

Charity registration number 1108817

Company registration number 05370758 (England and Wales)

PETERSFIELD MUSEUM AND ART GALLERY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

PETERSFIELD MUSEUM AND ART GALLERY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	L Blais	(Appointed 11 July 2023)
	E Brooks	(Appointed 10 January 2023)
	V R Clarke	
	F Cook	
	R Foster	(Appointed 11 April 2023)
	W E Gosney	
	A D Jones	
	P A Martin	
	J Mitchell	
	S E Murfitt	
	Lady W A Normington CBE	
	J Sinclair	(Appointed 11 April 2023)
Secretary	S E Murfitt	
Museum and Gallery Director	D McWilliam	
Charity number	1108817	
Company number	05370758	
Registered office	The Old Courthouse St. Peters Road Petersfield Hampshire United Kingdom GU32 3HX	
Auditor	Azets Audit Services Athenia House 10-14 Andover Road Winchester Hampshire United Kingdom SO23 7BS	
Investment advisors	Charles Stanley & Co Limited 2 Westover Road Bournemouth BH1 2BY	

PETERSFIELD MUSEUM AND ART GALLERY LIMITED

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PETERSFIELD MUSEUM AND ART GALLERY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum of Association, the Companies Act 2006 and "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).

During the course of the year under review, and to recognise the growing importance of its art collections and the impact of exhibitions in the Flora Twort Gallery, the organisation changed its registered name to PETERSFIELD MUSEUM AND ART GALLERY LIMITED, (hereinafter called PMAG) whilst keeping the same registration numbers and constitution with the Charity Commission and at Companies House.

Objectives and aims

Petersfield Museum and Art Gallery is a registered charity and company limited by guarantee. It is an independent, accredited museum and currently receives no statutory or government funding beyond a small, annual, grant from Petersfield Town Council. All running costs, including staff salaries and collections care costs are met from income it raises from admissions, interest on investments and other fundraising activities.

The charity's objects are to advance the education of the public by the establishment and maintenance of a museum for items of historical and archaeological interest, archives, photographs, flora and fauna together with arts and crafts especially those relating to the town of Petersfield and the surrounding area.

The charity measures its success against the above objectives by its level of engagement with the public either by the number of visitors to the museum or attendees at its outreach events.

In all but name we are still a new museum following the redevelopment and refurbishment of the whole site and, as such, are still building comparative figures against which to measure progress.

We are encouraged that our admissions have increased from 4,274 in the previous year to 4,443 this year. Non-standard admission engagement has increased from 2,324 taking part to 5,625 participants this year. This covers educational activity, outreach, attendance at cultural events and venue hire.

The museum café operated on our behalf by a subsidiary of a local catering business was operational until November 2022. Following the closure, we decided to take the catering operation in-house, directly run by the organisation. The refreshed Museum and Art gallery Coffee Shop re-opened after a 4-month temporary closure on 21 March 2023. We estimate 4,938 customers have visited the catering facility on site in this period.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

PETERSFIELD MUSEUM AND ART GALLERY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Significant activities

2022/23 was the year in which we had a full year of visits from the public after the re-development and it was also a year of numerous exhibition and staff changes. The number of visitors to the Museum and Gallery has increased, though on a daily basis there is a great variation in the numbers on some days, which is difficult to predict.

In the Petersfield Gallery, which is in the new building connecting the old police station to the courthouse, the Flora Twort display was changed to a new set of paintings, reflecting the wide range of her work and also including more information and photographs of the artist.

In the Flora Twort Gallery, we continued with a display of some of the works of the renowned international artist Paula Rego, accompanied by a full exhibition catalogue which attracted visitors from a large distance from Petersfield. Sadly, Paula Rego died during the time her work was on show. From September until November 2022 the work of Alison Crowther and Kate Boucher, entitled 'Traces in the Landscape' was displayed and this attracted a lot of interest from a wide area. From November until February 2023 we were delighted to exhibit a number of watercolours by Gordon Rushmer, a popular local artist who has a large local following. We finished the year with an interesting display by Catherine Knight, an artist from Bristol, entitled 'Long Shadows'. The series of paintings were painted during a short stay in Norway, and our exhibition was the first solo display of this series of paintings.

In the Standfield Gallery we displayed items relating to Science Fiction, covering works from H.G Wells, John Wyndham and Alec Guinness. Included in the exhibition was an original light sabre from 'Star Wars', on loan from the Royal Armouries Museum in Leeds.

For the first time the Museum and Gallery Learning Space was used for temporary touring exhibition; an exhibition of Space Race Toys and Games, and this attracted a lot of interest, especially from our younger visitors as well as those who could remember the 1960s.

The Engagement side of the Museum and Gallery continues to be most successful, and we have all been encouraged by the variety of offerings, from theatre, live music, films, lectures, hands-on activities and walks that are now on offer and very well supported by the public.

Regarding the catering operation, the operator decided to end the agreement in November 2022 and we decided to move the operation 'in house' and couple it with providing refreshments for all events at the museum. We have been joined for this venture by Jack May, who has a high reputation in the world of coffee.

We are pleased that the 'Friends' scheme has continued to thrive, with more people joining every month, and we hope to expand this in the future, as it is a steady form of income.

The Board wishes to thank all the volunteers for their support in various roles; they have done an amazing job during the year. Without their continued help the Museum could not function as a resource available to the public. This year some 14 sixth formers have joined the volunteer team and we are delighted to be joined by this younger age group.

I would like to thank the Board for their tremendous support during the year, and the way that they have all helped the museum during the year in so many different ways.

Thanks

The Trustees are grateful to everyone who has supported our work during the year, in particular our staff, volunteers and other supporters whose commitment, enthusiasm and many skills have been indispensable.

Strategic Review

The description under the headings "Achievement and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

PETERSFIELD MUSEUM AND ART GALLERY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Public benefit

In shaping the objectives for the year and planning the activities, the Board has considered carefully the Charity Commission's guidance on public benefits.

The museum and art gallery provides public benefit through a range of activities, including providing educational activities, by its contribution to historical research regarding the town of Petersfield and the surrounding area and preservation of historical artefacts relating to the local area. The trustees believe that the charity fulfils its objectives and provides public benefit by:

- opening the museum and gallery to the public and providing a high-quality experience.
- caring for the collections in accordance with proper professional standards.
- providing educational activities for schools, colleges and the general public.
- facilitating activities for special interest groups.
- working to the importance of the study of the history and archaeology of Petersfield and the surrounding area.
- making exhibitions of art and other objects with national and international interest accessible to residents of the town and surrounding areas, as well as those who do not live locally.
- providing access, either by appointment or on public open days, to the Edward Thomas Study Centre.

The cost of entry to the museum and gallery is set at a level which continues to compare well with other local museums and the charges for activities are considered to offer good value for money.

Achievements and performance

Fundraising activities

During the year the Fundraising activities continue to have been underpinned by the work of our Finance Trustee Jeremy Mitchell and another Museum Trustee, Peter Taylor, who has considerable experience in this field. Both undertake work on funding applications and reporting in a voluntary capacity.

They were assisted this year by our Marketing and Communications Manager Lewis Webb, who had a fundraising responsibility within the remit of his role – much of his training being undertaken in house by Jeremy Mitchell.

Income generated from fundraising has been somewhat limited as Jeremy has also focused on VAT recovery, exploring the possibility of recovering money under the Government's Museums and Galleries Exhibition Tax Relief scheme and applying for Section 33A registration. Decisions on the latter two are still awaited.

A project grant of just under £30,000 was obtained from Arts Council England for a collections-related engagement programme, titled "Inside: Outside", which ran from August 2022 to June 2023 and was a great success.

Small sums were also raised from other sources and local councillors for smaller projects.

As always, the Trustees are grateful to Petersfield Town Council for their perennial grant of £2,500 towards the museum's general running costs.

Looking forward, it is clear that greater focus is required on general and specific fundraising. As such, Jeremy will be changing his trustee role during the next financial year and transferring his finance responsibilities to our new treasurer, Luc Blais, who was appointed in July 2023.

PETERSFIELD MUSEUM AND ART GALLERY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Financial review

Reserves policy

The trustees remain committed to a policy of professional curatorial direction to achieve the development of the museum and gallery and have maintained the policy of designating part of the capital as a curatorial fund. This policy was temporarily amended to assist with the cost of redeveloping the enlarged site, and this amendment has been extended following the impact on reserves following the Pandemic and, more latterly, the war in Ukraine and its effect on global stock markets.

The policy in respect of undesignated reserves is to aim to hold approximately 6 months' running costs, currently estimated at £200,000. At the year end our free reserves were below this and it is the Trustees' aim to build the free reserves to the expected level over the next three to five years through fundraising and other income-generating activities.

At present the reserves do not reach the designated level and indeed are being reduced as a result of stock market weakness. Additionally, short-term cashflow constraints may require further draws on invested capital over the next year or so. Accordingly, the Finance and General Purposes committee have asked the new Finance Trustee, Luc Blais, to undertake a review during 2023 of the organisation's investment strategy.

It remains the wish of the Trustees that reserves to the level of £700,000 are designated to generate an income at 4% per annum to pay the salary of the Head of Collections and Exhibitions. It is acknowledged that currently reserves are below this level.

Future plans

Now that the Museum is attracting an increased number of visitors from well outside our direct area, thanks to increased marketing, we hope to hold an international exhibition in the not too far distant future.

Structure, governance and management

Governing document

Petersfield Museum and Art Gallery Limited is a charitable company limited by guarantee, incorporated on 21 February 2005 (registration number 05370758) and registered as a charity on 4 April 2005 (registration number 1108817). The company's Memorandum of Association established the objectives and powers of the charitable company, which is governed under its Articles of Association. In the event of the company being wound up subscribing members are required to contribute to an amount not exceeding £10.

During the course of the year, a full governance review was undertaken to update the museum and art gallery's constitution in line with current Charity Commission guidelines, removing the category of Subscribing Members, who are now 'Friends of the Museum and Art Gallery.' This was duly approved by the Subscribing Members at a separate Extraordinary General meeting, in line with the terms of the current constitution.

The only Voting Members now are the Trustees and Directors of Petersfield Museum and Art Gallery Limited.

Under the requirements of the Memorandum and Articles of Association, at each annual general meeting one third of the directors must retire from office. Retiring directors may offer themselves for re-election. Directors are recruited for the mix of skills and talents required for a company and charity of this nature. The Company is the sole trustee of the Flora Twort charity, which has a separate Charity Commission registration.

The board has overall responsibility for policy, for finance and for the provision of facilities needed to enable the Museum and Gallery to fulfill its objects. Whilst many aspects of day-to-day management have evolved towards the Museum and Gallery Director, the Board remains the ultimate decision-making body, taking into account information provided by the Museum and Gallery Director and their team. The board and staff are responsible for the displays, collections of archive and artifact material and the education programme.

Surplus funds are placed either on deposit with the company's bankers, our investment advisors or with licensed deposit takers in order to obtain the best return commensurate with security of funds and the need to retain cashflow.

PETERSFIELD MUSEUM AND ART GALLERY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

L Blais	(Appointed 11 July 2023)
E Brooks	(Appointed 10 January 2023)
V R Clarke	
F Cook	
R Foster	(Appointed 11 April 2023)
W E Gosney	
A D Jones	
P A Martin	
J Mitchell	
S E Murfitt	
Lady W A Normington CBE	
J Sinclair	(Appointed 11 April 2023)
P C Taylor	(Resigned 10 October 2023)

Staff

There have been a number of staff changes during the year.

Sophie Yaniv, who joined us in 2017 as assistant curator, becoming our curator in 2019, decided to move back to the north of England in June 2022. She was a pillar of strength and, during her tenure, oversaw the move of the museum artefacts from and back to the Museum during the re-development. It is thanks to her that the moves went so smoothly. We wish her well at her new post at the Yorkshire Sculpture Park.

In July 2022 Lauren Weyland, who was first our Assistant Education Officer, and then the Customer Engagement Officer, left us for a post of Operations Manager at Farnham Museum, and Joe Shepherd who dealt with Visitor Experience and marketing left for a post at Farnham Maltings. We wish them every success in their new roles.

We were joined, in June 2022, by Louise Weller, who was the Head of Exhibitions of the Pallant House Gallery and who is now our Head of Collections and Exhibitions; in July 2022, by Molly Hoffman as our Visitor Engagement Supervisor, and in September 2022, by Lewis Webb who is our Marketing and Development Manager. Finally in February 2023 we were joined by new Hospitality Manager Jack May who will be running the coffee shop along with the hospitality at all events.

Trustees

During the year we have seen the need to increase the number of Trustees and develop a more diverse Board. We have advertised widely and, as a result now have more trustees. Ann Brooks, who is the current Chairperson of the Petersfield Historical Society, and who has a great interest in archaeology, joined us in January, whilst Richard Foster, who is the Fellows' Librarian and keeper of the art collection at Winchester College, and Janet Sinclair, who is a member of ICOM and an art historian, curator and lecturer, have been appointed and joined us at the April 2023 Board Meeting. Luc Blais joined us in July 2023 as our new Treasurer as Jeremy Mitchell relinquishes that part of his role.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Induction and training of trustees

All newly appointed trustees are provided with a full introduction to the charity, including meeting with existing trustees to ask any questions they may have. They are also given access to the Charities Commission's guidance 'the essential trustee: what you need to know, what you need to do'.

New trustees are required to meet with the board as a whole before their appointment is confirmed and are offered the opportunity to attend training for their role as trustee.

PETERSFIELD MUSEUM AND ART GALLERY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Statement of trustees' responsibilities

The trustees (who are also the directors of Petersfield Museum Limited (a company limited by guarantee) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

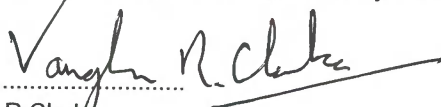
Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.


.....
V R Clarke
Trustee

Date: 5/12/23
.....

PETERSFIELD MUSEUM AND ART GALLERY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PETERSFIELD MUSEUM AND ART GALLERY LIMITED

Opinion

We have audited the financial statements of Petersfield Museum and Art Gallery Limited (the charitable company) for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including 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 charitable company's affairs as at 31 March 2023 and of its 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 Companies Act 2006.

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 charitable company 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 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 trustees' 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 charitable company'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 trustees 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 trustees annual report other than the financial statements and our auditor's report thereon. The trustees are 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.

PETERSFIELD MUSEUM AND ART GALLERY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PETERSFIELD MUSEUM AND ART GALLERY LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company 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.

PETERSFIELD MUSEUM AND ART GALLERY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PETERSFIELD MUSEUM AND ART GALLERY LIMITED

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.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or, misrepresentations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Jon Noble (Senior Statutory Auditor)
for and on behalf of Azets Audit Services



Chartered Accountants
Statutory Auditor

Athenia House
10-14 Andover Road
Winchester
Hampshire
United Kingdom
SO23 7BS

PETERSFIELD MUSEUM AND ART GALLERY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Notes							
<u>Income and endowments from:</u>							
Donations and legacies	3	13,342	83,802	97,144	67,837	270,103	337,940
Charitable activities	4	57,881	-	57,881	41,612	-	41,612
Investments	5	26,796	1,194	27,990	23,239	1,403	24,642
Total income		98,019	84,996	183,015	132,688	271,506	404,194
<u>Expenditure on:</u>							
<u>Raising funds</u>							
Investment management fees	6	9,000	-	9,000	9,000	-	9,000
<u>Charitable activities</u>							
Museum activities	7	436,637	44,803	481,440	327,737	147,675	475,412
Total charitable expenditure		436,637	44,803	481,440	327,737	147,675	475,412
Total expenditure		445,637	44,803	490,440	336,737	147,675	484,412
Net gains/(losses) on investments	11	(36,012)	(4,465)	(40,477)	45,535	(3,190)	42,345
Net (outgoing)/incoming resources before Museums and Galleries Exhibition Tax Relief		(383,630)	35,728	(347,902)	(158,514)	120,641	(37,873)
Museums and Galleries Exhibition Tax Relief		134,986	-	134,986	-	-	-
Net movement in funds		(248,644)	35,728	(212,916)	(158,514)	120,641	(37,873)
Fund balances at 1 April 2022		1,194,033	3,223,785	4,417,818	1,352,547	3,103,144	4,455,691
Fund balances at 31 March 2023		945,389	3,259,513	4,204,902	1,194,033	3,223,785	4,417,818

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

PETERSFIELD MUSEUM AND ART GALLERY LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	13	3,082,483		3,164,020	
Heritage assets	14	278,700		277,850	
Investments	15	681,054		753,245	
		<u>4,042,237</u>		<u>4,195,115</u>	
Current assets					
Stocks	16	7,029		12,087	
Debtors	17	161,619		109,063	
Cash at bank and in hand		93,580		195,421	
		<u>262,228</u>		<u>316,571</u>	
Creditors: amounts falling due within one year	18	(61,782)		(50,489)	
Net current assets		<u>200,446</u>		<u>266,082</u>	
Total assets less current liabilities		<u>4,242,683</u>		<u>4,461,197</u>	
Creditors: amounts falling due after more than one year	19	(37,781)		(43,379)	
Net assets		<u><u>4,204,902</u></u>		<u><u>4,417,818</u></u>	
Income funds					
Restricted funds	22	3,259,513		3,223,785	
<u>Unrestricted funds</u>					
Designated funds	23	748,304		711,063	
General unrestricted funds		<u>197,085</u>		<u>482,970</u>	
		<u>945,389</u>		<u>1,194,033</u>	
		<u><u>4,204,902</u></u>		<u><u>4,417,818</u></u>	

The financial statements were approved by the Trustees on 5/12/2023

S E Murfitt
Trustee

Company registration number 05370758

PETERSFIELD MUSEUM AND ART GALLERY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	26		(144,439)		197,902
Investing activities					
Purchase of tangible fixed assets		(1,796)		(141,863)	
Purchase of heritage assets		(850)		(5,848)	
Net transfer to / (from) bank from / (to) Charles Stanley cash account		48,000		(52,000)	
Investment income received		2,704		1,405	
Net cash generated from/(used in) investing activities			48,058		(198,306)
Financing activities					
Repayment of bank loans		(5,460)		(1,161)	
Net cash used in financing activities			(5,460)		(1,161)
Net decrease in cash and cash equivalents			(101,841)		(1,565)
Cash and cash equivalents at beginning of year			195,421		196,986
Cash and cash equivalents at end of year			93,580		195,421

PETERSFIELD MUSEUM AND ART GALLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Petersfield Museum and Art Gallery Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is The Old Courthouse, St. Peters Road, Petersfield, Hampshire, GU32 3HX, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's governing document, the Companies Act 2006 and "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 charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income from general donations is recognised on receipt or once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount.

Cash donations are recognised on receipt. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

PETERSFIELD MUSEUM AND ART GALLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Investment income is earned through holding assets for investment purposes. It includes dividends and interest. Income from fixed interest investments is recognised when received. Dividend income is recognised as the charity's right to receive payment is established.

Annual membership and life membership subscriptions are recognised in full on receipt as this income is in the nature of a gift. No accrual is included for the cost of providing annual or life members with future publications as, whilst the Trustees expect to continue to provide this service, they believe there is no contractual requirement or expectation to do so.

Admissions and gift shop income is recognised at the time of the receipt.

Government grants are accounted for when receivable and any conditions attached to the grant have been met.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

All the costs, including support costs, incurred by the charity are treated as expenses of the charitable activities of the company.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

No depreciation is provided on the buildings on the Police Station and Court House in year following the completion and subsequent opening of the museum. For financial year 2023, the trustees will obtain a valuation of the entire museum complex and determine an appropriate policy of either revaluation or depreciation going forward.

Individual fixed assets costing more than £500 have been capitalised, unless covered by specific grant or donation income.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	not provided
Plant and equipment	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

PETERSFIELD MUSEUM AND ART GALLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.7 Heritage assets

Over many years the charity has been given or has acquired the artifacts on display at the Petersfield Museum, including items previously displayed in the Flora Twort Gallery.

Artifacts are acquired when there is a connection to Petersfield and the surrounding area and the trustees feel that the acquisition of such items will enhance the collection.

The charity has a clear duty of care for these assets and to make them available for the enjoyment and education of the public as far as possible, commensurate with their long term care and preservation. The highest possible standards of collection management are applied by the charity.

The trustees policy was historically to include heritage assets in the accounts at their insurance value. This policy was changed in 2020. Heritage assets acquired prior to 2020 are valued at the 2019 insurance value. Aquisitions of heritage assets from 2020 onwards are included in the accounts at cost.

A register of heritage assets is maintained by the curatorial staff.

The museum also acquires a number of heritage assets through donation which are of a relatively minor value. Where the value of each item is considered by the curatorial staff of the museum to be less than £500 these items are not included in the accounts. The trustees consider that such items will have a minor impact on the overall value of the charity's heritage assets.

With the reopening of the museum to the public, as much of the collection as is commensurate with the care and preservation of the artifacts will be put on public display. Where a request is made for more detailed access to an item for the purpose of research, each such request will be considered on its individual merits.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Stocks

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

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

PETERSFIELD MUSEUM AND ART GALLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.12 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.13 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.14 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

PETERSFIELD MUSEUM AND ART GALLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.16 Fund accounting

Where funds are received for a specific purpose set out by the donor or implied by the terms of appeal, these are shown as restricted income in the Statement of Financial Activities. Funds donated to be held as capital are shown as Endowment Funds. Expenditure for the purpose specified is applied against the income and any amount unexpended at the balance sheet date is shown within Restricted Funds.

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

The Trustees, at their discretion, may set aside funds to cover specific future costs. Such funds are shown as designated funds within Unrestricted funds. Where the Trustees decide such funds are no longer required for the purposes intended, they may be released by transfer to general Unrestricted funds.

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

- Valuation of fixed assets including heritage assets (see note 1.6).

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Donations and gifts	462	7,024	7,486	611	21,808	22,419
Grants	7,500	76,778	84,278	62,550	248,295	310,845
Membership fees	5,380	-	5,380	4,676	-	4,676
	<u>13,342</u>	<u>83,802</u>	<u>97,144</u>	<u>67,837</u>	<u>270,103</u>	<u>337,940</u>

Grants include a perennial grant of £2,500 (2022: £2,500) from Petersfield Town Council towards the running cost of the museum.

PETERSFIELD MUSEUM AND ART GALLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities

	Shop income	Clubs	Talks	Museum Admissions	Total 2023	Total 2022
	2023	2023	2023	2023		
	£	£	£	£	£	£
Sales within charitable activities	25,237	2,203	11,546	18,895	57,881	41,612

For the year ended 31 March 2022

	Shop income	Clubs	Talks	Museum Admissions	Total 2022
	£	£	£	£	£
Sales within charitable activities	15,545	8,311	633	17,123	41,612

For 2023 and 2022, all charitable income was unrestricted.

5 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Income from listed investments	24,953	1,194	26,147	23,192	1,403	24,595
Deposit account interest	1,843	-	1,843	47	-	47
	26,796	1,194	27,990	23,239	1,403	24,642

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Investment management fees	9,000	9,000
	9,000	9,000

PETERSFIELD MUSEUM AND ART GALLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Charitable activities

	Museum activities 2023 £	Museum activities 2022 £
Staff costs	165,744	185,622
Depreciation and impairment	83,333	75,020
Rates and utilities	19,737	13,637
Insurance	11,139	7,613
Telephone and internet	2,523	4,215
Advertising	5,176	27,781
Rent	-	2,223
Office costs	5,495	17,854
Repairs and maintenance	1,257	1,953
Travel & subsistence	318	1,327
Subscriptions	1,392	1,112
Sundry	5,977	5,761
Training & other staff costs	3,121	4,507
Project costs	92,340	75,095
Accountancy fees	3,000	-
Professional fees and charges	27,020	-
Bank charges	1,159	1,045
Other charitable expenditure	4,879	5,522
	<u>433,610</u>	<u>430,287</u>
Share of support costs (see note 8)	19,292	10,781
Share of governance costs (see note 8)	28,538	34,344
	<u>481,440</u>	<u>475,412</u>
Analysis by fund		
Unrestricted funds	436,637	327,737
Restricted funds	44,803	147,675
	<u>481,440</u>	<u>475,412</u>

PETERSFIELD MUSEUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
Investment management fees	9,000	9,000
	<u>9,000</u>	<u>9,000</u>

7 Charitable activities

	Museum activities 2022 £	Museum activities 2021 £
Staff costs	185,622	154,301
Depreciation and impairment	75,020	5,485
Rates and utilities	13,637	17,620
Insurance	7,613	8,793
Telephone and internet	4,215	2,479
Advertising	27,781	1,831
Rent	2,223	17,904
Office costs	17,854	13,293
Repairs and maintenance	1,953	701
Travel & subsistence	1,327	359
Subscriptions	1,112	880
Sundry	5,761	3,119
Training & other staff costs	4,507	1,355
Project costs	75,095	40,826
Bank charges	1,045	-
Other charitable expenditure	5,522	3,198
	<u>430,287</u>	<u>272,144</u>
Share of support costs (see note 8)	10,781	3,890
Share of governance costs (see note 8)	34,344	31,789
	<u>475,412</u>	<u>307,823</u>
Analysis by fund		
Unrestricted funds	327,737	200,579
Restricted funds	147,675	107,244
	<u>475,412</u>	<u>307,823</u>

PETERSFIELD MUSEUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

8 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Finance costs	3,216	-	3,216	3,890	-	3,890
Health & Safety	7,565	-	7,565	-	-	-
Accountancy	-	15,381	15,381	-	22,518	22,518
Professional fees	-	18,963	18,963	-	9,271	9,271
	<u>10,781</u>	<u>34,344</u>	<u>45,125</u>	<u>3,890</u>	<u>31,789</u>	<u>35,679</u>
Analysed between Charitable activities	<u>10,781</u>	<u>34,344</u>	<u>45,125</u>	<u>3,890</u>	<u>31,789</u>	<u>35,679</u>

Governance costs includes audit fees of £7,300 (2021- £8,340) & VAT services of £12,000 (2021 - £nil).

9 Trustee's remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the period ended 31 March 2021.

Trustee's expenses

During the year a total of £1,677 (2021 - £1,210) was paid to 3 trustees (2021 - 2 trustees) in respect of the reimbursement of payments made on behalf of the charity.

10 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	<u>8</u>	<u>7</u>
Employment costs	2022 £	2021 £
Wages and salaries	171,443	142,147
Social security costs	10,722	9,193
Other pension costs	3,457	2,961
	<u>185,622</u>	<u>154,301</u>

PETERSFIELD MUSEUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

10 Employees

(Continued)

No employees received emoluments in excess of £60,000.

The key management personnel of the charity comprise the museum curator, the museum director and the head of engagement. The total employee benefits, comprising salary, pension contributions and Employers National Insurance contributions of the key management personnel of the charity were £97,891 (2021: £90,679).

£56,989 of the staff costs (including pension costs) have been allocated to the Pathways Project (2021 - £75,439).

11 Net gains/(losses) on investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Revaluation of investments	37,700	(3,190)	34,510	67,297	61	67,358
Gain/(loss) on sale of investments	7,835	-	7,835	(4,103)	-	(4,103)
	<u>45,535</u>	<u>(3,190)</u>	<u>42,345</u>	<u>63,194</u>	<u>61</u>	<u>63,255</u>

12 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Total £
Cost			
At 1 April 2021	2,849,959	284,750	3,134,709
Additions	51,658	90,205	141,863
At 31 March 2022	<u>2,901,617</u>	<u>374,955</u>	<u>3,276,572</u>
Depreciation and impairment			
At 1 April 2021	-	37,532	37,532
Depreciation charged in the year	-	75,020	75,020
At 31 March 2022	<u>-</u>	<u>112,552</u>	<u>112,552</u>
Carrying amount			
At 31 March 2022	<u>2,901,617</u>	<u>262,403</u>	<u>3,164,020</u>
At 31 March 2021	<u>2,849,959</u>	<u>247,218</u>	<u>3,097,177</u>

PETERSFIELD MUSEUM AND ART GALLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

15 Fixed asset investments

(Continued)

Fixed asset investments revalued

If the fixed asset investments were to be carried at their historical cost value they would have a value of £662,663 (2022 - £687,482).

16 Stocks

	2023 £	2022 £
Stocks	7,029	12,087

17 Debtors

Amounts falling due within one year:	2023 £	2022 £
Trade debtors	72	388
Other debtors	160,612	20,154
Prepayments and accrued income	935	88,521
	161,619	109,063

18 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	20	5,598	5,460
Other taxation and social security		4,650	4,821
Trade creditors		2,674	20,928
Other creditors		2,188	1,414
Accruals and deferred income		46,672	17,866
		61,782	50,489

19 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	20	37,781	43,379

PETERSFIELD MUSEUM AND ART GALLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

20 Loans and overdrafts

	2023 £	2022 £
Bank loans	43,379	48,839
Payable within one year	5,598	5,460
Payable after one year	37,781	43,379
Amounts included above which fall due after five years:		
Payable by instalments	13,937	20,123

21 Retirement benefit schemes

Defined contribution schemes

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £3,267 (2022 - £3,457).

PETERSFIELD MUSEUM AND ART GALLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

22 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2021 £	Movement in funds			Balance at 1 April 2022 £	Movement in funds			Balance at 31 March 2023 £
		Incoming resources £	Resources expended £	Revaluations, gains and losses £		Incoming resources £	Resources expended £	Revaluations, gains and losses £	
Blackrock	28,419	966	-	(2,169)	27,216	701	-	(2,888)	25,029
M&G Investments	27,693	437	-	(1,021)	27,109	493	-	(1,577)	26,025
Flora Twort Fund	348,250	-	-	-	348,250	5	-	-	348,255
Pathways project	2,171,112	251,627	(135,266)	-	2,287,473	48,620	(20,485)	-	2,315,608
Edward Thomas Literary Festival	-	-	-	-	-	305	(200)	-	105
Edward Thomas Study Centre	110,250	249	-	-	110,499	593	(1,223)	-	109,869
Don Eades	7,500	12,900	(12,336)	-	8,064	1,500	(6,726)	-	2,838
Flora Twort Gallery	407,920	4,493	-	-	412,413	-	(3,938)	-	408,475
Early Years	-	-	-	-	-	3,000	-	-	3,000
Inside Out	-	-	-	-	-	26,658	(11,001)	-	15,657
Other	2,000	834	(73)	-	2,761	3,121	(1,230)	-	4,652
	3,103,144	271,506	(147,675)	(3,190)	3,223,785	84,996	(44,803)	(4,465)	3,259,513

PETERSFIELD MUSEUM AND ART GALLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

22 Restricted funds

(Continued)

The restricted funds Blackrock and M&G Investments were all passed to Hampshire County Council under the will of Flora Twort and were subsequently transferred to the charity. The Blackrock and M&G Investments funds represent a trust fund the income from which can only be used on the Flora Twort gallery building or collections.

The Flora Twort fund represents its share of the police station purchased partly with the disposal proceeds of the gallery building itself.

The restricted fund Pathways project (previously described as the Capital Project) represents funds received principally from the Heritage Lottery Fund but also from trusts, foundations and individual donors towards the redevelopment of the enlarged site and the provision of public engagement activities. These funds are only recognised once all the requirements to receive the funds have been fully satisfied.

The Edward Thomas Study Centre represents Heritage Assets and the value of the books loaned by the Edward Thomas Fellowship to Petersfield Museum for display in the Edward Thomas Study Centre. They are insured by Petersfield Museum.

The Don Eades fund represents a project to conserve and preserve the negatives within the collection. The work was carried out during the exhibition period November 2021 to May 2022.

The Flora Twort Gallery fund is a capital project with the purpose of constructing a purpose built art and temporary exhibition gallery to government indemnity scheme standard, known as the Flora Twort Gallery (formerly the South East Gallery (SEG)) and work commenced and finished at the same time as that on the capital elements of Pathways into the Past. It was financed largely through a donation of £375,000 from the HB Allen Charitable Trust, with two or three smaller grants to meet the expected capital cost of £385,000

The other restricted funds represent the income from grants and donations made to the charity for specific projects and associated expenses.

PETERSFIELD MUSEUM AND ART GALLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

23 Unrestricted funds

The income funds of the charity include the following unrestricted funds:

	Balance at 1 April 2021	Movement in funds					Movement in funds					Balance at 31 March 2023
		Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses		
	£	£	£	£	£	£	£	£	£	£	£	
Designated												
curatorial fund	599,291	23,239	(9,000)	46,254	51,279	711,063	25,287	(9,000)	(48,000)	(36,012)	643,338	
General fund	668,783	109,449	(333,481)	(46,254)	-	398,497	207,718	(436,637)	48,000	-	217,578	
Revaluation reserve	84,473	-	-	-	-	84,473	-	-	-	-	84,473	
	1,352,547	132,688	(342,481)	-	51,279	1,194,033	233,005	(445,637)	-	(36,012)	945,389	

The designated curatorial fund is a fund set up by the trustees to hold surplus funds and is represented by an investment portfolio managed by Charles Stanley & Co Ltd and cash not yet spent.

The revaluation reserve represents the excess of the current valuation of the Old Courthouse of £145,000 over the original £60,527.

PETERSFIELD MUSEUM AND ART GALLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

24 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022
	£	£	£	£	£
Fund balances at 31 March 2023 are represented by:					
Tangible assets	292,697	2,789,786	3,082,483	300,629	2,863,391
Heritage assets	168,450	110,250	278,700	167,600	110,250
Investments	643,339	37,715	681,054	711,065	42,180
Current assets/(liabilities)	(121,316)	321,762	200,446	58,118	207,964
Long term liabilities	(37,781)	-	(37,781)	(43,379)	-
	<u>945,389</u>	<u>3,259,513</u>	<u>4,204,902</u>	<u>1,194,033</u>	<u>3,223,785</u>
					<u>4,417,818</u>

25 Financial commitments, guarantees and contingent liabilities

In the event of a breach of the terms of the Heritage Lottery Fund grant, the fund may require repayment of all or part of the payments made to the museum to date. As at 31 March 2023 the maximum liability under this provision was £1,522,900 (2022: £1,421,694)

The Heritage Lottery Fund has been granted a first charge over all the assets of the charitable company as in the event of a breach of the conditions of the grant, the Heritage Lottery Fund may require repayment of all or part of the grant paid to date.

Petersfield Town Council has been granted a charge over the freehold property at Petersfield Museum as in the event of a breach of the conditions of the grant, the council may require repayment of all or part of the grant paid to date.

26 Cash generated from operations

	2023	2022
	£	£
Deficit for the year	(212,916)	(37,873)
Adjustments for:		
Investment income recognised in statement of financial activities	(27,990)	(24,642)
Gain on disposal of investments	(8,471)	(7,835)
Fair value gains and losses on investments	48,948	(34,510)
Depreciation and impairment of tangible fixed assets	83,333	75,020
Investment management fees	9,000	9,000
Movements in working capital:		
Decrease/(increase) in stocks	5,058	(7,871)
(Increase)/decrease in debtors	(52,556)	270,819
Increase/(decrease) in creditors	11,155	(44,206)
Cash (absorbed by)/generated from operations	<u>(144,439)</u>	<u>197,902</u>

PETERSFIELD MUSEUM AND ART GALLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

27 Analysis of changes in net funds

	At 1 April 2022	Cash flows	At 31 March 2023
	£	£	£
Cash at bank and in hand	195,421	(101,841)	93,580
Loans falling due within one year	(5,460)	(138)	(5,598)
Loans falling due after more than one year	(43,379)	5,598	(37,781)
	<u>146,582</u>	<u>(96,381)</u>	<u>50,201</u>