within one year	19b	(271,132)	-	-	(271,132)	(268,221)
NET CURRENT ASSETS		144,908	21,347	-	166,255	169,557
NET ASSETS BEFORE PENSION DEFICIT		976,670	9,767,200	1,687,816	12,431,686	12,465,974
Pension scheme deficit	20	-	(827,000)	-	(827,000)	(619,000)
NET ASSETS		976,670	8,940,200	1,687,816	11,604,686	11,846,974
ENDOWMENT FUND	21	-	-	1,687,816	1,687,816	1,729,242
RESTRICTED FUNDS						
Specific Purposes Fund: Revenue	22	-	96,014	-	96,014	81,098
Specific Purposes Fund:Capital		-	-	-	-	22,548
Specific Purposes Fund:Heritage assets		-	761,000	-	761,000	753,000
Special Acquisitions Fund		-	920,000	-	920,000	920,000
Less: Pension scheme deficit offset		-	(827,000)	-	(827,000)	(619,000)
Development Fund		-	7,990,186	-	7,990,186	8,217,623
		-	8,940,200	-	8,940,200	9,375,269
UNRESTRICTED FUNDS						
General fund	23	976,670	-	-	976,670	742,463
		976,670	8,940,200	1,687,816	11,604,686	11,846,974

These financial statements were approved by the Trustees at their meeting on 20 November 2020 and are signed on their behalf by

Edward Bayntun-Coward – Chairman

Angela Gillibrand - Treasurer

The accompanying accounting policies and notes form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Cash flows from operating activities		
Net expenditure for the reporting period / Net movement in funds	(226,055)	(602,701)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	236,513	234,541
Net (gains)/losses on investments	(321,706)	167,865
Investment management costs	38,708	-
Dividends and rents from investments	(3,113)	(9,928)
Movement in pension reserve deficit	208,000	(92,000)
<i>Changes in:</i>		
Stocks	29,018	7,555
Trade and other debtors	35,752	(9,066)
Trade and other creditors	(24,883)	22,596
Net cash used in operating activities	<u>(27,766)</u>	<u>(281,138)</u>
Cash flows from investing activities		
Dividends and rents from investments	3,113	9,928
Purchase of tangible assets	(14,529)	(14,333)
Purchase of heritage assets	(8,000)	-
Purchases of other investments	(70,486)	(2,971,552)
Proceeds from sale of other investments	170,486	3,231,569
Net cash provided by investing activities	<u>80,584</u>	<u>255,612</u>
Net increase/(decrease) in cash and cash equivalents	52,818	(25,526)
Cash and cash equivalents at beginning of year	206,758	232,284
Cash and cash equivalents at end of year	<u>259,576</u>	<u>206,758</u>



ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

General information

The charity is a registered charity in England and Wales and is unincorporated. The address of the principal office is Great Pulteney Street, Bath, BA2 4DB.

Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a "true and fair" view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair view". This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investments measured at fair value through income or expenditure.

The consolidated accounts include the trading activities, assets and liabilities of the subsidiary company and are prepared in sterling, which is the functional currency of the entity.

Going concern

The activities of the Charity, together with the factors likely to affect its future development and performance are set out in the Trustees Annual Report. The financial position of the Charity and its cashflow are presented in the Financial Statements and accompanying Notes.

A further £250,000 has been donated to support a specific change programme. For the medium term it is the intention to start the process of building the Endowment Funds with a capital raising programme using grant funding which has been made available up to £1million matching £ for £.

Notwithstanding the fact that the consolidated statement of financial activities shows a decrease in funds of £226,055 for the year ended 31 December 2019 the Board of Trustees considers that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Defined benefit pension and other post-employment benefits

The present value of the defined benefit pension and other post-employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pension and other post-employment benefits include the discount rate. Any changes in these assumptions has an effect on the carrying amount of pension and other post-employment benefits.



ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

Defined benefit pension and other post-employment benefits

After taking appropriate professional advice, Bath and North East Somerset Council determine the appropriate discount rate at the end of each reporting period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, consideration is given to the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits are to be paid and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions relevant to the defined benefit pension and other post-employment benefit obligations are based in part on current market conditions. Additional disclosures concerning these obligations are given in note 20.

Revenue recognition

Donations, grants, sponsorship and legacies are credited to income only when it is probable that they will be received and the amount can be measured with sufficient reliability.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution.

No monetary value is attributed to the substantial amount of time and effort contributed by the many volunteers essential to the Museum's activities and who have not been paid for their assistance.

Income

Donations and legacies include all gifts, donations and related gift aid, grants which provide core funding and patrons' subscriptions.

Other trading activities are the trading and other fundraising activities primarily to generate incoming resources to undertake charitable activities.

Income from charitable activities includes any incoming resources received that are a payment for goods and services provided for the benefit of the charity's beneficiaries. 'Charitable activities' for the purposes of the Museum's financial statement are: a) Exhibitions and display, b) Learning, and c) Events (lectures and concerts etc), room hire and catering.

Expenditure

Expenditure is recognised when incurred, and is reported gross of related income on the following bases:

- a) Expenditure on raising funds comprises the costs associated with attracting voluntary income and the costs of other income generation, e.g. the costs associated with management of the investment portfolio.
- b) Expenditure on charitable activities comprises direct expenditure including staff costs attributable to its activities. Where costs cannot be directly attributed, they are allocated to activities on a basis consistent with the use of resources as described below.
- c) Governance costs are costs incurred in the governance of the Trust's assets in order to comply with constitutional and statutory requirements and are included within expenditure on charitable activities.
- d) Support costs include the central functions and are allocated to activity cost categories on a basis consistent with the use of the resources, e.g. allocating staff costs according to time spent and other costs according to usage.

Irrecoverable VAT is charged against the category of expenditure for which it was incurred.



ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

Investment assets and income

Dividends and interest from investments are credited to income on receipt.

The charity's investment in its subsidiary company is shown at cost. All other investments are shown in the Balance Sheet at their mid-market price as quoted on the London Stock Exchange. Gains and losses on the revaluation and realisation of investments are taken or charged to income in the Statement of Financial Activities.

Taxation

The Museum's activities are charitable and therefore, to the extent that any surpluses are applied to its charitable objects, the Museum is not liable to tax. In addition, its subsidiary incurs no current tax charge as all its profits, which would otherwise be taxable, are distributed to the Museum by way of Gift Aid and thus no tax liability arises.

The Group receives Museum and Gallery Exhibition Tax Relief, which is surrendered, giving rise to a tax repayment to the Group. The arising credit is recognised in the year in which the related expenditure is incurred. The credit is recognised in other income in the Consolidated Statement of Financial Activities.

Gift Aid is recoverable on certain donations, and where applicable, has been included in income.

Liabilities

Liabilities are recognised in full in the financial statements as soon as the obligation arises.

Restricted and unrestricted income funds

Unrestricted income funds are expendable at the discretion of the Trustees in furtherance of the objects of the Museum. Funds designated for a particular purpose are also unrestricted.

The Museum receives grants and donations for purposes specified by the donors and funds are expended in accordance with donors' wishes. Such funds are restricted funds and are disclosed in the accounts under one of the headings Specific Purposes Funds or Development Funds.

Endowment funds

The Catalyst Endowment Fund is the Heritage Lottery Fund/Department for Culture Media and Sport Catalyst: Endowment fund created from a grant of £1 million from the Heritage Lottery Fund which, together with 1:1 matched funding, was received and raised over the period to June 2016. The capital must be retained as a permanent endowment for a minimum period of 25 years. The real value of investment returns on this fund will be used to support the operations of the Museum and will be transferred annually to the general fund.

The Holburne Learning Endowment Fund has been created by the Medlock Charitable Trust, being a grant which will be ring fenced to remain intact for a minimum of 25 years. The income, on a "total return" basis, from the fund will be used to support learning activities at the Holburne Museum.

Fixed Assets - Heritage assets

The Museum holds a collection of heritage assets, which are tangible fixed assets of historical, artistic or scientific importance that are held to advance preservation and conservation objectives of the charity. Five heritage assets have been purchased in this or earlier years and these items have been capitalised.

The remainder of the collection is the legacy of the Holburne Family and it would be difficult and costly to attribute a cost or value to it. As such these assets are excluded from the balance sheet as reliable cost information is not available and conventional valuation approaches lack sufficient reliability and significant costs would be involved in the reconstruction or analysis of past accounting records or in valuation, which are onerous compared with the additional benefit derived by users of the accounts in assessing the trustees' stewardship of the assets.

The very long expected lives of heritage assets, due to their nature, value and need to be protected and preserved means that depreciation is not material and is, therefore, not provided



ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

Fixed Assets – Freehold Property

Freehold property is shown in the Balance Sheet using a pre-development valuation of £550,000 as deemed cost on transition to SORP (FRS102) plus subsequent costs of development of £8,949,750.

Fixed Assets – Fixtures, fittings and equipment

Expenditure on fixed assets is capitalised where material. Where capitalised, assets are stated at cost less subsequent depreciation unless otherwise stated. Other fixed asset expenditure of less than £200 is charged to general income or specific grants as appropriate. Where expenditure on material fixed assets is funded by specific grants or donations depreciation thereon is charged to the Specific Purposes Fund.

Depreciation

Depreciation is calculated to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property	- 50 years straight line
Fixtures and fittings	- pre-development 20% reducing balance, post-development 15 to 30 years straight line
Leasehold property	- over the period of the lease

Where the recoverable amount of a tangible fixed asset is found to be below its net book value, the asset is written down to its recoverable amount and the loss on impairment is charged to the relevant expenditure category of the statement of financial activities. Where an asset is not primarily used to generate income, its impairment is assessed by reference to its service potential on its initial acquisition. In the year, the charity currently has no tangible fixed assets to which impairment provisions apply.

Stock

Shop stock is included in the financial statements at the lower of original cost and net realisable value.

Operating lease agreements

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are included in expenditure on a straight-line basis over the period of the lease.

Pension costs - defined contribution pension schemes

Contributions are charged to the statement of financial activities as they become payable in accordance with the rules of the scheme.

Pension costs - defined benefit pension schemes

Current service costs, past service costs and gains and losses on settlements and curtailments are charged to appropriate resources expended categories in the statement of financial activities. Past service costs are recognised over the vesting period or immediately if the benefits have vested. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are remeasured using current actuarial assumptions and the resultant gain or loss is recognised in the statement of financial activities during the period in which the settlement or curtailment occurs.

The interest cost and the expected return on assets are shown as a net amount as other finance costs or income. Net pension finance costs are allocated to appropriate resources expended categories in the statement of financial activities. Net pension finance income is recognised as an incoming resource in the statement of financial activities. Actuarial gains and losses are recognised immediately as other recognised gains and losses in the statement of financial activities



ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

Pension costs - defined benefit pension schemes (continued)

Pension scheme assets are valued at fair value at the balance sheet date. Fair value is based on market price information and in the case of quoted securities is the published bid price. Pension scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted to their present value using a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The pension scheme deficit is recognised in full on the balance sheet.

Financial instruments

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Voluntary income - Grants and Donations

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2018 £
Specific purposes revenue fund	40,875	2,500	43,375	75,375	12,720	-	88,095
General donations and grants	388,754	69,465	458,219	176,805	79,838	13	256,656
Patrons' subscriptions and donations	52,488	-	52,488	43,632	-	-	43,632
Friends of the Holburne Museum	14,991	-	14,991	62,925	-	-	62,925
University contributions	80,000	-	80,000	80,000	-	-	80,000
	577,108	71,965	649,073	438,737	92,558	13	531,308

2. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Exhibition admissions and similar	332,668	-	332,668	178,094	4,800	182,894
Learning lectures, concerts, workshops etc	43,283	71,837	115,120	44,837	30,364	75,201
	375,951	71,837	447,788	222,931	35,164	258,095

3. Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Corporate Sponsorship and membership	8,000	-	8,000	48,965	-	48,965
Other activities for generating funds	289,917	-	289,917	280,906	-	280,906
Museum room hire and lettings	2,378	-	2,378	1,727	-	1,727
	300,295	-	300,295	331,598	-	331,598

4. Investment Income

	Unrestricted Funds £	Endowment Funds £	Total Funds 2019 £	Unrestricted Funds £	Endowment Funds £	Total Funds 2018 £
From UK listed investments	-	2,798	2,798	-	9,928	9,928
Bank interest receivable	315	-	315	110	-	110
	315	2,798	3,113	110	9,928	10,038

5. Other (costs)/income

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Museum and Gallery Exhibition Tax Relief	(5,000)	(5,000)	33,000	33,000

The Group receives Museum and Gallery Exhibition Tax Relief which is surrendered, giving rise to a tax repayment to the Group. The current year charge includes an adjustment to the prior year tax relief.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

6. Costs of other trading activities

	Unrestricted Funds	Total Funds 2019	Unrestricted Funds	Total Funds 2018
	£	£	£	£
Other costs of generating funds	100,493	100,493	102,445	102,445

7. Investment management costs

	Endowment Funds	Total Funds 2019	Endowment Funds	Total Funds 2018
	£	£	£	£
Investment management fees	38,708	38,708	5,443	5,443

8. Expenditure on charitable activities by fund type

	Unrestricted Funds	Restricted Funds	Total Funds 2019	Unrestricted Funds	Restricted Funds	Total Funds 2018
	£	£	£	£	£	£
Museum activities	512,002	302,638	814,640	519,370	286,901	806,271
Learning activities	116,557	47,914	164,471	122,469	30,520	152,989
Exhibition activities	161,490	221	161,711	142,319	28,754	171,073
Support costs	463,453	38,554	502,007	461,497	157	461,654
	1,253,502	389,327	1,642,829	1,245,655	346,332	1,591,987

9. Expenditure on charitable activities by activity type

	Staff costs	Other direct costs	Support costs	Total Funds 2019	Total Funds 2018
	£	£	£	£	£
Museum activities	402,444	412,196	142,803	957,443	935,467
Learning activities	101,355	63,116	120,673	285,144	260,653
Exhibition activities	29,689	132,022	204,778	366,489	360,560
	533,488	607,334	468,254	1,609,076	1,556,680
Governance costs	-	-	33,753	33,753	35,307
	533,488	607,334	502,007	1,642,829	1,591,987

10. Analysis of support costs

	Museum activities	Education activities	Exhibition activities	Total 2019	Total 2018
	£	£	£	£	£
Staff costs	39,063	32,553	57,293	128,909	127,476
Premises costs	66,006	55,005	96,809	217,820	231,247
Other administrative costs	37,734	33,115	50,676	121,525	67,624
	142,803	120,673	204,778	468,254	426,347

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

11. Net outgoing resources for the year

This is stated after charging:

	2019	2018
	£	£
Depreciation	236,513	234,541
Auditors' remuneration:		
- audit of the group financial statements	11,400	11,100
- audit of the group financial statements	8,400	8,500
	<u>256,313</u>	<u>254,141</u>

12. Fund transfers

The transfer to endowment funds from unrestricted funds is the unapplied total return on the Endowment Fund which has been allocated back to the fund in the reporting period.

A review of closing Endowment and Restricted fund balances has been carried out and as a result, Endowment balances totalling £50,000 and Restricted Fund balances totalling £28,544 have been transferred into general funds.

13. Staff costs and emoluments

Total staff costs were as follows:

	2019	2018
	£	£
Wages and salaries	562,169	555,341
Social security costs	49,995	48,378
Other pension costs – defined benefit	70,000	29,000
Other pension costs – defined contribution	13,876	9,927
	<u>696,040</u>	<u>642,646</u>

Other pension costs above represent the total operating charge included in expenditure in the Statement of Financial Activities and does not include amounts included in other finance costs.

Particulars of employees: there were 11 (2018:11) part time employees and 11 (2018:12) full time employees during the year, being 22 (2018:23) employees in total. The average full-time equivalent being 19 (2018:19) employees. One employee's remuneration for the year fell within the band of £70,000 to £79,999 (2018 1).

Key management personnel: the total amount of employee benefits received by key management personnel is £173,817 (2018:£162,222).

Trustees: no remuneration is payable to the sole trustee of the Museum, the Holburne Museum Trust Company, or to any of the directors of that company, except for the Museum Director, Chris Stephens. No expenses were reimbursed to directors of the Trustee company (2018 - £nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

14. Tangible Fixed Assets (The Group and the Charity)

	Freehold property £	Fixtures & Fittings £	Leasehold Property £	Total £
COST				
At 1 January 2019	9,502,863	1,145,002	90,423	10,738,288
Additions	4,259	10,270	–	14,529
At 31 December 2019	<u>9,507,122</u>	<u>1,155,272</u>	<u>90,423</u>	<u>10,752,817</u>
DEPRECIATION				
At 1 January 2019	1,343,769	437,430	63,014	1,844,213
Charge for the year	176,232	55,582	4,699	236,513
At 31 December 2019	<u>1,520,001</u>	<u>493,012</u>	<u>67,713</u>	<u>2,080,726</u>
NET BOOK VALUE				
At 31 December 2019	<u>7,987,121</u>	<u>662,260</u>	<u>22,710</u>	<u>8,672,091</u>
At 31 December 2018	<u>8,159,094</u>	<u>707,572</u>	<u>27,409</u>	<u>8,894,075</u>

Freehold property - the freehold of the Museum buildings and grounds is held by the Trustee, in Trust for the charity. The Museum building and grounds were professionally valued at £550,000 in 1994 and this valuation has been used as a deemed cost on transition to SORP (FRS 102). During 2011 the Development project was completed and the total cost of £8,811,623 reanalysed as freehold property.

Since the opening of the Museum in May 2011, depreciation commenced on the freehold property on a straight-line basis over a period of 50 years. In August 2017 the building was valued at £16.6m (2016 £16m) by the Charity's insurers, this being based on the cost of restoring or repairing the building using modern techniques and materials or replacing the property with a modern equivalent.

Leasehold property - The Gardener's Lodge. The cost included in the accounts represents the cost of the premium paid to Bath & North East Somerset Council for the grant by them of a 20-year rent-free lease on these premises in Sydney Gardens, together with the cost of small subsequent improvements. The lease commenced on 20 November 2004 and its costs are being amortised by equal annual instalments over the life of the lease. The amount of the depreciation is charged against the Development Fund.

15. Heritage Assets (The Group and the Charity)

A Bead Basket costing £78,000 and a cabinet costing £250,000 were purchased in earlier years and capitalised as a prior year adjustment as at 1 January 2015. The Atherley portrait costing £420,000 was purchased in 2015 and an Ivory Fan costing £5,000 was purchased in 2017. During 2019 various etchings were purchased with a total cost of £8,000, bringing the cost of Heritage Assets to £761,000.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

16a. Investments

(The Group and the Charity)

Movement in market value

	2019	2018
	£	£
Market value at 1 January 2019	2,649,342	3,077,224
Acquisitions at cost	70,486	3,117,243
Disposals at opening book value	(170,486)	(3,316,968)
Net gains/(losses) on revaluations in the year	321,706 (38,708)	(167,865)
Movement in cash account	-	(60,292)
Market value at 31 December 2019	<u>2,832,340</u>	<u>2,649,342</u>
Historical cost at 31 December 2019	<u>2,736,310</u>	<u>2,849,718</u>

Analysis of investments at 31 December 2019 between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2019 £	Total Funds 2018 £
Listed investments:					
UK Quoted Shares	174,424	920,000	1,693,210	2,787,634	2,503,551
Other investments:					
UK Cash held as part of Portfolio	-	-	44,606	44,606	145,691
	<u>174,424</u>	<u>920,000</u>	<u>1,737,816</u>	<u>2,832,240</u>	<u>2,649,242</u>

The charity

	2019	2018
	£	£
Investment in subsidiary	<u>100</u>	<u>100</u>

16b. Subsidiary Undertaking

The charity owns the whole of the issued share capital of Holburne Trading Company Limited, a company registered in England. The address of the principal office is Great Pulteney Street, Bath, BA2 4DB. Its principal activity is the operation of the commercial activities at the Holburne Museum and a summary of its results and balance sheet is provided below:

	2019	2018
	£	£
Balance sheet		
Assets	148,148	180,413
Liabilities	(131,801)	(180,302)
Capital and retained reserves	<u>16,344</u>	<u>111</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

16b. Subsidiary Undertaking (continued)

Profit and loss account

	2019	2018
	£	£
Turnover	473,752	414,961
Cost of sales	(227,277)	(191,649)
Gross profit	246,475	223,312
Administrative expenses	(225,321)	(175,264)
Operating profit	21,154	48,048
Interest receivable	79	36
Museum and galleries tax credit -adjustment to prior year	(5,000)	-
Museum and galleries tax credit	-	33,000
Net profit	16,233	81,084
Distribution to Holburne Museum	-	(257,880)
Result for the financial year	16,233	(176,796)

17. Stocks

Shop stocks for resale

The group		The charity	
2019	2018	2019	2018
£	£	£	£
21,239	50,257	-	2,500

18. Debtors

Trade debtors
Amounts owed by group undertakings
Other debtors
VAT
Prepayments

	£	£	£	£
Trade debtors	30,334	57,345	24,595	24,418
Amounts owed by group undertakings	-	-	100,277	111,900
Other debtors	117,934	124,855	73,883	85,338
VAT	-	5,103	-	14,187
Prepayments	56,072	52,789	47,176	48,943
	204,340	240,092	245,931	284,786

19. Creditors: Amounts falling due within one year

Trade creditors
Taxation and social security
Other creditors
Accruals and deferred income

	£	£	£	£
Trade creditors	119,190	122,699	108,504	113,439
Taxation and social security	12,171	-	1,500	-
Other creditors	-	404	161,028	154,278
Accruals and deferred income	171,197	204,338	100	504
	302,558	327,441	271,132	268,221

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

20. Pensions and Other Post Retirement Benefits

In 2011 the Museum set up a defined contribution group pension scheme with Scottish Widows. This is available to all staff if they wish but as at 31 December 2019 no one had taken up the scheme.

The Museum also participates in a multi-employer defined benefit scheme which has some 65,000 members. The assets of the scheme are held in the Avon Pension Fund, administered by Bath & North East Somerset Council. The Avon Pension Fund scheme was closed to new members in September 2010. The last actuarial valuation was undertaken as at 31 March 2016.

The amounts recognised in the statement of financial activities are as follows:

	2019 £	2018 £
<i>Total operating charge in resources expended:</i>		
Current service cost	22,000	29,000
Past service cost	48,000	–
	<u>70,000</u>	<u>29,000</u>
<i>Amounts included in other finance cost:</i>		
Expected return on scheme assets	(32,000)	(27,000)
Interest on scheme liabilities	50,000	45,000
	<u>18,000</u>	<u>18,000</u>
<i>Amounts included in other recognised gains and losses:</i>		
Actuarial loss/(gain)	161,000	(101,000)
	<u>161,000</u>	<u>(101,000)</u>
Total charge/(credit) to the statement of financial activities	249,000	(54,000)
Employers' contributions	(41,000)	(38,000)
	<u>(208,000)</u>	<u>(92,000)</u>

The total operating charge and other finance cost are recognised in the following line items in the statement of financial activities:

	2019 £	2018 £
Costs of generating funds	22,000	29,000
Governance costs	18,000	18,000
	<u>40,000</u>	<u>47,000</u>

The amounts recognised in the balance sheet are as follows:

	2019 £	2018 £
Present value of funded obligations	(1,940,000)	(1,671,000)
Fair value of scheme assets	1,113,000	1,052,000
	<u>(827,000)</u>	<u>(619,000)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

20. Pensions and Other Post Retirement Benefits (continued)

Changes in the present value of the defined benefit obligation scheme are as follows:

	2019	2018
	£	£
Opening defined benefit obligation	1,671,000	1,742,000
Current service cost	22,000	29,000
Past service cost	48,000	–
Interest on scheme liabilities	50,000	45,000
Contributions by scheme participants	6,000	6,000
Benefits paid	(17,000)	(26,000)
Remeasurements liabilities - gain on assumptions	160,000	(125,000)
	<u>1,940,000</u>	<u>1,671,000</u>

Changes in the fair value of scheme assets are as follows:

	£	£
Opening fair value of scheme assets	1,052,000	1,031,000
Expected return on scheme assets	32,000	27,000
Contributions by employer	41,000	38,000
Contributions by scheme participants	6,000	6,000
Benefits paid	(17,000)	(26,000)
Remeasurements assets	(1,000)	(24,000)
	<u>1,113,000</u>	<u>1,052,000</u>

The pension contributions rates for the year were 20.1% of salary plus a fixed contribution of £28,000. From 1 April 2020 it is expected to be 20.1% plus a fixed contribution of £29,000 for the financial year ahead.

The fair value of the major categories of scheme assets as a percentage of total scheme assets are as follows:

	2019	2018
	%	%
Equities	47	39
Government bonds	10	12
Other bonds	3	12
Property	10	9
Cash	2	4
Other assets	28	24

The principal actuarial assumptions as at the balance sheet date were:

	%	%
Discount rate	2	3
Rate of increase in salaries	4	4
Rate of increase in pensions in payment	2	2
Inflation	2	2

Amounts for the current and previous four periods are as follows:

	2019	2018	2017	2016	2015
	£	£	£	£	£
Defined benefit obligation	(1,940,000)	(1,671,000)	(1,742,000)	(1,672,000)	(1,338,000)
Fair value of scheme assets	1,113,000	1,052,000	1,031,000	887,000	881,000
	<u>(827,000)</u>	<u>(619,000)</u>	<u>(711,000)</u>	<u>(785,000)</u>	<u>(457,000)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

21. Permanent Endowment funds (The Group and the Charity)

	Balance at start of year £	Incoming resources £	Transfers £	Gains and losses £	Balance at end of year £
Catalyst Fund	1,679,242	2,798	(277,222)	282,998	1,687,816
Learning Fund	50,000	–	(50,000)	–	–
	<u>1,729,242</u>	<u>2,798</u>	<u>(327,222)</u>	<u>282,998</u>	<u>1,687,816</u>

The Catalyst Endowment Fund is a grant of £1 million from the Heritage Lottery Fund which, together with 1:1 matched funding, was raised over the period to June 2016. The capital must be retained as an endowment for a minimum period of 25 years. The real value of investment returns on this fund will be used to support the operations of the Museum.

The Holburne Learning Endowment Fund has been created by the Medlock Charitable Trust. The capital grant will be ring fenced to remain intact for a minimum of 25 years, while the income, on a "total return" basis, from the fund will be used to support learning activities at the Holburne Museum.

Disclosure of total return approach to investment of permanent endowment

	Trust for Investment	Unapplied total Return	Total Endowment
Balance as at 1 January 2019			
Gift component of the permanent endowment	2,038,447	–	2,038,447
Unapplied total return	–	(359,205)	(359,205)
Total	<u>2,038,447</u>	<u>(359,205)</u>	<u>1,679,242</u>
Movements in the reporting period			
Investment return: dividends & interest	–	2,798	2,798
Investment return: realised & unrealised gains	–	321,706	321,706
Less: Investment management costs		(38,708)	(38,708)
	–	285,796	285,796
Less: Unapplied total return allocated to income	–	(277,222)	(277,222)
Net movements in the reporting period	–	8,574	8,574
Balance as at 31 December 2019			
Gift component of the permanent endowment	2,038,447	–	2,038,447
Unapplied total return	–	(350,631)	(350,631)
Total	<u>2,038,447</u>	<u>(350,631)</u>	<u>1,687,816</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

22. Restricted Funds (The Group and the Charity)

	Balance at 1 Jan 2019	Incoming resources	Outgoing resources and transfers	Gains and losses	Balance at 31 Dec 2019
	£	£	£	£	£
Development funds					
Gardener's lodge	22,065	–	(4,699)	–	17,366
Major development project	8,195,558	–	(222,738)	–	7,972,820
	<u>8,217,623</u>	<u>–</u>	<u>(227,437)</u>	<u>–</u>	<u>7,990,186</u>
Specific purposes funds					
Assets	8,270	–	(8,270)	–	–
Cash	14,278	–	(14,278)	–	–
Learning	1,685	5,000	(5,353)	–	1,332
Contemporary Curator fund	30,447	–	(26,554)	–	3,893
Railings	2,412	–	(2,412)	–	–
Conservation	6,316	–	–	–	6,316
Adopt a Treasure	1,202	–	(1,202)	–	–
D E B Pike for conservation	1,447	–	–	–	1,447
Stumpwork	–	2,500	–	–	2,500
Fan conservation	–	1,500	–	–	1,500
Collections for Music Fund	2,382	–	(2,382)	–	–
Pathways	34,986	66,837	(42,797)	–	59,026
Exhibitions	221	–	(221)	–	–
Cafe TV screen	–	5,500	(5,500)	–	–
Feasibility survey report	–	17,044	(17,044)	–	–
Pavilion project	–	17,421	(17,421)	–	–
Clare redecoration	–	20,000	–	–	20,000
	<u>103,646</u>	<u>135,802</u>	<u>(143,434)</u>	<u>–</u>	<u>96,014</u>
Heritage asset funds					
Atherley acquisition	420,000	–	–	–	420,000
Ivory Fan	5,000	–	–	–	5,000
Bead basket	78,000	–	–	–	78,000
Cabinet	250,000	–	–	–	250,000
Various etchings	–	8,000	–	–	8,000
	<u>753,000</u>	<u>8,000</u>	<u>–</u>	<u>–</u>	<u>761,000</u>
Special Acquisitions Fund					
Balance outstanding	920,000	–	–	–	920,000
Less: Pension fund deficit offset	(619,000)	–	(47,000)	(161,000)	(827,000)
	<u>301,000</u>	<u>–</u>	<u>(47,000)</u>	<u>(161,000)</u>	<u>93,000</u>
	<u>9,375,269</u>	<u>143,802</u>	<u>(417,871)</u>	<u>(161,000)</u>	<u>8,940,200</u>

The Development Project fund comprises monies received specifically to finance the Museum's development project.

The Heritage Asset Funds are amounts received to purchase Heritage Assets which have been capitalised.

The Special Acquisitions Fund holds £920,000 received from the sale of an item in the collection which under the charity's constitution is required to be held and applied for the further purchase of other works of art for the collection. Any income, gains or losses on the investments held in the Special Acquisitions Fund are allocated to unrestricted funds in order to maintain the balance within the fund. The Charity Commission has approved the offsetting of the deficit in the Pension Fund against the balance held in the Special Acquisitions Fund.

Specific Purposes Fund are amounts received for specific purposes or projects

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

23a. Unrestricted Funds

The group

	Balance at 1 Jan 2019	Incoming resources	Outgoing resources	Transfers	Balance at 31 Dec 2019
	£	£	£	£	£
General Funds	<u>742,472</u>	<u>1,218,669</u>	<u>(1,323,995)</u>	<u>305,766</u>	<u>942,912</u>

23b. UNRESTRICTED INCOME FUNDS

The charity

	Balance at 1 Jan 2019	Incoming resources	Outgoing resources	Transfers	Balance at 31 Dec 2019
	£	£	£	£	£
General Funds	<u>742,463</u>	<u>967,432</u>	<u>(1,088,991)</u>	<u>305,766</u>	<u>926,670</u>

24. Related Parties

The nominees of the University of Bath, Mark Humphriss (until March 2019) and Jamie Eastman (from September 2019), sit on the Board of Trustees of the Museum. During the year the University made grants totalling £20,000 (2018 £20,000) to the Museum, and provided 'in kind' support (payroll, IT and security services) with an estimated value of £30,000 (2018 £30,000).

The nominees of Bath Spa University, Prof. Sue Rigby (until September 2019) and Dr Andrew Salmon, also sit on the Board of Trustees of the Museum. During the year the University made grants totalling £60,000 (2018 £60,000) to the Museum, plus exhibition sponsorship of £nil (2018 £20,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

25a. Previous Year Comparatives – Consolidated Statement of Financial Activities

		Unrestricted Funds	Restricted Funds	Endowment fund	Total Funds 2018
	Note	£	£	£	£
INCOME AND ENDOWMENTS					
Donations and legacies	1	438,737	92,558	13	531,308
Income from charitable activities	2	222,931	35,164	-	258,095
Other trading activities	3	331,598	-	-	331,598
Income from investments	4	110	-	9,928	10,038
Other income	5	33,000	-	-	33,000
TOTAL INCOME AND ENDOWMENTS		1,026,376	127,722	9,941	1,164,039
EXPENDITURE					
Expenditure on raising funds	6	(102,445)	-	-	(102,445)
Investment management costs	7	-	-	(5,443)	(5,443)
Expenditure on charitable activities	8/9/10	(1,245,655)	(346,332)	-	(1,591,987)
TOTAL EXPENDITURE		(1,348,100)	(346,332)	(5,443)	(1,699,875)
NET INCOME/ (EXPENDITURE)	11	(321,724)	(218,610)	4,498	(535,836)
TRANSFERS BETWEEN FUNDS	12	833,393	(619,000)	(214,393)	-
NET INCOME/(EXPENDITURE) AFTER TRANSFERS		511,669	(837,610)	(209,895)	(535,836)
(Loss)/gain on investments	16a	-	-	(167,865)	(167,865)
Actuarial gain on defined benefit pension scheme	20	101,000	-	-	101,000
NET MOVEMENT IN FUNDS		612,669	(837,610)	(377,760)	(602,701)
FUND BALANCES BROUGHT FORWARD		129,803	10,212,879	2,107,002	12,449,684
FUND BALANCES CARRIED FORWARD		742,472	9,375,269	1,729,242	11,846,983

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

25b. Previous Year Comparatives – Consolidated Balance Sheet

	Note	Unrestricted Funds	Restricted Funds	Endowment Fund	Total Funds 2018
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets					
The Museum	14	550,000	7,609,094	-	8,159,094
Others	14	56,044	678,937	-	734,981
Heritage assets	15	-	753,000	-	753,000
Investments	16a	-	920,000	1,729,242	2,649,242
TOTAL FIXED ASSETS		606,044	9,961,031	1,729,242	12,296,317
CURRENT ASSETS					
Bookshop stock	17a	50,257	-	-	50,257
Debtors	18a	240,092	-	-	240,092
Bank balances and cash in hand		173,520	33,238	-	206,758
		463,869	33,238	-	497,107
CREDITORS: Amounts falling due within one year	19a	(327,441)	-	-	(327,441)
NET CURRENT ASSETS/(LIABILITIES)		136,428	33,238	-	169,666
NET ASSETS/(LIABILITIES) BEFORE PENSION DEFICIT		742,472	9,994,269	1,729,242	12,465,983
Pension scheme deficit	20	-	(619,000)	-	(619,000)
NET ASSETS/(LIABILITIES)		742,472	9,375,269	1,729,242	11,846,983
ENDOWMENT FUND	21	-	-	1,729,242	1,729,242
RESTRICTED FUNDS	22				
Specific Purposes Fund: Revenue		-	81,098	-	81,098
Specific Purposes Fund: Capital		-	22,548	-	22,548
Specific Purposes Fund: Heritage assets		-	753,000	-	753,000
Special Acquisitions Fund		-	920,000	-	920,000
Pension fund		-	(619,000)	-	(619,000)
Development Fund		-	8,217,623	-	8,217,623
		-	9,375,269	-	9,375,269
UNRESTRICTED FUNDS					
General fund	23	742,472	-	-	742,472
Pension fund	20	-	-	-	-
		742,472	-	-	742,472
		742,472	9,375,269	1,729,242	11,846,983

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

25c. Previous Year Comparatives – Endowment Funds

	Balance at 1 January 2018 £	Income £	Expenditure and transfers £	Gains and losses £	Balance at 31 December 2018 £
Permanent endowments					
Catalyst endowment fund	2,057,002	9,941	(219,836)	(167,865)	1,679,242
Learning endowment fund	50,000	–	–	–	50,000
	<u>2,107,002</u>	<u>9,941</u>	<u>(219,836)</u>	<u>(167,865)</u>	<u>1,729,242</u>

Disclosure of total return approach to investment of permanent endowment

	Trust for Investment	Unapplied Total Return	Total Endowment
Balance as at 1 January 2018			
Gift component of the permanent endowment	2,088,434	-	2,088,434
Unapplied total return	-	18,568	18,568
Total	<u>2,088,434</u>	<u>18,568</u>	<u>2,107,002</u>
Movements in the reporting period			
Gift of endowment funds	13	-	13
Investment return: dividends & interest	-	9,928	9,928
Investment return: realised & unrealised (losses)	-	(167,865)	(167,865)
Less: Investment management costs		(5,443)	(5,443)
	<u>13</u>	<u>(163,380)</u>	<u>(163,367)</u>
Unapplied total return allocated to income in the reporting period	-	(214,393)	(214,393)
Net movements in the reporting period	<u>13</u>	<u>(377,773)</u>	<u>(377,760)</u>
Balance as at 31 December 2018			
Gift component of the permanent endowment	2,088,447	-	2,088,447
Unapplied total return	-	(359,205)	(359,205)
Total	<u>2,088,447</u>	<u>(359,205)</u>	<u>1,729,242</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

25d. Previous Year Comparatives - Movements in Funds

Restricted Funds

	Balance at 1 Jan 2018 £	Income £	Expenditure £	Transfers £	Balance at 31 Dec 2018 £
Development fund					
Gardener's lodge	26,764	–	(4,699)	–	22,065
Major development project	8,418,296	–	(222,738)	–	8,195,558
Specific purposes					
-Capital funds					
Assets	8,270	–	–	–	8,270
Cash	14,278	–	–	–	14,278
-Revenue funds					
Learning	1,431	5,000	(4,746)	–	1,685
Railings	2,412	–	–	–	2,412
Conservation	32,953	3,930	(30,567)	–	6,316
Adopt a Treasure	1,202	–	–	–	1,202
D E B Pike for conservation	1,447	108	(108)	–	1,447
Collections for Music Fund	2,382	–	–	–	2,382
Pathways	30,444	30,364	(25,822)	–	34,986
Exhibitions	–	57,873	(57,652)	–	221
Contemporary Curator fund	–	30,447	–	–	30,447
-Heritage asset funds					
Atherley acquisition fund	420,000	–	–	–	420,000
Bead basket fund	78,000	–	–	–	78,000
Cabinet fund	250,000	–	–	–	250,000
Ivory Fan	5,000	–	–	–	5,000
Special Acquisitions fund	920,000	–	–	–	920,000
Pension fund	–	–	–	(619,000)	(619,000)
	<u>10,212,879</u>	<u>127,722</u>	<u>(346,332)</u>	<u>(619,000)</u>	<u>9,375,269</u>

Unrestricted Funds

	£	£	£	£	£
Pension Fund	(711,000)	–	610,000	101,000	–
General Funds	840,803	1,026,376	(1,124,707)	–	742,472
	<u>129,803</u>	<u>1,026,376</u>	<u>(514,707)</u>	<u>101,000</u>	<u>742,472</u>



THANK YOU

Holburne is an independent charity and every year we have to fundraise over half a million pounds to support our exhibition and learning programmes, and to help us care for our collection and Grade I listed building. Every donation we receive helps us to achieve our mission of *'Changing Lives Through Art'*.

We are very grateful to everyone who donated to support the Holburne in 2019, and would like to extend special thanks to:

Major Donors and Supporters

Bath Spa University
Francesca Beauman and James Bobin
Dr and Mrs Martin Clarke
Olivia and Simon Eliot
Andrew Fletcher OBE
Friends of Holburne Museum
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Marcelle Speller OBE
Ian Thorn
And all those who wish to remain anonymous

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