

THE HOLBURNE MUSEUM

TRUSTEE REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

THE HOLBURNE MUSEUM

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THE HOLBURNE MUSEUM

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEE AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2022

The Holburne Museum ("The Museum") is an independent institution with registered charitable status, established by a 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 of The Company are detailed below:

Directors	Edward Bayntun-Coward, Chair ^{1,2,4} Francesca Beauman, Vice Chair ^{2,4} Martin Clarke ¹ Magdalen Fisher ² Sandra Forbes ⁴ Jeremy Garfield- Davies ² Angela Gillibrand ¹ Sukie Hemming ² Caroline Howell ³ Charlotte Murphy Andrew Salmon Christopher Stephens ^{1,2,4} Rohan Surana
	¹ Finance, Audit & Investment Committee ² Fundraising Committee ³ Learning & Engagement Advisory Committee ⁴ Nominations Committee

Charity registered number	310288
Principal office	Great Pulteney Street Bathwick Bath BA2 4DB
Independent auditors	Bishop Fleming LLP Chartered Accountants 10 Temple Back Bristol BS1 6FL
Bankers	CAF Bank PO Box 289 West Malling Kent ME19 4TA
Solicitors	Stone King Upper Borough Court Upper Borough Walls Bath BA1 1RG

THE HOLBURNE MUSEUM

TRUSTEE REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustee submits its annual report and accounts for the year ended 31 December 2022. 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: 4104120
The Holburne Museum	Charity Registration Number: 310288
Holburne Trading Company Ltd	Company Registration Number: 6954139
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 1.

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, and commercial income.

• 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:

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

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 - Sandy Forbes |
| • Learning & Engagement Advisory Committee | Chair – Caro Howell |

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TRUSTEE REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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 2023, 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

The Co-ordination Team includes the Director, Head of Business & Development, Head of Learning & Engagement, Curator, Exhibitions Co-ordinator, Head of Visitor Services, Head of Communications, and the Museum Administrator. The aims of the monthly Co-ordination 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 which attract national attention and is also admired for its dynamic displays, vibrant learning and community engagement programme and innovative interpretation.

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

TRUSTEE REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

in the delivery of the Museum's objectives are outlined below.

Achievements and Performance

As with the rest of the country, 2022 was the year in which we'd hoped to return to a new normal following the pandemic but which was marred by the war in Ukraine and its repercussions, and further financial challenges. Despite government support, the exponential growth in energy costs had a massive impact on our expenditure while inflation, particularly in fuel costs, impacted our budgets. Before Covid, we made significant changes to our business model, redirected our programme and reduced our staff numbers so there were fewer levers that could be pulled in response to these unexpected additional costs that would not risk damaging attendance.

So, we continued with an ambitious exhibition programme that was intended to draw as large an audience as possible while embedding our new commitment to showing contemporary art and supporting local artists. The first season was led by *The Tudors*, a collaboration with the National Portrait Gallery and The Walker Art Gallery, Liverpool. It was accompanied by two significant smaller shows. *Mick Peter* was a show made by the mid-career artist in response to the Holburne and was intended to attract new, younger audiences. The work occupied spaces in the garden and on the facade as well as in the Ballroom Gallery. We secured Arts Council funding to work with six partner schools, most from the most deprived areas of B&NES. This was a huge success, enabling us to reach out to children and families who had never visited the Holburne and to establish long-term relationships with those schools and their teaching staff. At the same time, the end of the second three-year period of our Pathways to Wellbeing Creative Engagement programme was marked by an exhibition of sculptures made by the groups: *People Make Museums*. This was accompanied by a symposium which attracted a national audience, emphasised the fact that the Holburne has come to be seen as a centre of excellence for such work with adults with histories of poor mental health. Shortly after, we were asked to contribute to a national report on such schemes by the Baring Foundation.

The summer saw an exhibition of early David Hockney drawings, *Love Life*, which was paired with a show of 17th century English raised needlework pictures. Both drew a significant audience. The season was also enriched because at the end of March we had reopened the rehung, redecorated Picture Gallery. At the same time, we unveiled a brand-new gallery created to show a group of important Northern Renaissance paintings placed on long loan by the family of the late Bruno Schroder. These are a significant addition to the Holburne's permanent displays.

The impact of our commitment to contemporary art and of the John Ellerman Curator of Contemporary Art and Special Projects, in post since early 2019, became especially clear in 2022. Through that post had arisen the opportunity to partner with the National Gallery on their inaugural Contemporary Fellowship and that came to fruition with the display of a major new video installation, made in response to the National's and our collections, by Indian artist Nalini Malani. There was a great response from visitors unfamiliar with such work. Alongside it, we signposted the broadening of our collecting remit with a display of a group of works by Elisabeth Frink recently donated by the artist's son's estate which was curated by a student from Bath Spa University. In the Picture Gallery we presented a stunning group of sculptures by Auguste Rodin and Edgar Degas which attracted considerable attention and favourable press coverage.

It continues to be clear that our strong performance in terms of attendance is highly reliant on the exhibition programme and so we hesitate to reduce activity though the scale of the programme is ambitious for a small team.

In addition to the shows at the Holburne, through 2022 we also programme the Andrew Brownsword Gallery at the University of Bath's art centre, The Edge. Following Covid, we had contracted to run the gallery. As it was hard to attract an audience, from February to May we ran a series of three residencies for artists. We had advertised for artists to come forward to make and display work in the gallery in pairs. All but one of the six artists (one of which was a collective) confirmed the experience had been transformative for them and their work. It was an important strategic step for the Museum to directly support local practitioners and we hope to do more in the future. The final exhibition at The Edge was a show of Richard Smith paintings from the 1970s and 1980s which, though poorly attended, was fully funded and had a big impact on a specialist audience. The gallery has now gone back to University use.

After two three-year periods, the NLCF were unable to fund our Pathways to Wellbeing programme beyond March 2022. We were able to continue with one year's funding from two local charitable trusts. Similarly, we

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TRUSTEE REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

continued working with our Partner Schools through a local philanthropist. Both activities were included in our bid to become an Arts Council National Portfolio Organisation which, though earning very positive feedback, was unsuccessful. The result was not unexpected and it would have been new funding so there is no dramatic impact on the organisation.

A significant development in 2022 was a deepening relationship with the Schroder family. With the possibility of new galleries to house their collection being made from existing back-of-house spaces, we started a master-planning process with Eric Parry Architects. The hope is that in 2025 we might open two new galleries and enhanced circulation spaces on the lower ground floor, enabling us to present the Schroder Collection of Dutch painting, silver, ceramics, sculpture and decorative items, and more of the Holburne collection.

Finally, for the first time in several years, we achieved a full complement of staff with the appointment during the year of a new Building Manager, Shop Manager, Finance Manager and Assistant Manager, Pathways to Wellbeing. With the new Building Manager, we initiated a review of our policies and procedures to ensure best practice in Health & Safety, security and maintenance.

Financial Review

Review of the year

Total income for the year amounted to £1.86 million, an increase of 13% from the previous year, reflecting that 2022 was the first year the Museum was fully open after the pandemic and numerous lockdowns. Admissions were £383,608, up 20% from 2021, shop sales were up 8% and venue hire up a staggering 173%, due to the museum being 'Lady Danbury's house' in Netflix's popular series Bridgerton. Income from fundraising activities was £1.1 million, which includes £420,000 matched funding from a Trust towards the Endowment Fund.

After charging costs of running the Museum, which amounted to £1.8 million, including depreciation of £235,056, there was an overall surplus of £53,923, compared to a deficit of £87,686 in 2021.

The repercussions from the mini budget in September hit the investment portfolio hard, with a loss of £370,239 compared to gains of £328,421 in the previous year. However, the budget did significantly impact on the defined pension scheme, with a reduction in liability of £949,000 (£211,000 in 2021).

After including all the gains and losses, there was a net increase in funds amounting to £180,949. Endowment funds fell by £18,730, restricted funds by £181,461 and there was an overall increase in restricted funds of £832,875, due to the revaluation of the pension liability.

The Museum's net assets at 31 December 2022 amounted to £13,159,874, of which endowment funds stood at £3,290,708, restricted funds at £8,344,742 and unrestricted funds increased by 121% to £1,534,424.

Details of Funds

The Director's 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 Catalyst Fund, together with subsequent donations. This year £420,000 was received for this fund. Under the Total Asset Return basis of accounting, 3% of the net increase in the value of investments has been added to the Endowment Fund, the remainder being added to Unrestricted Funds.

Restricted – Special Acquisitions Fund – this comprised of the proceeds of the sale of an item outside of the collection in 2011, amounting to £920,000. In 2021 this Fund was reclassified as part of the Endowment Fund of the Museum.

Restricted – Development Fund – this comprises of 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 this Fund, are charged against the Fund.

Restricted – Heritage Assets Fund – this represents the value of the Heritage Assets purchased by or donated to the Museum.

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TRUSTEE REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Restricted – Specific Purposes Fund – these are the unspent balances of grants and donations made to the Museum with a specific purpose or intent.

Unrestricted Funds – these are the accumulated revenue surpluses of the Museum, providing finance for the core operating costs relating to the running of the Museum.

Investment policy and performance

The assets of the Endowment Fund are invested through a professional investment manager, Handelsbanken, with a medium to low risk/capital preservation Total Asset Return mandate in accordance with the power given to the Trustee under the Trustee Investment Act 1961. After £420,000 was invested in the year, funds totalled £3,290,708 (£3,309,438 in 2021), recording a deficit of £370,239 (£328,421 gain in 2021) before the investment management costs of £68,491 (£49,138 in 2021). The performance of the investments is reported quarterly to the directors.

Unrestricted Funds reserves 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. Our business plan is to preserve the Endowment Funds and ultimately to increase them to a level at which the total return generated will cover any operating deficits. Through a very generous funding agreement with a Trust, donations for the Endowment Fund will be matched funded up to £1 million. To date £410,000 has been drawn down from the Trust.

The Museum aims 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 £916,000.

Avon Pension Fund

The Museum's participation in the Avon Pension Fund defined benefit scheme for its employees resulted in a reduction of £949,000 in the calculated net actuarial deficit during the year (£211,000 net reduction in 2021).

Post Balance Sheet Note

At 18th October 2022 when the Lower Risk Funding Valuation was calculated by the Actuary the deficit was £150,000. A deficit prepayment of £115,500 was made in April 2023. In March 2023, the last employee in the scheme left the museum and the final termination valuation was calculated at £51,600, which was paid in June 2023. A termination certificate has been issued and there are no further liabilities connected with this pension fund.

Plans for future periods

We are committed to increasing our income streams through strong, popular programming and promoting other commercial income streams (café and venue hire). We aim to raise our Endowment Fund by at least another £580,000 to draw down the remaining matched funds from the anonymous Trust to increase our Endowment Fund by a further £1,160,000.

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 creativity and to play a significant role in the wellbeing of our communities.

We have a once in a lifetime opportunity to display one of the finest private collections of Renaissance, and other, silverware in the country, if not Europe, as well as bronzes, maiolica and other small decorative items, such as porcelain boxes, jewellery and gems, which will be on permanent loan to the Holburne. The collection will be displayed in a new treasury-style gallery on the Lower Ground Floor, under the extension.

We will also be displaying a collection of magnificent 17th Century Dutch paintings, also on permanent loan to Holburne, in a new gallery on the First Floor. This space is currently an office but was designed as a gallery in Reginald Blomfield's original 1914 plans for the Holburne Museum.

In addition, the project will offer public access to more of the Holburne's collection as it will create a new display area on the Lower Ground Floor that will enable us to tell new stories with our collection.

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TRUSTEE REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Works for the new galleries are anticipated to start in 2024.

The new galleries will significantly enrich visitors' experience at Holburne, offering new displays of new kinds of works of art of the highest, world-class quality, alongside our existing collection displays and our popular programme of temporary exhibitions. The successful completion of this project, with the addition of major works of art to the Museum's offer, will raise the status and profile of Holburne and of Bath.

THE HOLBURNE MUSEUM

TRUSTEE REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Disclosure of information to auditors

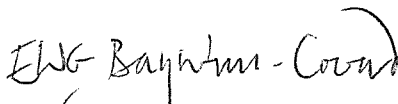
The Trustee at the time when this Trustee Report is approved has confirmed that:

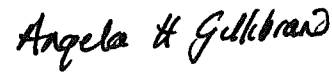
- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustee will propose a motion reappointing the auditors at a meeting of the Trustee.

Approved by order of the members of the board of Trustee and signed on their behalf by:


Edward Bayntun-Coward
Chair of Trustees



Angela Gillibrand
Treasurer

Date:

7 July 2023

**STATEMENT OF TRUSTEE RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Trustee is responsible for preparing the Trustee Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustee are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HOLBURNE MUSEUM

OPINION

We have audited the financial statements of The Holburne Museum (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, 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 Financial Reporting Standard 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 of the parent charity's affairs as at 31 December 2022 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other 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 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 Group's or the parent 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 other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustee is responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HOLBURNE MUSEUM (CONTINUED)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustee Report is inconsistent in any material respect with the financial statements; or
- the parent Charity has not kept sufficient accounting records; or
- the parent Charity 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 Trustee Responsibilities Statement, the Trustee is responsible for the preparation of the financial statements which 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 Group's and the parent 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 Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HOLBURNE MUSEUM (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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:

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management and the directions of the trustee company in relation to their own identification and assessment of the risk of irregularities within the entity;
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation; and
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained understanding of the legal and regulatory frameworks that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011, Charity SORP 2019, FRS 102 and the terms and conditions attaching to material grants received by the Charity.

In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charity's ability to operate or avoid a material penalty. These included data protection regulations, health and safety regulations and employment legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Review of board minutes;
- Enquiring of management in relation to actual and potential claims and litigations;
- Performing detailed transactional testing in relation to the recognition of revenue, specifically grants, with a particular focus around year-end cut off; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments.

We also communicated identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

THE HOLBURNE MUSEUM

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HOLBURNE MUSEUM (CONTINUED)

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in the financial statements or non-compliance with laws and regulations, will not be detected by us. The risk increases the further removed compliance with a law or regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

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

USE OF OUR REPORT

This report is made solely to the charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 Auditors' 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 trustee for our audit work, for this report, or for the opinions we have formed.



Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: *26 September 2023*

Bishop Fleming LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE HOLBURNE MUSEUM

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:						
Donations and legacies	4	374,247	316,884	420,000	1,111,131	1,059,691
Charitable activities	5	417,129	-	-	417,129	365,811
Other trading activities	6	356,800	-	-	356,800	232,116
Investments	7	1,394	-	-	1,394	62
Other income	8	-	-	-	-	14,229
Total income and endowments		1,149,570	316,884	420,000	1,886,454	1,671,909
Expenditure on:						
Raising funds	9,10	159,328	-	68,491	227,819	115,475
Charitable activities	11	1,096,367	508,345	-	1,604,712	1,644,120
Total expenditure		1,255,695	508,345	68,491	1,832,531	1,759,595
Net (expenditure)/income before net (losses)/gains on investments						
		(106,125)	(191,461)	351,509	53,923	(87,686)
Net (losses)/gains on investments		-	-	(370,239)	(370,239)	328,421
Net (expenditure)/income		(106,125)	(191,461)	(18,730)	(316,316)	240,735
Transfers between funds	22	(10,000)	10,000	-	-	-
Net movement in funds before other recognised gains		(116,125)	(181,461)	(18,730)	(316,316)	240,735
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	29	949,000	-	-	949,000	211,000
Net movement in funds		832,875	(181,461)	(18,730)	632,684	451,735

THE HOLBURNE MUSEUM

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	Total funds 2021 £
Reconciliation of funds:					
Total funds brought forward	691,549	8,526,203	3,309,438	12,527,190	12,075,455
Net movement in funds	832,875	(181,461)	(18,730)	632,684	451,735
Total funds carried forward	1,524,424	8,344,742	3,290,708	13,159,874	12,527,190

THE HOLBURNE MUSEUM

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	16	7,991,793	8,217,814
Heritage assets	17	827,000	817,000
Investments	18	4,075,603	4,094,333
		<u>12,894,396</u>	<u>13,129,147</u>
Current assets			
Stocks	19	23,456	37,006
Debtors	20	386,010	118,285
Cash at bank and in hand		191,028	474,647
		<u>600,494</u>	<u>629,938</u>
Creditors: amounts falling due within one year	21	(335,016)	(258,895)
Net current assets		<u>265,478</u>	<u>371,043</u>
Total assets less current liabilities		<u>13,159,874</u>	<u>13,500,190</u>
Defined benefit pension scheme asset / liability	29	-	(973,000)
Total net assets		<u><u>13,159,874</u></u>	<u><u>12,527,190</u></u>

THE HOLBURNE MUSEUM

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Charity funds			
Endowment funds	22	3,290,708	3,309,438
Restricted funds:			
Development fund	22	7,359,079	7,535,311
Heritage assets	22	827,000	817,000
Special purposes funds: Revenue	22	158,663	173,892
Total restricted funds	22	8,344,742	8,526,203
Unrestricted funds	22	1,524,424	691,549
Total funds		13,159,874	12,527,190

The financial statements were approved and authorised for issue by the Trustee and signed on their behalf by:

Edward Bayntun-Coward

Edward Bayntun-Coward
Chair of Trustees

Angela H Gillibrand

Angela Gillibrand
Treasurer

Date: *7 July 2023*

The notes on pages 21 to 51 form part of these financial statements.

THE HOLBURNE MUSEUM

CHARITY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	16	7,991,793	8,217,814
Heritage assets	17	827,000	817,000
Investments	18	4,075,703	4,094,433
		<u>12,894,496</u>	<u>13,129,247</u>
Current assets			
Debtors	20	504,351	231,865
Cash at bank and in hand		31,905	372,147
		<u>536,256</u>	<u>604,012</u>
Creditors: amounts falling due within one year	21	(270,889)	(233,080)
Net current assets		<u>265,367</u>	<u>370,932</u>
Total assets less current liabilities		<u>13,159,863</u>	<u>13,500,179</u>
Net assets excluding pension asset / liability		<u>13,159,863</u>	<u>13,500,179</u>
Defined benefit pension scheme asset / liability	29	-	(973,000)
Total net assets		<u><u>13,159,863</u></u>	<u><u>12,527,179</u></u>

THE HOLBURNE MUSEUM

CHARITY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Charity funds			
Endowment funds	22	3,290,708	3,309,438
Restricted funds:			
Development fund	22	7,359,079	7,535,311
Heritage assets	22	827,000	817,000
Special purposes funds: Revenue	22	158,663	173,892
Total restricted funds	22	8,344,742	8,526,203
Unrestricted funds	22	1,524,413	691,538
Total unrestricted funds	22	1,524,413	691,538
Total funds		13,159,863	12,527,179

The financial statements were approved and authorised for issue by the Trustee and signed on their behalf by:

Edward Bayntun-Coward

Edward Bayntun-Coward
Chair of Trustees

Angela H Gillibrand

Angela Gillibrand
Treasurer

Date: *7 July 2023*

The notes on pages 21 to 51 form part of these financial statements.

THE HOLBURN MUSEUM

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	144,022	215,199
Cash flows from investing activities		
Dividends and income from investments	1,394	62
Purchase of tangible fixed assets	(9,035)	-
Purchase of investments	(420,000)	(722,500)
Net cash used in investing activities	(427,641)	(722,438)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(283,619)	(507,239)
Cash and cash equivalents at the beginning of the year	474,647	981,886
Cash and cash equivalents at the end of the year	191,028	474,647

The notes on pages 21 to 51 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. 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.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The 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 the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Holburne Museum meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

2.2 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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (continued)

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (continued)

2.6 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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 recoverable on certain donation, and where applicable, has been included in income.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

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

2.8 Heritage assets

Where heritage assets have been purchased, they are initially recognised at cost. After recognition, under the cost model, heritage assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (continued)

2.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.14 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (continued)

2.15 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year in accordance with the rules of the scheme.

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.

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 been 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.

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (continued)

2.16 Fund accounting

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.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. These estimates and judgments 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.

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Donations				
General donations	89,837	-	-	89,837
Raised from Patrons and Friends	170,574	-	-	170,574
University contributions	100,000	-	-	100,000
Grants				
General grants	-	42,000	-	42,000
Total donations & grants	360,411	42,000	-	402,411
Donations	-	274,884	420,000	694,884
Legacies	13,836	-	-	13,836
Subtotal	13,836	274,884	420,000	708,720
Total 2022	374,247	316,884	420,000	1,111,131

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. INCOME FROM DONATIONS AND LEGACIES (continued)

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Donations				
General donations	152,552	14,840	-	167,392
Raised from Patrons and Friends	137,147	-	-	137,147
University contributions	70,000	-	-	70,000
Value of Heritage Assets donated	-	56,000	-	56,000
Donations to Endowment Appeal	-	-	35,000	35,000
Grants				
Covid support grants - Arts Council	299,464	-	-	299,464
Covid support grants - Bath City Council	36,214	-	-	36,214
General grants	-	146,974	-	146,974
Total donations & grants	695,377	217,814	35,000	948,191
Legacies	111,500	-	-	111,500
Total 2021	806,877	217,814	35,000	1,059,691

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Total funds 2022 £
Museum admissions	383,608	383,608
Coronavirus Job retention Scheme	-	-
Exhibition costs recharged	14,034	14,034
Learning lectures, concerts, workshops etc.	19,487	19,487
	417,129	417,129

THE HOLBURNE MUSEUM

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. INCOME FROM CHARITABLE ACTIVITIES (continued)

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Museum admissions	317,320	-	317,320
Coronavirus Job retention Scheme	-	7,781	7,781
Exhibition costs recharged	35,974	-	35,974
Learning lectures, concerts, workshops etc.	4,736	-	4,736
	<u>358,030</u>	<u>7,781</u>	<u>365,811</u>

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from fundraising events

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Plant sales	<u>1,890</u>	<u>1,890</u>	<u>-</u>

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £
Museum shop sales	138,989	138,989
Income from cafe and car parking	100,277	100,277
Venue hire (including filming fees)	100,087	100,087
Other income	15,557	15,557
	<u>354,910</u>	<u>354,910</u>

THE HOLBURNE MUSEUM

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. INCOME FROM OTHER TRADING ACTIVITIES (continued)

Income from non charitable trading activities (continued)

	Unrestricted funds 2021 £	Total funds 2021 £
Museum shop sales	127,692	127,692
Income from cafe and car parking	67,108	67,108
Venue hire (including filming fees)	36,532	36,532
Other income	784	784
	<u>232,116</u>	<u>232,116</u>

7. INVESTMENT INCOME

	Unrestricted funds 2022 £	Total funds 2022 £
Bank interest	1,394	1,394
	<u>1,394</u>	<u>1,394</u>

	Unrestricted funds 2021 £	Total funds 2021 £
Bank interest	62	62
	<u>62</u>	<u>62</u>

8. OTHER INCOMING RESOURCES

	Total funds 2022 £
Museum & Gallery Tax relief	-
	<u>-</u>

THE HOLBURNE MUSEUM

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. OTHER INCOMING RESOURCES (continued)

	Unrestricted funds 2021 £	Total funds 2021 £
Museum & Gallery Tax relief	14,229	14,229

9. EXPENDITURE ON RAISING FUNDS

Fundraising trading expenses

	Unrestricted funds 2022 £	Total funds 2022 £
Salary costs	143,098	143,098
Other costs of generating funds	16,230	16,230

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9. EXPENDITURE ON RAISING FUNDS (continued)

Fundraising trading expenses (continued)

	Unrestricted funds 2021 £	Total funds 2021 £
Salary costs	43,996	43,996
Other costs of generating funds	22,341	22,341
	<u>43,996</u>	<u>43,996</u>

10. INVESTMENT MANAGEMENT COSTS

	Endowment funds 2022 £	Total funds 2022 £
Investment management fees	68,491	68,491
	<u>68,491</u>	<u>68,491</u>

	Endowment funds 2021 £	Total funds 2021 £
Investment management fees	49,138	49,138
	<u>49,138</u>	<u>49,138</u>

11. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Museum activities (inc. cost of shop sales)	390,636	479,049	869,685
Learning activities	222,107	29,296	251,403
Exhibition activities	483,624	-	483,624
	<u>1,096,367</u>	<u>508,345</u>	<u>1,604,712</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**11. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES (continued)****Summary by fund type (continued)**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Museum activities (inc. cost of shop sales)	690,503	298,451	988,954
Learning activities	183,486	67,068	250,554
Exhibition activities	404,612	-	404,612
	<u>1,278,601</u>	<u>365,519</u>	<u>1,644,120</u>

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Museum activities (inc. cost of shop sales)	643,979	225,706	869,685
Learning activities	87,402	164,001	251,403
Exhibition activities	188,424	295,200	483,624
	<u>919,805</u>	<u>684,907</u>	<u>1,604,712</u>

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Museum activities (inc. cost of shop sales)	826,668	162,286	988,954
Learning activities	126,608	123,946	250,554
Exhibition activities	181,509	223,103	404,612
	<u>1,134,785</u>	<u>509,335</u>	<u>1,644,120</u>

THE HOLBURNE MUSEUM

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

ANALYSIS OF SUPPORT COSTS

	Museum Activities 2022 £	Education Activities 2022 £	Exhibition Activities 2022 £	Total funds 2022 £
Staff costs	37,413	31,177	56,119	124,709
Premises	94,682	67,148	120,865	282,695
Other administrative costs	78,811	65,676	118,216	262,703
Governance costs	14,800	-	-	14,800
	<u>225,706</u>	<u>164,001</u>	<u>295,200</u>	<u>684,907</u>
	Museum Activities 2021 £	Education Activities 2021 £	Exhibition Activities 2021 £	Total funds 2021 £
Staff costs	38,596	32,163	57,894	128,653
Premises	73,485	67,891	122,204	263,580
Other administrative costs	36,655	23,892	43,005	103,552
Governance costs	13,550	-	-	13,550
	<u>162,286</u>	<u>123,946</u>	<u>223,103</u>	<u>509,335</u>

13. AUDITORS' REMUNERATION

	2022 £	2021 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	11,750	11,600
Fees payable to the Charity's auditor in respect of:		
Taxation compliance services	<u>700</u>	<u>1,100</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14. STAFF COSTS

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Wages and salaries	534,453	487,083	534,453	487,083
Social security costs	58,620	46,689	58,620	46,689
Contribution to pension schemes	17,822	12,126	17,822	12,126
Operating costs of defined benefit pension schemes	17,000	18,000	17,000	18,000
	627,895	563,898	627,895	563,898

The average number of persons employed by the Charity during the year was as follows:

	Group 2022 No.	Group 2021 No.	Charity 2022 No.	Charity 2021 No.
Full time employees	15	15	15	15
Part time employees	5	5	5	5
	20	20	20	20

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2022 No.	Group 2021 No.
In the band £70,001 - £80,000	1	1

The total amount of employee benefits received by key management personnel is £146,561 (2021: £145,135).

15. TRUSTEE'S REMUNERATION AND EXPENSES

During the year, no Trustee received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 December 2022, no Trustee expenses have been incurred (2021 - £NIL).

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

16. TANGIBLE FIXED ASSETS

Group and Charity

	Freehold property £	Long-term leasehold property £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2022	9,507,122	90,423	1,171,271	10,768,816
Additions	-	-	9,035	9,035
At 31 December 2022	9,507,122	90,423	1,180,306	10,777,851
Depreciation				
At 1 January 2022	1,923,670	77,111	550,221	2,551,002
Charge for the year	176,232	4,699	54,125	235,056
At 31 December 2022	2,099,902	81,810	604,346	2,786,058
Net book value				
At 31 December 2022	7,407,220	8,613	575,960	7,991,793
At 31 December 2021	7,583,452	13,312	621,050	8,217,814

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 and 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

17. HERITAGE ASSETS

Group and Charity

Assets recognised at cost

	Heritage assets 2022 £
Carrying value at 1 January 2022	817,000
Additions	10,000
Carrying value at 31 December 2022	827,000

Analysis of heritage asset transactions

Group and Charity

	2022 £	2021 £	2020 £	2019 £	Pre 2019 £
Purchases					
Cabinet	-	-	-	-	250,000
Bead basket	-	-	-	-	78,000
Atherley portrait	-	-	-	-	420,000
Ivory fan	-	-	-	-	5,000
Various etchings	-	-	-	8,000	-
Portraits of the Burges Family	10,000	-	-	-	-
Donations					
Pablo Bronstein inks x 2	-	40,000	-	-	-
Walter Sickert painting	-	16,000	-	-	-
Total additions	10,000	56,000	-	8,000	753,000

The carrying value Heritage assets reflects the value of assets that have been purchased or donated, and capitalised in accordance with the Charity SORP. This value only represents a small proportion of the art collection and excludes the legacy of the Holburne family. This, and some other heritage assets, have not been included in the balance sheet in line with the SORP. Cost information is not available for these assets and conventional valuation approaches lack sufficient reliability to make any figures of use to the reader. The insurance value for the museum's collection is £18m and £22m for the loans.

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

18. FIXED ASSET INVESTMENTS

Charity	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 January 2022	100	4,094,333	4,094,433
Additions	-	420,000	420,000
Revaluations	-	(370,239)	(370,239)
Management fees	-	(68,491)	(68,491)
At 31 December 2022	100	4,075,603	4,075,703

PRINCIPAL SUBSIDIARIES

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
Holburne Trading Company Limited	06954139	Great Pulteney Street, Bath, BA2 4DB	Operation of the commercial activities at The Holburne Museum

Class of shares	Holding
Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
Holburne Trading Company Limited	753,374	563,192	190,182	111

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

19. STOCKS

	Group 2022 £	Group 2021 £
Goods for resale	23,456	37,006

20. DEBTORS

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Due within one year				
Trade debtors	85,813	15,290	55,890	1,176
Amounts owed by group undertakings	-	-	215,279	154,636
Other debtors	108,872	60,601	99,333	57,796
Prepayments and accrued income	164,595	29,385	133,849	18,257
Tax recoverable	26,730	13,009	-	-
	386,010	118,285	504,351	231,865

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade creditors	167,821	218,143	162,080	206,714
Other taxation and social security	71,996	8,612	21,880	-
Other creditors	11,170	-	11,170	-
Accruals and deferred income	84,029	32,140	75,759	26,366
	335,016	258,895	270,889	233,080

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

22. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
Unrestricted funds						
General funds - charity	691,538	396,196	(502,321)	(10,000)	949,000	1,524,413
General funds - Holburne Trading Company	11	753,374	(753,374)	-	-	11
	<u>691,549</u>	<u>1,149,570</u>	<u>(1,255,695)</u>	<u>(10,000)</u>	<u>949,000</u>	<u>1,524,424</u>
Endowment funds						
Endowment fund	<u>3,309,438</u>	<u>420,000</u>	<u>(68,491)</u>	<u>-</u>	<u>(370,239)</u>	<u>3,290,708</u>
Restricted funds						
The Holburne Museum development project	7,535,311	-	(176,232)	-	-	7,359,079
Heritage assets funds	817,000	-	-	10,000	-	827,000
National Lottery Comm Fund: Pathways	76,256	-	(72,444)	-	-	3,812
Pathways 3	35,000	35,000	(29,496)	-	-	40,504
Funds for other learning projects	6,500	7,000	(11,549)	-	-	1,951
Ellerman Found / Traverse Trust - Curator funding	21,333	-	(21,333)	-	-	-
Clore	17,200	-	(17,122)	-	-	78
Conservation	14,103	-	(2,796)	-	-	11,307
Stumpwork	3,500	3,000	(6,500)	-	-	-
Alberta Whittle	-	35,000	(3,398)	-	-	31,602
Hockney	-	60,172	(60,172)	-	-	-
Mick Peter	-	11,463	(11,463)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

22. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - CURRENT YEAR (continued)

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
Tudors	-	15,000	(15,000)	-	-	-
Nalini Malani	-	42,000	(42,000)	-	-	-
Impressionist Sculpture	-	33,113	(23,616)	-	-	9,497
Funding for other Exhibitions	-	12,000	(10,585)	-	-	1,415
Lighting project	-	20,000	-	-	-	20,000
Volunteers	-	3,000	(3,000)	-	-	-
Re-imagine	-	40,136	(1,639)	-	-	38,497
	8,526,203	316,884	(508,345)	10,000	-	8,344,742
Total of funds	12,527,190	1,886,454	(1,832,531)	-	578,761	13,159,874

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

22. STATEMENT OF FUNDS (CONTINUED)

Restricted Funds

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 17).

In prior years, the Special Acquisitions Fund held £920,000 received from the sale of an item in the collection; the Trustee 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. Following the transfer of the Fund balance to Permanent Endowment, the whole of the Avon Pension Fund is now offset against Unrestricted funds.

The special purposes funds relate predominantly to exhibitions for which we have received funding, including David Hockney; Love Life, funded by the Blavatnik Family Foundation, Hamish Parker, Lydia & Manfred Gorvy, Stuart & Bianca Roden, Clore Wyndham, Thomas Gibson Fine Art and Hazlitt Holland-Hibber; The Tudors which was funded by Dr Martin and Dani Clarke, Van and Eva DuBose and King Edwards School; Nalini Malini which was funded through the National Gallery Contemporary Fellowship with Art Fund; Impressionist Sculpture, which received support from the Blavatnik Family Foundation, Daniel Katz Gallery, Stuart and Bianca Roden and Michael and Yvonne Uva., Alberta Whittle which was supported by the Ampersand Foundation, Henry Moore Foundation and Modern Institute, Stuart and Bianca Roden; and Mick Peter, funded by Arts Council England.

The 3 year funding for Pathways by National Heritage Communities Fund came to an end in 2022 and we have secured 3 years additional support from the Medlock Charitable Trust and the Roper Family Charitable Trust.

The lighting project relates to funding from the Wolfson Foundation towards retrofitting the halogen lights with LED lamps. This project was completed in January 2023.

Re-imagine relates to a digital project around our collection, which was funded by Art Fund.

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

22. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds						
General funds - charity	735,156	917,800	(851,323)	592,000	(702,095)	691,538
General funds - Holburne Trading Company	111	599,785	(599,885)	-	-	11
	<u>735,267</u>	<u>1,517,585</u>	<u>(1,451,208)</u>	<u>592,000</u>	<u>(702,095)</u>	<u>691,549</u>
Endowment funds						
Endowment fund	<u>2,346,060</u>	<u>363,421</u>	<u>(320,043)</u>	<u>920,000</u>	<u>-</u>	<u>3,309,438</u>
Restricted funds						
The Holburne Museum development project	7,762,748	-	(227,437)	-	-	7,535,311
Heritage assets funds	761,000	56,000	-	-	-	817,000
National Lottery Comm Fund: Pathways	67,327	75,997	(67,068)	-	-	76,256
Pathways 3	-	41,500	-	-	-	41,500
Funds for other learning projects	19,331	29,477	(27,475)	-	-	21,333
Ellerman Found / Traverse Trust - Curator funding	20,000	-	(2,800)	-	-	17,200
Clore	9,263	4,840	-	-	-	14,103
Conservation	3,500	-	-	-	-	3,500
Neighbourhood Postcode Lottery	9,959	-	(9,959)	-	-	-
Cayzer Trust	8,000	-	(8,000)	-	-	-

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

22. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR (CONTINUED)

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Funding for Exhibitions	5,000	-	(5,000)	-	-	-
Other Funds	-	10,000	(10,000)	-	-	-
Coronavirus Job Retention Scheme funding	-	7,781	(7,781)	-	-	-
Nalini Malani	-	-	-	-	-	-
Impressionist Sculpture	-	-	-	-	-	-
Funding for other Exhibitions	-	-	-	-	-	-
Lighting project	-	-	-	-	-	-
Volunteers	-	-	-	-	-	-
Re-imagine	-	-	-	-	-	-
	<u>8,666,128</u>	<u>225,595</u>	<u>(365,520)</u>	<u>-</u>	<u>-</u>	<u>8,526,203</u>
Total of funds	<u><u>11,747,455</u></u>	<u><u>2,106,601</u></u>	<u><u>(2,136,771)</u></u>	<u><u>1,512,000</u></u>	<u><u>(702,095)</u></u>	<u><u>12,527,190</u></u>

23. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
General funds	691,549	1,149,570	(1,255,695)	(10,000)	949,000	1,524,424
Endowment funds	3,309,438	420,000	(68,491)	-	(370,239)	3,290,708
Restricted funds	8,526,203	316,884	(508,345)	10,000	-	8,344,742
	<u><u>12,527,190</u></u>	<u><u>1,886,454</u></u>	<u><u>(1,832,531)</u></u>	<u><u>-</u></u>	<u><u>578,761</u></u>	<u><u>13,159,874</u></u>

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

23. SUMMARY OF FUNDS (CONTINUED)

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
General funds	735,267	1,517,585	(1,451,208)	592,000	(702,095)	691,549
Endowment funds	2,346,060	363,421	(320,043)	920,000	-	3,309,438
Restricted funds	8,666,128	225,595	(365,520)	-	-	8,526,203
	<u>11,747,455</u>	<u>2,106,601</u>	<u>(2,136,771)</u>	<u>1,512,000</u>	<u>(702,095)</u>	<u>12,527,190</u>

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	474,051	7,517,742	-	7,991,793
Fixed asset investments	784,895	-	3,290,708	4,075,603
Heritage assets	-	827,000	-	827,000
Current assets	600,494	-	-	600,494
Creditors due within one year	(335,016)	-	-	(335,016)
Total	<u>1,524,424</u>	<u>8,344,742</u>	<u>3,290,708</u>	<u>13,159,874</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	682,503	7,535,311	-	8,217,814
Fixed asset investments	784,895	-	3,309,438	4,094,333
Heritage assets	-	817,000	-	817,000
Current assets	222,966	406,972	-	629,938
Creditors due within one year	(25,815)	(233,080)	-	(258,895)
Provisions for liabilities and charges	(973,000)	-	-	(973,000)
Total	<u>691,549</u>	<u>8,526,203</u>	<u>3,309,438</u>	<u>12,527,190</u>

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

25. UNAPPLIED TOTAL RETURN

	2022 £	2021 £
At 1 January	3,309,438	2,346,060
Amounts donated/transferred in	420,000	955,000
Investment management costs	(68,491)	(49,138)
Gains/(losses) on investment	(370,239)	328,421
Transfer to income	-	(270,905)
At 31 December	3,290,708	3,309,438

The trustees operate a return fund by making use of the ability to draw down unapplied total return (UTR) monies. In the year ended 31 December 2022, investment losses exceeded the amount of unapplied total return, therefore there was no draw down of the fund and the loss has been treated as a reduction in the value of the trust for investment component of the permanent endowment.

26. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2022 £	Group 2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(316,316)	240,735
Adjustments for:		
Depreciation charges	235,056	235,421
Heritage assets donated	(10,000)	(56,000)
Gains/(losses) on investments	370,239	(328,421)
Investment management costs	68,491	49,138
Dividends and income from investments	(1,394)	(62)
Decrease/(increase) in stocks	13,550	(8,781)
Decrease/(increase) in debtors	(267,725)	3,925
Increase in creditors	76,121	79,244
Defined benefit pension scheme cost less contributions payable	(43,000)	-
Defined benefit pension scheme finance cost	19,000	-
Net cash provided by operating activities	144,022	215,199

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

27. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2022 £	Group 2021 £
Cash in hand	191,028	474,647
Total cash and cash equivalents	191,028	474,647

28. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	474,647	(283,619)	191,028
	474,647	(283,619)	191,028

29. PENSION COMMITMENTS

The Group operates a defined benefit pension scheme.

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 Earning (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.

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	At 31 December 2022 %	At 31 December 2021 %
Discount rate	4.80	1.95
Future salary increases	2.65	2.85
Future pension increases	2.65	2.85
Inflation assumption	2.65	2.85

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

29. PENSION COMMITMENTS (continued)

	At 31 December 2022 Years	At 31 December 2021 Years
MORTALITY RATES (IN YEARS)		
- for a male aged 65 now	23.4	23.3
- at 65 for a male aged 45 now	24.9	24.8
- for a female aged 65 now	25.5	24.5
- at 65 for a female aged 45 now	27.5	27.4

The Group's share of the assets in the scheme was:

	At 31 December 2022 £	At 31 December 2021 £
Equities	-	569,000
Government bonds	-	146,000
Other bonds	-	104,000
Property	-	86,000
Cash and other liquid assets	-	30,000
Other	1,414,000	391,000
Total fair value of assets	1,414,000	1,326,000

The actual return on scheme assets was £44,000 (2021 - £132,000).

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2022 £	2021 £
Current service cost	17,000	17,000
Past service cost	-	1,000
Net interest on defined benefit liability	(26,000)	16,000
Interest cost	45,000	33,000
Total amount recognised in the Consolidated Statement of Financial Activities	36,000	67,000

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

29. PENSION COMMITMENTS (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2022 £
Opening defined benefit obligation	2,299,000
Current service cost	17,000
Interest cost	45,000
Actuarial gains	(931,000)
Benefits paid	(18,000)
Contributions by scheme participants	2,000
Closing defined benefit obligation	1,414,000

Movements in the fair value of the Group's share of scheme assets were as follows:

	2022 £
Opening fair value of scheme assets	1,326,000
Expected return on assets	26,000
Actuarial gains	18,000
Contributions by employer	60,000
Contributions by employer	2,000
Benefits paid	(18,000)
Closing fair value of scheme assets	1,414,000

The Group has an unrecognised surplus of £12,000 in respect of its defined benefit pension scheme as it does not expect to recover the plan surplus either through reduced contributions in the future or through refunds from the plan.

After the year end, the Directors have opted to prepay the next three years of pension scheme deficit contributions. This has not been reflected in the financial statements for the year ended 31 December 2022 as no amounts had been prepaid in respect of the scheme at this date.

30. RELATED PARTY TRANSACTIONS

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 £80,000 (2021: £20,000) to the Museum, and provided 'in kind' support (payroll, IT, security services) with an estimated value of £30,000 (2021: £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 (2021: £20,000) to the Museum.

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

31. 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 to everyone who has supported the Holburne in 2022-2023, and would like to extend special thanks to:

Major Donors and Supporters

Agnews Gallery
Bath Spa University
Francesca Beauman and James Bobin
Beaux Arts London
Vanessa Brett
Bruno Schroder Trust
Robert Carsen
Marianna Clark
Dr and Mrs Martin Clarke
Clore Wyndham
Antony and Amanda Constantinidi
Daniel Katz Gallery
The Davidson Family
Van and Eva DuBose
The Estate of Francis Bacon
Andrew Fletcher OBE
Lydia and Manfred Gorvy
George Bayntun
Linda and Philip Harley
Hazlitt Holland-Hibbert
The Holburne Supporters Committee
J.P. Marland Charitable Trust
King Edward's School, Bath

The Modern Institute
The National Gallery
Hamish Parker
David Pike
David and Suki Posnett
Stuart and Bianca Roden
Rotork
Roland and Sophie Rudd
Sadie Coles HQ
The Sanderson Foundation
Hiroko & Jim Sherwin
Marcelle Speller OBE
Sir Hugh and Catherine Stevenson
Sir Ian and Mercedes Stoutzker
Thomas Gibson Fine Art
Kathryn Uhde
University of Bath
Michael and Yvonne Uva
Mr and Mrs Shi Wei
The Weiss Gallery
And all those who wish to remain anonymous

Director's Circle

Vanessa Brett
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Morny and Ian Hay Davison
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THE HOLBURN MUSEUM

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THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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