

**TRUSTEE'S ANNUAL REPORT AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**



**Charity Registration No. 310288**

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## TRUSTEE'S ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

### STRUCTURE AND GOVERNANCE

The Trustee submits its annual report and accounts for the year ended 31 December 2021. 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 2019.

#### 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 10 and 11, 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 Trust Company	Company Registration Number:	<b>4104120</b>
○ The Holburne Museum	Charity Registration Number:	<b>310288</b>
○ Holburne Trading Company Ltd	Company Registration Number	<b>6954139</b>
○ Museums and Galleries Commission	Registered Museum Number:	<b>930</b>

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 Museum has one subsidiary, Holburne Trading Company, which operates the commercial activities of the Museum, being the café, shop, car park, commercial events and ticketed entry.

##### ▪ Governance

The charity is governed by a board of directors of The Company, known as "The Directors" who are appointed by the members of The Company. The maximum number of general Directors is eighteen. In addition, the Board may have up to two Representative Directors of whom one is nominated by the University of Bath and one by Bath Spa University.

New Directors 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 Directors, 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 Museum Director.
- Approving the annual budget.
- Approving the Trustee's report and audited financial statements.

## TRUSTEE'S ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

### STRUCTURE AND GOVERNANCE (continued)

The primary functions of the Directors are to:

- Oversee the key decisions affecting the operation of the Museum.
- Assist the Museum 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.

Full list of committees of the Board during 2021:

- |  |                           |
|--|---------------------------|
| • Finance, Audit & Investment Committee    | Chair - Angela Gillibrand |
| • Fundraising Committee                    | Chair – Sukie Hemming     |
| • Nominations Committee                    | Chair - Mark Humphriss    |
| • Learning & Engagement Advisory Committee | Chair – Caro Howell       |

There is also a Holburne Universities Partnership Group made up of representatives of the University of Bath, Bath Spa University, University of Bristol and The University of the West of England. This group meets twice a year.

The Directors maintain a Risk Register which identifies the major risks to which the Museum, Directors, staff and volunteers are exposed. This Register is maintained by the Treasurer and reviewed by the Directors, most recently by the Finance, Audit and Investment Committee in April 2022, thus bringing risks to the attention of the Directors and enabling them to establish strategies for dealing with them. The key risks identified are:

- |                             |   |
|-----------------------------|---|
| • Operational – commercial  | Visitor numbers fail to reach targets, commercial income targets not met      |
| • Operational – fundraising | Failure to meet fundraising targets   |
| • Operational – premises    | Unexpected capital costs arising from failure of items of plant and equipment |
| • Operational – premises    | Increased prices of gas and electricity                                       |
| • Financial                 | Lack of financial resources to continue as a going concern                    |
| • Financial                 | Crystallisation of the Avon Pension Fund liability                            |

In 2020 the Senior Management Team (Director, Head of Finance and Head of Business and Development), was replaced by a Management Team which also includes the Learning & Engagement Lead, Curator, Head of Visitor Services, Head of Communications, Facilities Manager, and the Museum Administrator. The aims of the Management Team meetings are:

- To monitor day-to-day performance (financial and operational) of the Museum in order to report to the Directors.
- To provide a forum for management support in particular by identifying staff professional development opportunities and addressing HR issues.
- To provide 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 end 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.

## TRUSTEE'S ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

### OBJECTIVES AND ACTIVITIES (continued)

#### 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***.

#### Statement of Purpose:

The Holburne's charitable objects for the public benefit, as set out in its original trust deed, are:

- The provision and maintenance of a museum in the city of Bath for the exhibition to the public of a collection of specimens of the fine and decorative arts.
- The extension, enhancement, conservation, storage and maintenance of the art collection.
- Promotion of education in art and allied subjects, and of the appreciation of art.

As a University Museum it also seeks to develop and encourage the use of the Holburne's collection and the expertise of its staff as educational resources and stimuli for research.

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

#### Achievement and performance

The Covid-19 pandemic continued to impact profoundly the Museum during 2021. The year began with us closed as part of a national Lock Down and we remained so until museums and galleries were allowed to open on May 17th. In contrast to the 2020 lockdown, the financial impact was mitigated by our successful application to the first two rounds of the government's Cultural Recovery Fund, via Arts Council England. The strength of our performance when open meant that we did not feel it appropriate to apply for Round 3 funding. In fact, we started the year after a very strong performance during 2020 with both ticket and shop income having exceeded budget despite being closed for almost half the year.

The lockdown had forced us to close our exhibition Grayson Perry: The Pre-Therapy Years a week or two earlier than its revised closing date. This was frustrating since attendance had been growing after Christmas following a poor performance in December following a month-long closure during November. Fortunately, we had already made the decision to run the next exhibition, Canaletto: Painting Venice (postponed from summer 2020), for two seasons from January to September. It proved hugely successful as attendance was very strong in the summer when Bath was busy with UK-based holidaymakers and there was a clear appetite for cultural experiences. That exhibition was accompanied by another in the Davidson Ballroom of Mediaeval Islamic metalwork and, in the Picture Gallery, of sculptures by Nicholas Pope. The autumn season of exhibitions was also well attended with Rossetti's Portraits being complemented by Sunil Gupta: The New Pre-Raphaelites and, in the Ballroom, new ceramics by Aaron Angell and Steven Claydon.

When the Museum re-opened on May 17th, the Wirth Gallery remained closed as its small capacity made it non-compliant with Covid safety guidelines. In advance of the re-opening, we had made adjustments to the air conditioning systems in other parts of the gallery to maximise the fresh air intake as per those guidelines. We commissioned a new environmental management system for the Wirth Gallery to enable it to be safely opened but chronic delays in the delivery of equipment from abroad led to its installation spreading through to the end of the year. While the Museum was closed, intrusive investigative work was carried out on the central blind in the Picture Gallery leading to the designing and building of a completely new blind for installation in 2022, thus resolving a ten-year problem.

## TRUSTEE'S ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

### OBJECTIVES AND ACTIVITIES (continued)

#### **Achievement and performance (continued)**

With the re-opening on May 17th, we unveiled a new aspect of our permanent display with the repositioning of a Day Book from the Balls Plantation in Barbados which had belonged to Sir William Holburne's great-grandfather. Around this book we made a display highlighting, as well as the book itself, the Holburne family's involvement in the Caribbean slave-economy and the history of Black activism and abolitionism in and around Bath. At the same time, we introduced new labels for works elsewhere in the display with links to colonialism and slavery.

Following the re-opening and the reduction in Covid restrictions, we gradually revived our public events. We marked the 10th anniversary of the Holburne's redevelopment with a weekend of family activities in the garden. Our Pathways to Wellbeing groups reconvened in person and Skylarks, a new group for pre-school children and their parents/carers, began. We staged our first UpLate event in almost two years in October. As the year progressed, we extended our work with mental health through various new partnerships. While some of the activities that had become virtual during lockdown reverted to actual, physical events, we continued some remote activity such as the development of boxes of objects to be sent to schools for virtual visits. At the same time, we were heartened by the rapidity with which schools showed a desire to return in person.

There were some significant changes to staff and structure, some relating directly to the pandemic. The new post of Head of Business & Development was created, bringing oversight of commercial activity and fundraising under one person and Emma Morris took up the role in April. Under her, a new Development team (Development Manager and Assistant Administrator) was appointed, along with a new Finance Manager and a new Retail Manager. Other appointments included a new Learning Assistant and our Facilities Manager retired shortly before the end of the year.

Building on our long-standing partnership with the University of Bath, from the summer of 2021 we took on the management of the Andrew Brownsword Gallery at The Edge, the art centre at the University. We opened with the exhibition My Kid Could Have Done That! which attracted significant national media attention. In a similar vein, we were pleased to attract national coverage for both the summer and autumn seasons of shows at the Holburne itself.

After the drama of 2020, 2021 felt like a long struggle as we gradually came back to work within the various and changing restrictions and guidelines of Covid. It was heartening to see and feel the enthusiasm with which audiences re-engaged with the Museum and our financial performance was very successful, especially in light of being closed for the first 4 ½ months of the year.

### FINANCIAL REVIEW

#### **Review of the year**

Total income for the year amounted to £1.67m, a decrease of £327,000 (16%) over the previous year. However, during 2020 and 2021 the Museum received various exceptional amounts of funding, including Endowment Fund donations and donated Heritage Assets, Covid-19 support grants from National Lottery Heritage Fund and Arts Council England, Coronavirus Job Retention Scheme funding, and in 2021 a legacy. Excluding these one-off sources of funding, income generated from Museum operating and fundraising activities amounts to £1.12m, a decrease of £89,000 or 7%.

After charging costs of running the Museum, which amounted to £1.76m including depreciation of £235,000, there was an overall operating deficit of £87,686 compared to a net surplus of £512,207 in 2020.

Investment gains amounted to £328,421 (2020 £299,320 gain), and there was a reduction of £211,000 arising in respect of the actuarial revaluation of the defined benefit pension scheme (2020 £357,000 deficit).

## TRUSTEE'S ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

### FINANCIAL REVIEW (continued)

#### Review of the year (continued)

After including all gains and losses, there was a net increase in funds amounting to £451,735, just £2,792 less than the increase in 2020. Endowment Funds increased by £963,378, Restricted Funds fell by £467,925, and there was an overall deficit of £43,718 in Unrestricted Funds.

The Museum's net assets at 31 December 2021 amounted to £12,527,190, of which Endowment Funds stood at £3,309,438, Restricted Funds at £8,526,203, while Unrestricted Funds decreased to a total of £691,549.

#### Details of Funds

The Directors' long-term objective is to maintain the following funds, which are separately recorded and accounted for in the Museum's records:

- **Endowment Fund** – this comprises the DCMS/ National Lottery Heritage Fund Catalyst: Endowments Fund award, together with subsequent donations. The NLHF agreed in 2018 to a loan of £372,000 being made from the Catalyst Fund to unrestricted funds, to be repaid over four years with interest, which was repaid in full last year. This year a further £35,000 of Endowment donations were received, and £920,000 transferred from the Special Acquisition Fund (see below); under the Total Asset Return basis of accounting, 3% of the net increase in the value of investments (£8,378) has been added to the Endowment Fund, the remainder being added to Unrestricted Funds,
- **Restricted - Special Acquisition Fund** – this comprised the proceeds of sale of an item from the collection in 2011, amounting to £920,000; the Museum has now received legal advice which has led to this Fund being reclassified as part of the Endowment of the Museum.
- **Restricted - Development Fund** – this comprises funds donated and grants raised to finance the Museum' 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 this Fund, are charged against the Fund.
- **Restricted – Heritage Assets Fund** – this represents the value of Heritage Assets purchased by or donated to the Museum.
- **Restricted- Specific Purposes Fund** – these are the unspent balances of grants and donations made to the Museum with a specific purpose or intent.
- **Unrestricted Fund** – these are the accumulated revenue surpluses of the Museum, providing finance for the core operating costs relating to the on-going activities of the Museum.

#### Investment policy and performance

The assets of the Endowment Fund are invested through a professional investment manager, Heartwood Investment Management, with a medium to low risk/capital preservation Total Asset Return mandate in accordance with the powers given to the Trustee under the Trustee Investment Act 1961. After a further £722,500 was invested in the year, funds totalled £4,094,333 (2020 £3,092,550), recording a gain of £328,421 during the year (2020 £299,320 gain) before investment management costs which amounted to £49,138 (2020 £39,010). The performance of the investments is reported quarterly to the Directors.

#### Unrestricted Funds operational approach

The Directors are concerned to maintain a level of unrestricted 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 had been prepared, 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, but this is being re-assessed in light of the changes arising as a result of the Covid19 pandemic and its impact on the Museum. It is the long-term aim of the charity to maintain unrestricted reserves, which are the free reserves of the Museum, at a level that is sufficient to cover the running costs of the Museum for at least six months, being in the region of £700,000.

## TRUSTEE'S ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

### FINANCIAL REVIEW (continued)

#### **Avon Pension Fund**

The Museum's participation in the Avon Pension Fund defined benefit scheme for its employees resulted in a reduction of £211,000 in the calculated net actuarial deficit during the year (2020 net increase £357,000).

The present value of funded obligations is £2.30m (2020 £2.35m), whilst the fair value of scheme assets is £1.33m (2020 £1.12m) giving rise to a net pension liability of £973,000 (2020 £1.84m) which is recognised in full in the counts. The scheme assets amount to 57.5% (2020 50%) 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. The liability is reassessed by the Scheme's actuary on a triennial basis.

During the year the Directors 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, and discussions are continuing.

#### **Plans for future periods**

Having weathered another extraordinary year, we recognise that unpredictability may now be the norm. This reinforces the need for strong, popular programming to drive footfall, and for maximising all our income-generating potential. We confirmed our long-term ambition to reduce our dependency on revenue fundraising through growing our endowment fund and seeking core funding. Having been delayed by the pandemic, in 2021 we relaunched a campaign to raise £1,000,000 for the Endowment to be match-funded by an anonymous charitable trust and by the end of the year £420,000 had been raised.

We remain committed to the Vision agreed by staff and Trust Company Directors in 2019 that set the triangular relationship of art, creativity and wellbeing at the heart of our organisation. We intend to deepen the Holburne's commitment to supporting individual wellbeing through art and to playing a significant role in the wellbeing of our communities. We also continue pursue our long-term ambitions to open up more of our historic building to public use, to reconceive the presentation of the building and the collection, and to redesign the grounds as a destination garden in line with our commitment to sustainability

#### **Responsibility for the accounts and financial statements**

The Charities Act 2011 requires the Trustee 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 Trustee is 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.

**TRUSTEE'S ANNUAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Responsibility for the accounts and financial statements (continued)**

The Trustee is 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. It is 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 Trustee is 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

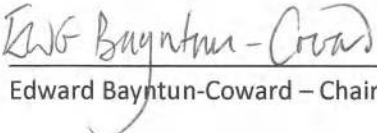
**Auditors**

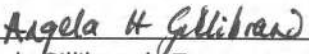
Moore have expressed their willingness to continue in office as auditors, as part of the Board's governance procedures a formal audit tender process will be undertaken ahead of appointing auditors for the 2022 financial year.

**Thanks**

The Directors 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 Directors at their meeting on 15<sup>th</sup> September 2022 and are signed on their behalf by:

  
Edward Bayntun-Coward – Chairman

  
Angela Gillibrand – Treasurer

**DIRECTORS, OFFICERS AND MANAGEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

<b>Edward Bayntun-Coward CHAIRMAN</b>	1, 2, 4	Owner of George Bayntun, antiquarian bookbinders and booksellers. Deputy Lieutenant of Somerset.
<b>Francesca Beauman VICE CHAIR</b>	2, 4	Writer, historian and television presenter. World's leading expert on the history of the pineapple.
<b>Angela Gillibrand TREASURER &amp; COMPANY SECRETARY</b>	1	Vice Chair of the Holborn Estate Charity, non-executive director of the Rethink Trust Corporation.
<b>Dr Martin Clarke</b>	1	Senior private equity and corporate finance practitioner. Trustee of Iford Arts, the York Minster Fund, the Dr Martin Clarke Young Organist Scholar's Trust. Member of the Advisory Board of St Mary's University Business School. Member of the Campaign Committee of the Museum of London.
<b>Magdalen Fisher</b>	2	Independent arts consultant supporting the Imperial Health Charity on its arts committee, and arts adviser to the Alzheimer's Society.
<b>Sandra Forbes</b>	4	Senior banking and corporate lawyer.
<b>Jeremy Garfield-Davies</b>	2	Advisor to historic houses, private collections and museums in Asia, Britain and USA.
<b>Sukie Hemming</b>	2	Former roles at British Museum and National Trust. Currently Trustee of Chelsea Physic Garden.
<b>Caro Howell</b>	3	Director of Foundling Museum, London. Co-chair of Women Leaders in Museums Network.
<b>Mark Humphriss</b>	4	Diocesan Secretary (CEO) Diocese of Oxford; Vice-Chair, Designability.
<b>Charlotte Murphy (appointed 2 July 2021)</b>		Currently Head of Retention at the National Trust, Charlotte has spent over 20 years in Marketing and Strategy planning.
<b>Oluwatosin Onile-Ere-Rotimi</b>	3	Contemporary African art specialist.
<b>Dr Andrew Salmon</b>		Nominated Trustee, Bath Spa University.
<b>Dr Chris Stephens</b>	1, 2, 3	Director of The Holburne Museum
<b>Rohan Surana (appointed 3 February 2022)</b>		Currently the Director of Operations for the School of Management, University of Bath, Rohan has worked internationally in strategic and operational roles.
<b>Committee Membership</b>		
1 - Finance, Audit & Investment Committee      2 - Fundraising Committee		
3 - Learning & Engagement Advisory Committee      4 - Nominations Committee		

**DIRECTORS, OFFICERS AND MANAGEMENT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

James Eastman	Retired 27 April 2021
John Barneby	Retired 2 July 2021
Sarah Flannigan	Retired 2 July 2021
Desmond Shaw-Taylor	Retired 2 July 2021

**Professional advisors:**

Solicitors	Stone King, Upper Borough Court, Upper Borough Walls, Bath BA1 1RG
Auditors	Moore, Chartered Accountants & Statutory Auditors, 30 Gay Street, Bath BA1 2PA
Investment Managers	Heartwood Investment Management No 1 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 2021

### Opinion

We have audited the financial statements of The Holburne Museum (the 'Charity') for the year ended 31 December 2021 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 Charity's affairs as at 31 December 2021 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

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

### Other information

The Trustee is 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 Trustee's 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 the Trustee**

As explained more fully in the Trustee's Responsibilities Statement set out on page 9, the Trustee is 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 Trustee determines 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 Trustee is 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 Trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

#### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.**

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the Charity and considered that the most significant are UK financial reporting standards as issued by the Financial Reporting Council, and the Charities Act 2011
- We obtained an understanding of how the Charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- Conclude on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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](http://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 Trustee 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 Trustee those matters we are required to state to it 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 Trustee for our audit work, for this report, or for the opinions we have formed.



Moore

Statutory Auditor  
30 Gay Street  
Bath  
Somerset  
BA1 2PA

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

23 September 2022

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Unrestricted Funds £	Restricted Funds £	Endowment fund £	Total Funds 2021 £	Total Funds 2020 £
<b>INCOME</b>						
Grants and Donations	1	806,877	217,814	35,000	<b>1,059,691</b>	1,256,696
Income from charitable activities	2	358,030	7,781	-	<b>365,811</b>	534,078
Other trading activities	3	232,116	-	-	<b>232,116</b>	207,539
Income from investments: bank interest		62	-	-	<b>62</b>	352
Other income	4	14,229	-	-	<b>14,229</b>	-
<b>Total Income</b>		<b>1,411,314</b>	<b>225,595</b>	<b>35,000</b>	<b>1,671,909</b>	<b>1,998,665</b>
<b>EXPENDITURE</b>						
Expenditure on raising funds	5	(66,337)	-	-	<b>(66,337)</b>	(85,839)
Investment managers fees	13a	-	-	(49,138)	<b>(49,138)</b>	(39,010)
Expenditure on charitable activities	6/7	(1,278,600)	(365,520)	-	<b>(1,644,120)</b>	(1,361,609)
<b>Total Expenditure</b>		<b>(1,344,937)</b>	<b>(365,520)</b>	<b>(49,138)</b>	<b>(1,759,595)</b>	<b>(1,486,458)</b>
<b>NET INCOME/ (EXPENDITURE)</b>	<b>9</b>	<b>66,377</b>	<b>(139,925)</b>	<b>(14,138)</b>	<b>(87,686)</b>	<b>512,207</b>
<b>TRANSFERS BETWEEN FUNDS</b>						
Total Asset Return transfer	16	270,905	-	(270,905)	-	-
Special Acquisitions Fund transferred into Capital	16/17	-	(920,000)	920,000	-	-
Avon Pension Fund transfer	16/17	(592,000)	592,000	-	-	-
<b>NET INCOME/(EXPENDITURE) AFTER TRANSFERS</b>		<b>(254,718)</b>	<b>(467,925)</b>	<b>634,957</b>	<b>(87,686)</b>	<b>512,207</b>
Gain on investments	13a	-	-	328,421	<b>328,421</b>	299,320
Actuarial gain / (loss) on defined benefit pension scheme	20	211,000	-	-	<b>211,000</b>	(357,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>(43,718)</b>	<b>(467,925)</b>	<b>963,378</b>	<b>451,735</b>	<b>454,527</b>
<b>FUND BALANCES BROUGHT FORWARD</b>		<b>735,267</b>	<b>8,994,128</b>	<b>2,346,060</b>	<b>12,075,455</b>	<b>11,620,928</b>
<b>FUND BALANCES CARRIED FORWARD</b>		<b>691,549</b>	<b>8,526,203</b>	<b>3,309,438</b>	<b>12,527,190</b>	<b>12,075,455</b>

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 2021**

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total Funds 2021 £	Total Funds 2020 £
<b>FIXED ASSETS</b>						
Tangible fixed assets:						
Freehold Property: The Museum	11	550,000	7,033,452	-	<b>7,583,452</b>	7,810,888
Other assets	11	132,503	501,859	-	<b>634,362</b>	642,347
		682,503	7,535,311	-	<b>8,217,814</b>	8,453,235
Heritage assets	12	-	817,000	-	<b>817,000</b>	761,000
Investments	13a	804,895	-	3,289,438	<b>4,094,333</b>	3,092,550
<b>TOTAL FIXED ASSETS</b>		<b>1,487,398</b>	<b>8,352,311</b>	<b>3,289,438</b>	<b>13,129,147</b>	<b>12,306,785</b>
<b>CURRENT ASSETS</b>						
Museum shop stock for resale		37,006	-	-	<b>37,006</b>	28,225
Debtors	14	118,285	-	-	<b>118,285</b>	122,210
Bank balances and similar		280,755	173,892	20,000	<b>474,647</b>	981,886
		436,046	173,892	20,000	<b>629,938</b>	1,132,321
<b>CREDITORS: Amounts falling due within one year</b>	15	(258,895)	-	-	<b>(258,895)</b>	(179,651)
<b>NET CURRENT ASSETS</b>		<b>177,151</b>	<b>173,892</b>	<b>20,000</b>	<b>371,043</b>	<b>952,670</b>
<b>NET ASSETS BEFORE PENSION DEFICIT</b>		<b>1,664,549</b>	<b>8,526,203</b>	<b>3,309,438</b>	<b>13,500,190</b>	<b>13,259,455</b>
<b>PENSION FUND DEFICIT</b>	20	(973,000)	-	-	<b>(973,000)</b>	(1,184,000)
<b>NET ASSETS</b>		<b>691,549</b>	<b>8,526,203</b>	<b>3,309,438</b>	<b>12,527,190</b>	<b>12,075,455</b>
<b>ENDOWMENT FUND</b>	16	-	-	3,309,438	<b>3,309,438</b>	2,346,060
<b>RESTRICTED FUNDS</b>						
Development Fund	17	-	7,535,311	-	<b>7,535,311</b>	7,762,748
Heritage Assets		-	817,000	-	<b>817,000</b>	761,000
Specific Purposes Funds: Revenue		-	173,892	-	<b>173,892</b>	142,380
Special Acquisitions Fund		-	-	-	-	920,000
Less: Avon Pension Fund deficit offset		-	-	-	-	(592,000)
		-	8,526,203	-	<b>8,526,203</b>	8,994,128
<b>UNRESTRICTED FUNDS</b>						
General fund	18	691,549	-	-	<b>691,549</b>	735,267
		<b>691,549</b>	<b>8,526,203</b>	<b>3,309,438</b>	<b>12,527,190</b>	<b>12,075,455</b>

These financial statements were approved by the Directors at their meeting on 18<sup>th</sup> September 2022 and are signed on their behalf by

  
Edward Bayntun-Coward – Chairman

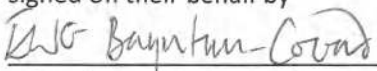
  
Angela Gillibrand - Treasurer

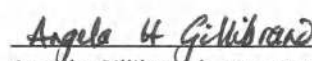
The accompanying accounting policies and notes form an integral part of these financial statements.

**CHARITY BALANCE SHEET  
AT 31 DECEMBER 2021**

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total Funds 2021 £	Total Funds 2020 £
<b>FIXED ASSETS</b>						
Tangible fixed assets:						
Freehold Property: The Museum	11	550,000	7,033,452	-	<b>7,583,452</b>	7,810,889
Other assets	11	132,503	501,859	-	<b>634,362</b>	642,346
		<b>682,503</b>	<b>7,535,311</b>	<b>-</b>	<b>8,217,814</b>	8,453,235
Heritage assets	12	-	817,000	-	<b>817,000</b>	761,000
Investments	13a	804,895	-	3,289,438	<b>4,094,333</b>	3,092,550
Investment in subsidiary	13b	100	-	-	<b>100</b>	100
<b>TOTAL FIXED ASSETS</b>		<b>1,487,498</b>	<b>8,352,311</b>	<b>3,289,438</b>	<b>13,129,247</b>	12,306,885
<b>CURRENT ASSETS</b>						
Debtors	14	231,865	-	-	<b>231,865</b>	251,241
Bank balances and similar		178,255	173,892	20,000	<b>372,147</b>	863,307
		<b>410,120</b>	<b>173,892</b>	<b>20,000</b>	<b>604,012</b>	1,114,548
<b>CREDITORS: Amounts falling due within one year</b>	15	(233,080)	-	-	<b>(233,080)</b>	(162,089)
<b>NET CURRENT ASSETS</b>		<b>177,040</b>	<b>173,892</b>	<b>20,000</b>	<b>370,932</b>	952,459
<b>NET ASSETS BEFORE PENSION DEFICIT</b>		<b>1,664,538</b>	<b>8,526,203</b>	<b>3,309,438</b>	<b>13,500,179</b>	13,259,344
<b>Pension scheme deficit</b>	20	(973,000)	-	-	<b>(973,000)</b>	(1,184,000)
<b>NET ASSETS</b>		<b>691,538</b>	<b>8,526,203</b>	<b>3,309,438</b>	<b>12,527,179</b>	12,075,344
<b>ENDOWMENT FUND</b>	16	-	-	3,309,438	<b>3,309,438</b>	2,346,060
<b>RESTRICTED FUNDS</b>	17					
Development Fund		-	7,535,311	-	<b>7,535,311</b>	7,762,748
Heritage Assets		-	817,000	-	<b>817,000</b>	761,000
Specific Purposes Funds: Revenue		-	173,892	-	<b>173,892</b>	142,380
Special Acquisitions Fund		-	-	-	-	920,000
Less: Avon Pension Fund deficit offset		-	-	-	-	(592,000)
		<b>-</b>	<b>8,526,203</b>	<b>-</b>	<b>8,526,203</b>	8,994,128
<b>UNRESTRICTED FUNDS</b>						
General fund	18	691,538	-	-	<b>691,538</b>	735,156
		<b>691,538</b>	<b>8,526,203</b>	<b>3,309,438</b>	<b>12,527,179</b>	12,075,344

These financial statements were approved by the Directors at their meeting on 18 September 2022 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 2021**

	Note	2021 £	2020 £	
<b>Cash flows from operating activities</b>				
Net movement in funds for the reporting period		<b>451,735</b>	454,527	
<i>Adjustments for:</i>				
Movements in assets	Depreciation of tangible fixed assets	11	<b>235,421</b>	234,855
	Value of Heritage Assets donated in the year	12	<b>(56,000)</b>	-
Movements in investments:	Gains on investments	13a	<b>(328,421)</b>	(299,320)
	Investment management costs	13a	<b>49,138</b>	39,010
	Dividends and income from investments		<b>(62)</b>	(352)
Movement in pension reserve deficit		20	<b>(211,000)</b>	357,000
<i>Changes in:</i>	(Increase) in stocks		<b>(8,781)</b>	(6,986)
	Reduction in trade and other debtors		<b>3,925</b>	82,130
	Increase / (reduction) in trade and other creditors		<b>79,244</b>	(122,907)
<b>Net cash generated from operating activities</b>			<b>215,199</b>	737,957
<b>Cash flows from investing activities</b>				
Funds added to investments		13a	<b>(722,500)</b>	-
Dividends and income from investments			<b>62</b>	352
Purchase of tangible assets		11	-	(15,999)
<b>Net cash absorbed by investing activities</b>			<b>(722,438)</b>	(15,647)
<b>Net (decrease) / increase in cash and cash equivalents</b>			<b>(507,239)</b>	722,310
<b>Cash and cash equivalents at beginning of year</b>			<b>981,886</b>	259,576
<b>Cash and cash equivalents at end of year</b>			<b>474,647</b>	981,886

## ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2021

**General information** - the charity is a registered charity in England and Wales and is unincorporated. The address of the principal office is The Holburne Museum, 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 in July 2014, as updated by 2<sup>nd</sup> edition October 2019 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 Trustee's Annual Report. The financial position of the Charity and its cashflow are presented in the financial statements and accompanying notes.

It is the intention of the Directors to build the Endowment Funds and so they have begun a capital-raising programme which generated £420,000 over the last two years. They have secured £ for £ match funding from a charitable trust, up to a total of £1million.

The Directors consider that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue 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.

**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.

## ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2021

**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.

**Investment assets and income** - 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. Gains and losses on the revaluation and realisation of investments are taken to income in the Statement of Financial Activities. Dividends and interest from investments are credited to income on receipt.

**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 Directors 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 Special Acquisitions Fund comprised the proceeds of sale of an item from the collection in 2011 for £1 million, with the balance in the fund amounting to £920,000; the Museum has received legal advice which has led to this Fund being reclassified as part of the Endowment of the 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. Several heritage assets have been purchased or donated to the Museum 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 Directors' 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.

**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 £8,957,122.

## ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2021

**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 £2,000 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.

**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.

### **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 have an effect on the carrying amount of 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.

## **ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2021**

### **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.

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.

### **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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Year Ended 31 December 2021				Year Ended 31 December 2020			
	Unrestricted £	Restricted £	Endowment £	Total £	Unrestricted £	Restricted £	Endowment £	Total £
<b>1. Voluntary income - Grants and Donations</b>								
Covid Support Grants - Arts Council	299,464	-	-	<b>299,464</b>	196,377	-	-	196,377
Covid Support Grants - Heritage Lottery	-	-	-	-	210,400	-	-	210,400
Covid Support Grants - Bath City Council	36,214	-	-	<b>36,214</b>	-	-	-	-
	<b>335,678</b>	-	-	<b>335,678</b>	<b>406,777</b>	-	-	<b>406,777</b>
Donations to Endowment Appeal (Note 16)	-	-	35,000	<b>35,000</b>	-	-	262,500	262,500
General donations and grants	152,552	161,814	-	<b>314,366</b>	338,153	107,398	-	445,551
Raised from Patrons and Friends	137,147	-	-	<b>137,147</b>	65,201	-	-	65,201
Legacies received	111,500	-	-	<b>111,500</b>	-	-	-	-
Value of Heritage Assets donated (Note 12)	-	56,000	-	<b>56,000</b>	-	-	-	-
University contributions	70,000	-	-	<b>70,000</b>	76,667	-	-	76,667
	<b>471,199</b>	<b>217,814</b>	-	<b>689,013</b>	<b>480,021</b>	<b>107,398</b>	-	<b>587,419</b>
	<b>806,877</b>	<b>217,814</b>	<b>35,000</b>	<b>1,059,691</b>	<b>886,798</b>	<b>107,398</b>	<b>262,500</b>	<b>1,256,696</b>
<b>2. Income from charitable activities</b>								
Museums and Exhibition admissions	317,320	-	-	<b>317,320</b>	324,223	-	-	324,223
Coronavirus Job Retention Scheme	-	7,781	-	<b>7,781</b>	-	114,500	-	114,500
Exhibition costs recharged	35,974	-	-	<b>35,974</b>	-	-	-	-
Learning lectures, concerts, workshops etc	4,736	-	-	<b>4,736</b>	15,565	79,790	-	95,355
	<b>358,030</b>	<b>7,781</b>	-	<b>365,811</b>	<b>339,788</b>	<b>194,290</b>	-	<b>534,078</b>
<b>3. Other trading activities</b>								
Museum Shop sales	127,692	-	-	<b>127,692</b>	163,030	-	-	163,030
Income from Café and car parking	67,108	-	-	<b>67,108</b>	35,184	-	-	35,184
Venue hire (including filming fees)	36,532	-	-	<b>36,532</b>	1,213	-	-	1,213
Corporate Sponsorship and membership	-	-	-	-	5,000	-	-	5,000
Other income	784	-	-	<b>784</b>	3,112	-	-	3,112
	<b>232,116</b>	-	-	<b>232,116</b>	<b>207,539</b>	-	-	<b>207,539</b>
<b>4. Other income</b>								
Museum & Gallery Exhibition Tax Relief	14,229	-	-	<b>14,229</b>	-	-	-	-
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.								
<b>5. Expenditure on raising funds</b>								
Salary costs	43,996	-	-	<b>43,996</b>	69,398	-	-	69,398
Other costs of generating funds	22,341	-	-	<b>22,341</b>	16,441	-	-	16,441
	<b>66,337</b>	-	-	<b>66,337</b>	<b>85,839</b>	-	-	<b>85,839</b>
<b>6. Expenditure on charitable activities by fund type</b>								
Museum activities (inc. cost of shop sales)	528,216	298,452	-	<b>826,668</b>	387,231	391,087	-	778,318
Learning activities	59,540	67,068	-	<b>126,608</b>	61,969	71,489	-	133,458
Exhibition activities	181,509	-	-	<b>181,509</b>	108,826	20,184	-	129,010
Support costs	509,335	-	-	<b>509,335</b>	320,823	-	-	320,823
	<b>1,278,600</b>	<b>365,520</b>	-	<b>1,644,120</b>	<b>878,849</b>	<b>482,760</b>	-	<b>1,361,609</b>

**NOTES TO THE FINANCIAL STATEMENTS  
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**7. Expenditure on charitable activities by activity type**

	Staff costs	Other direct costs	Support costs	Total 2021	Total 2020
	£	£	£	£	£
Museum activities	303,641	590,095	148,736	<b>1,042,472</b>	850,327
Learning activities	39,716	19,824	123,946	<b>183,486</b>	218,472
Exhibition activities	30,242	151,267	223,103	<b>404,612</b>	282,035
	<b>373,599</b>	<b>761,186</b>	<b>495,785</b>	<b>1,630,570</b>	1,350,834
Governance costs	-	-	13,550	<b>13,550</b>	10,775
	<b>373,599</b>	<b>761,186</b>	<b>509,335</b>	<b>1,644,120</b>	1,361,609

**8. Analysis of support costs**

	Museum activities	Education activities	Exhibition activities	Total 2021	Total 2020
	£	£	£	£	£
Staff costs	38,596	32,163	57,894	<b>128,653</b>	80,112
Premises costs	81,470	67,891	122,204	<b>271,565</b>	167,498
Other administrative costs	28,670	23,892	43,005	<b>95,567</b>	92,444
	<b>148,736</b>	<b>123,946</b>	<b>223,103</b>	<b>495,785</b>	340,054

**9. Net income for the year**

		2021	2020
		£	£
This is stated after charging:	Depreciation (note 11)	<b>235,421</b>	234,855
	Auditors' remuneration	<b>11,600</b>	11,400
	Audit services	<b>1,100</b>	-
	Taxation services		

**10. Staff costs and emoluments**

		£	£
Total staff costs were as follows:	Wages and salaries	<b>515,639</b>	518,141
	Social security costs	<b>46,689</b>	38,312
	Other pension costs – defined benefit	<b>7,718</b>	9,902
	Other pension costs – defined contribution	<b>15,274</b>	13,171
	Apprentice Levy	<b>2,579</b>	1,448
		<b>587,899</b>	580,974

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 15 (2020:10) full time employees and 5 (2020: 9) part time employees during the year, being 20 (2020:19) employees in total. The average full-time equivalent being 18 (2020:15) employees. One employee's remuneration for the year fell within the band of £70,000 to £79,999 (2020:1).

**Key management personnel:** the total amount of employee benefits received by key management personnel is £145,135 (2020:£143,831).

**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. No expenses were reimbursed to directors of the Trustee company (2020 - £nil).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**11. Tangible Fixed Assets (The Group and the Charity)**

		Freehold property £	Fixtures & Fittings £	Leasehold Property £	Total £
<b>COST</b>	At start of year	9,507,122	1,171,271	90,423	<b>10,768,816</b>
	Additions in year	-	-	-	-
	At end of year	<u>9,507,122</u>	<u>1,171,271</u>	<u>90,423</u>	<b>10,768,816</b>
<b>DEPRECIATION</b>	At start of year	1,696,233	546,936	72,412	<b>2,315,581</b>
	Charge for year	227,437	3,285	4,699	<b>235,421</b>
	At end of year	<u>1,923,670</u>	<u>550,221</u>	<u>77,111</u>	<b>2,551,002</b>
<b>NET BOOK VALUE</b>	At end of year	<u>7,583,452</u>	<u>621,050</u>	<u>13,312</u>	<b>8,217,814</b>
	At start of year	<u>7,810,889</u>	<u>624,335</u>	<u>18,011</u>	<b>8,453,235</b>

**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 was 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, and a further £145,499 has also subsequently been capitalised.

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

**12. Heritage Assets (The Group and the Charity)**

		2021 £	2020 £
Cabinet	Capitalised in 2015 as a prior year adjustment	<b>250,000</b>	250,000
Bead basket	Capitalised in 2015 as a prior year adjustment	<b>78,000</b>	78,000
Atherley Portrait	Purchased in 2015	<b>420,000</b>	420,000
Ivory Fan	Purchased in 2017	<b>5,000</b>	5,000
Various etchings	Purchased in 2019	<b>8,000</b>	8,000
Pablo Bronstein inks x 2	Donated in 2021	<b>40,000</b>	-
Walter Sickert painting	Donated in 2021	<b>16,000</b>	-
		<b>817,000</b>	761,000

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**13a. Investments (The Group and the Charity)**

		2021 £	2020 £
<b>Movement in market value</b>	Market value at start of year	3,092,550	2,832,240
	Funds invested in the year	722,500	-
	Net gains arising on revaluations in the year	328,421	299,320
	Brokers management charges	(49,138)	(39,010)
	Market value at end of year	<u>4,094,333</u>	<u>3,092,550</u>
	Historical cost at end of year	<u>3,560,092</u>	<u>2,812,004</u>
<b>Investments are held as follows:</b>	Handelsbanken Balanced Multi Asset Fund C	1,214,025	1,121,469
	Handelsbanken Balanced Multi Asset Fund I	2,879,969	1,970,743
	Cash held by Investment Managers	339	338
		<u>4,094,333</u>	<u>3,092,550</u>
<b>Analysis of investments</b>	Endowment Fund	3,289,438	2,083,560
	Restricted: Special Acquisitions Fund	-	920,000
	Unrestricted Funds	804,895	88,990
		<u>4,094,333</u>	<u>3,092,550</u>

**13b. Investments - 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:

		2021 £	2020 £
<b>Balance sheet</b>	Assets	192,907	191,981
	Liabilities	(192,796)	(191,870)
	Capital and retained reserves	<u>111</u>	<u>111</u>
<b>Profit and loss account</b>	Turnover	549,581	546,424
	Cost of sales	(377,248)	(367,271)
	Gross profit	<u>172,333</u>	<u>179,153</u>
	Administrative expenses	(184,436)	(127,253)
	Other Income	14,229	-
	Operating profit	<u>2,126</u>	<u>51,900</u>
	Interest receivable	16	38
	Net profit	<u>2,142</u>	<u>51,938</u>
	Distribution to Holburne Museum	(2,142)	(51,938)
Result for the financial year	<u>-</u>	<u>0</u>	

NOTES TO THE FINANCIAL STATEMENTS  
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	2021	2020	2021	2020
	£	£	£	£
<b>14. Debtors</b>				
Trade debtors	15,290	6,936	1,176	5,276
Amounts owed by group undertakings	-	-	154,636	174,308
Other debtors	83,583	85,884	45,453	32,085
VAT	-	50	12,343	10,232
Prepayments	19,412	29,340	18,257	29,340
	<b>118,285</b>	<b>122,210</b>	<b>231,865</b>	<b>251,241</b>
<b>15. Creditors: Amounts falling due within one year</b>				
Trade creditors	218,143	136,084	206,714	132,354
Accruals and deferred income	32,140	43,567	26,366	39,917
VAT	8,612	-	-	10,232
	<b>258,895</b>	<b>179,651</b>	<b>233,080</b>	<b>172,271</b>

**16. Permanent Endowment funds (The Group and the Charity)**

	2021	2020
	£	£
Balance at the start of the year	2,346,060	1,687,816
Special Acquisitions Fund: balance transferred	920,000	-
Donations received for Endowment Fund	35,000	262,500
Unapplied total return allocated to Capital	8,378	7,809
Amount loaned from Endowment in 2018 now repaid	-	372,871
Interest charges on the above - at 2% per annum	-	15,064
Balance at the end of the year	<b>3,309,438</b>	<b>2,346,060</b>

The Endowment Fund began as a grant of £1 million from the National Lottery Heritage 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.

In 2020 the Museum launched a campaign to raise a further £1m for the Endowment Fund, which will be match-funded by an anonymous charitable trust; £297,500 had been received by 31 December 2021, the match funded element will be received during 2022.

During 2010 the Museum received £1m from the sale of an item in the Collection which under the charity's constitution was required to be held and applied for the further purchase of other works of art for the Collection; this was treated as a Restricted Fund called the Special Acquisitions Fund, £80,000 being subsequently used to part fund a Heritage Asset purchase. The Trustee has obtained legal advice that the effect of the 2018 scheme from the Charity Commission is that there is no longer a Special Acquisitions Fund and its balance of £920,000 has been added to the capital endowment of the Museum.

**NOTES TO THE FINANCIAL STATEMENTS  
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**16. Permanent Endowment funds (The Group and the Charity) - continued**

**Disclosure of Total Asset Return approach to investment of permanent endowment**

	Trust for Investment	Unapplied Total Return	Total 2021	Total 2020
<b>Balance at start of the period</b>				
Gift component of Permanent Endowment	2,300,947		<b>2,300,947</b>	2,038,447
Unapplied total return		45,113	<b>45,113</b>	(350,631)
<b>Total</b>	<b>2,300,947</b>	<b>45,113</b>	<b>2,346,060</b>	<b>1,687,816</b>
<b>Movements in the reporting period</b>				
Investment return: dividends and interest received	-	-	-	-
Investment return: realised and unrealised gains	-	328,421	<b>328,421</b>	299,320
Investment return: investment management costs	-	(49,138)	<b>(49,138)</b>	(39,010)
Less: Unapplied total return allocated to income (97%)	-	(270,905)	<b>(270,905)</b>	(252,501)
	-	8,378	<b>8,378</b>	7,809
Donations received for Endowment Fund	35,000	-	<b>35,000</b>	262,500
Special Acquisitions Fund: balance transferred	920,000	-	<b>920,000</b>	-
Amount loaned from Endowment in 2018 now repaid	-	-	-	387,935
<b>Net movements in the reporting period</b>	<b>955,000</b>	<b>8,378</b>	<b>963,378</b>	<b>658,244</b>
<b>Balance at end of the period</b>				
Gift component of Permanent Endowment	3,255,947	-	<b>3,255,947</b>	2,300,947
Unapplied total return	-	53,491	<b>53,491</b>	45,113
<b>Total</b>	<b>3,255,947</b>	<b>53,491</b>	<b>3,309,438</b>	<b>2,346,060</b>

**17. Restricted Funds (The Group and the Charity)**

The Development Project fund comprises monies received specifically to finance the Museum's development project. The annual depreciation charge for assets funded from the Development Project is charged against the Fund.

The Heritage Asset Fund represents amounts received to purchase capitalised Heritage Assets or the value of items donated to the Collection (Note 12)

The Special Acquisitions Fund held £920,000 received from the sale of an item in the collection; the Trustee has obtained legal advice that the effect of the 2018 Scheme from the Charity Commission is that there is no longer a Special Acquisitions Fund and its balance of £920,000 has been added to the capital endowment of the Museum (Note 16). Following the transfer of the Fund balance to Permanent Endowment, the whole of the Avon Pension Fund deficit is now offset against Unrestricted funds.

Specific Purposes Fund are amounts received for specific purposes or projects.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**17. Restricted Funds (The Group and the Charity)**

	Balance at 31 Dec 2020	Incoming resources	Outgoing resources	Transfers	Balance at 31 Dec 2021
	£	£	£	£	£
<b>Development funds</b>					
The Holburne Museum development project	7,762,748	-	(227,437)	-	<b>7,535,311</b>
<b>Heritage Asset Funds</b>					
Funding for purchase of assets - Note 14	761,000	56,000	-	-	<b>817,000</b>
<b>Special Acquisitions Fund</b>					
Balance outstanding	920,000	-	-	(920,000)	-
Less: Pension fund deficit offset -50% of total	(592,000)	-	-	592,000	-
	<b>328,000</b>	<b>-</b>	<b>-</b>	<b>(328,000)</b>	<b>-</b>
<b>Specific purposes funds</b>					
National Lottery Comm Fund: Pathways	67,327	75,997	(67,068)	-	<b>76,256</b>
Funds for other Learning projects	-	41,500	-	-	<b>41,500</b>
Ellerman Found / Traverse Trust - Curator funding	19,331	29,477	(27,475)	-	<b>21,333</b>
Clore - for redecoration	20,000	-	(2,800)	-	<b>17,200</b>
Conservation (various small amounts)	9,263	4,840	-	-	<b>14,103</b>
Stumpwork	3,500	-	-	-	<b>3,500</b>
Neighbourhood Postcode Lottery	9,959	-	(9,959)	-	-
Cayzer Trust - for removal of table	8,000	-	(8,000)	-	-
Funding for Exhibitions	5,000	-	(5,000)	-	-
Other Funds	-	10,000	(10,000)	-	-
Coronavirus Job Retention Scheme funding	-	7,781	(7,781)	-	-
	<b>142,380</b>	<b>169,595</b>	<b>(138,083)</b>	<b>-</b>	<b>173,892</b>
	<b>8,994,128</b>	<b>225,595</b>	<b>(365,520)</b>	<b>(328,000)</b>	<b>8,526,203</b>

**18. Unrestricted Funds**

	Balance at 31 Dec 2020	Incoming resources	Outgoing resources	Gains, losses and transfers	Balance at 31 Dec 2021
	£	£	£		£
The Group	735,267	1,411,314	(1,344,937)	(110,095)	<b>691,549</b>
The Charity	735,156	917,800	(851,323)	(110,095)	<b>691,538</b>

**19. Related Parties**

The nominees of the University of Bath, James Eastman (to 27 April 2021) and Rohan Surana (from 3 February 2022), sit on the Board of Directors of the Museum. During the year the University made grants totalling £20,000 (2020 £11,667) to the Museum, and provided 'in kind' support (payroll, IT, security services) with an estimated value of £30,000 (2020 £30,000).

The nominee of Bath Spa University, Dr Andrew Salmon, also sits on the Board of Trustees of the Museum. During the year the University made grants totalling £20,000 (2020 £35,000) to the Museum.

**NOTES TO THE FINANCIAL STATEMENTS  
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**20. Pensions and Other Post Retirement Benefits**

The Museum participates in the Avon Pension Fund, which provides benefits in accordance with the LGPS Regulations. The LGPS is a defined benefit pension scheme which provides benefits to participants on retirement and benefits to their dependants on death. Pre April 2014 benefits are linked to final pensionable salary and service at date of retirement (or date of leaving the scheme if earlier), post March 2014 benefits accrue on a Career Average Revalued Earnings (CARE) basis.

The most recent comprehensive valuation of the Fund took place as at 31 March 2019. This valuation is used for the purpose of setting contribution rates. Where a deficit is identified for a particular employer then contributions are set with the aim of restoring the funding level to 100% over a specific recovery period. Contributions are typically expressed as a percentage of pensionable pay for accruing benefits and as fixed cash amounts in respect of any deficit payments.

The Employer pays regular contributions into the Fund. The table below sets out the regular contributions paid or projected to be paid over the current accounting year and the regular contributions projected to be paid over the next accounting year. Irregular contributions may also be paid.

Regular contributions paid in the current accounting year	£43,000
Regular contributions projected to be paid in the next accounting year	£40,000

	2021 £	2020 £	2019 £
<b>Main Financial Assumptions (% per annum)</b>			
Discount rate	1.95%	1.4%	2.1%
Rate of increase in salaries	2.85%	3.8%	3.6%
Rate of increase in pensions in payment	2.85%	2.4%	2.1%
Inflation	2.85%	2.3%	2.2%

**How the Fund is invested**

The Fund is assumed to be invested in each main asset class in the following proportions

Equities	42.90%	44.20%	41.80%
Government bonds	11.00%	7.20%	11.20%
Other bonds	7.80%	2.70%	2.40%
Property	6.50%	8.80%	9.20%
Cash	2.30%	3.00%	2.00%
Other assets	29.50%	34.10%	33.40%

**Reconciliation to Balance sheet**

	Movement in the year	2021 £	2020 £	2019 £
Fair value of assets	159,000	1,326,000	1,167,000	1,113,000
Present value of defined benefit obligations	52,000	(2,299,000)	(2,351,000)	(1,940,000)
Net pension liability recognised on balance sheet	211,000	(973,000)	(1,184,000)	(827,000)

**Net periodic pension cost recognised in profit and loss**

	2021 £	2020 £
Current service cost	17,000	16,000
Past service cost	1,000	1,000
Net interest on defined benefit liability	16,000	17,000
<b>Total operating charge</b>	<b>34,000</b>	<b>34,000</b>

**NOTES TO THE FINANCIAL STATEMENTS  
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**20. Pensions and Other Post Retirement Benefits (continued)**

	2021	2020
	£	£
<b>Changes in the present value of the defined benefit obligations</b>		
Opening defined benefit obligation	2,351,000	1,940,000
Current service cost	17,000	16,000
Interest cost	33,000	41,000
Contributions by employees	2,000	3,000
Actuarial (gain) / loss on liabilities	(88,000)	367,000
Net benefits paid	(17,000)	(17,000)
Past service cost	1,000	1,000
<b>Closing defined benefit obligation</b>	<b>2,299,000</b>	<b>2,351,000</b>
<b>Changes to the fair value of assets</b>		
Opening fair value of assets	1,167,000	1,113,000
Interest return on assets	17,000	24,000
Actuarial gain / (loss) on assets	115,000	9,000
Contributions by employer	42,000	35,000
Contributions by employees	2,000	3,000
Net benefits paid	(17,000)	(17,000)
<b>Closing fair value of scheme assets</b>	<b>1,326,000</b>	<b>1,167,000</b>
<b>Actual return on assets</b>		
Interest return on assets	17,000	24,000
Actuarial gain / (loss) on assets	115,000	9,000
<b>Actual return on assets</b>	<b>132,000</b>	<b>33,000</b>
<b>Analysis of amounts recognised in statement of recognised gains and losses</b>		
Actuarial gain / (loss) on assets	115,000	9,000
Actuarial gain / (loss) on liabilities	88,000	(367,000)
<b>Total actuarial gain / (loss)</b>	<b>203,000</b>	<b>(357,000)</b>

**NOTES TO THE FINANCIAL STATEMENTS  
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**21a. Previous Year Comparatives – Consolidated Statement of Financial Activities**

	Unrestricted Funds £	Restricted Funds £	Endowment fund £	Total Funds 2020 £
<b>INCOME</b>				
Grants and Donations	886,798	107,398	262,500	<b>1,256,696</b>
Income from charitable activities	339,788	194,290	-	<b>534,078</b>
Other trading activities	207,539	-	-	<b>207,539</b>
Income from investments	352	-	-	<b>352</b>
<b>Total Income</b>	<b>1,434,477</b>	<b>301,688</b>	<b>262,500</b>	<b>1,998,665</b>
<b>EXPENDITURE</b>				
Expenditure on raising funds	(85,839)	-	-	<b>(85,839)</b>
Investment management costs	-	-	(39,010)	<b>(39,010)</b>
Expenditure on charitable activities	(878,849)	(482,760)	-	<b>(1,361,609)</b>
<b>Total Expenditure</b>	<b>(964,688)</b>	<b>(482,760)</b>	<b>(39,010)</b>	<b>(1,486,458)</b>
<b>NET INCOME/ (EXPENDITURE)</b>	<b>469,789</b>	<b>(181,072)</b>	<b>223,490</b>	<b>512,207</b>
<b>TRANSFERS BETWEEN FUNDS</b>				
Total Asset Return transfer	252,501	-	(252,501)	-
Loan from Endowment now repaid	(387,935)	-	387,935	-
Avon Pension Fund deficit	(235,000)	235,000	-	-
<b>NET INCOME/(EXPENDITURE) AFTER TRANSFERS</b>	<b>99,355</b>	<b>53,928</b>	<b>358,924</b>	<b>512,207</b>
Gain on investments	-	-	299,320	<b>299,320</b>
Actuarial loss on defined benefit pension scheme	(357,000)	-	-	<b>(357,000)</b>
<b>NET MOVEMENT IN FUNDS</b>	<b>(257,645)</b>	<b>53,928</b>	<b>658,244</b>	<b>454,527</b>
<b>FUND BALANCES BROUGHT FORWARD</b>	<b>992,912</b>	<b>8,940,200</b>	<b>1,687,816</b>	<b>11,620,928</b>
<b>FUND BALANCES CARRIED FORWARD</b>	<b>735,267</b>	<b>8,994,128</b>	<b>2,346,060</b>	<b>12,075,455</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**21b. Previous Year Comparatives – Consolidated Balance Sheet**

	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total Funds 2020 £
<b>FIXED ASSETS</b>				
Tangible fixed assets:				
Freehold Property: The Museum	550,000	7,260,888	-	<b>7,810,888</b>
Other assets	140,487	501,860	-	<b>642,347</b>
	690,487	7,762,748	-	<b>8,453,235</b>
Heritage assets	-	761,000	-	<b>761,000</b>
Investments	88,990	920,000	2,083,560	<b>3,092,550</b>
<b>TOTAL FIXED ASSETS</b>	<b>779,477</b>	<b>9,443,748</b>	<b>2,083,560</b>	<b>12,306,785</b>
<b>CURRENT ASSETS</b>				
Museum shop stock	28,225	-	-	<b>28,225</b>
Debtors	122,210	-	-	<b>122,210</b>
Bank balances and similar	577,006	142,380	262,500	<b>981,886</b>
	727,441	142,380	262,500	<b>1,132,321</b>
<b>CREDITORS: Amounts falling due within one year</b>	<b>(179,651)</b>	<b>-</b>	<b>-</b>	<b>(179,651)</b>
<b>NET CURRENT ASSETS</b>	<b>547,790</b>	<b>142,380</b>	<b>262,500</b>	<b>952,670</b>
<b>NET ASSETS BEFORE PENSION DEFICIT</b>	<b>1,327,267</b>	<b>9,586,128</b>	<b>2,346,060</b>	<b>13,259,455</b>
Pension scheme deficit	(592,000)	(592,000)	-	<b>(1,184,000)</b>
<b>NET ASSETS</b>	<b>735,267</b>	<b>8,994,128</b>	<b>2,346,060</b>	<b>12,075,455</b>
<b>ENDOWMENT FUND</b>	<b>-</b>	<b>-</b>	<b>2,346,060</b>	<b>2,346,060</b>
<b>RESTRICTED FUNDS</b>				
Development Fund	-	7,762,748	-	<b>7,762,748</b>
Heritage Assets	-	761,000	-	<b>761,000</b>
Special Acquisitions Fund	-	920,000	-	<b>920,000</b>
Less: Avon Pension Fund deficit offset	-	(592,000)	-	<b>(592,000)</b>
Specific Purposes Funds: Revenue	-	142,380	-	<b>142,380</b>
	-	8,994,128	-	<b>8,994,128</b>
<b>UNRESTRICTED FUNDS</b>				
General fund	735,267	-	-	<b>735,267</b>
	735,267	8,994,128	2,346,060	<b>12,075,455</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**21c. Previous Year Comparatives – Endowment and Restricted Funds**

	Balance at 1 Jan 2020	Incoming resources	Outgoing resources	Transfers and other gains and losses	Balance at 31 Dec 2020
	£	£	£	£	£
<b>ENDOWMENT FUNDS</b>					
Catalyst Fund	1,687,816	262,500	(39,010)	434,754	<b>2,346,060</b>
<b>RESTRICTED FUNDS</b>					
<b>Development funds</b>					
The Holburne Museum development project	7,990,186	-	(227,438)	-	<b>7,762,748</b>
<b>Heritage Asset Funds</b>					
Funding for purchase of assets - Note 14	761,000	-	-	-	<b>761,000</b>
<b>Special Acquisitions Fund</b>					
Balance outstanding	920,000	-	-	-	<b>920,000</b>
Less: Pension fund deficit offset -50% of total	(827,000)	-	-	235,000	<b>(592,000)</b>
	93,000	-	-	235,000	<b>328,000</b>
<b>Specific purposes funds</b>					
National Lottery Comm Fund: Pathways	59,026	79,790	(71,489)	-	<b>67,327</b>
Clore - for redecoration	20,000	-	-	-	<b>20,000</b>
Ellerman Found / Traverse Trust - Curator funding	3,893	38,477	(23,039)	-	<b>19,331</b>
Neighbourhood Postcode Lottery	-	9,959	-	-	<b>9,959</b>
Conservation (various small amounts)	9,263	-	-	-	<b>9,263</b>
Cayzer Trust - for removal of table	-	8,000	-	-	<b>8,000</b>
Funding for Exhibitions	-	25,184	(20,184)	-	<b>5,000</b>
Stumpwork	2,500	1,000	-	-	<b>3,500</b>
Learning	1,332	-	(1,332)	-	<b>-</b>
Coronavirus Job Retention Scheme funding	-	114,500	(114,500)	-	<b>-</b>
Art Fund 'Respond and Reimagine' project	-	13,778	(13,778)	-	<b>-</b>
National Lottery Comm.Fund: Create @ Home	-	11,000	(11,000)	-	<b>-</b>
	96,014	301,688	(255,322)	-	<b>142,380</b>
	8,940,200	301,688	(482,760)	235,000	<b>8,994,128</b>

## THANK YOU

*The Holburne is a registered charity and every year we rely on the support of gifts and donations to deliver all of our activities and care for our collection and building. We are very grateful to everyone who donated to support the Holburne in 2021, and would like to extend special thanks to:*

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