

# **Annual Report and Accounts** for year ended 31<sup>st</sup> March **2022**

Bishop's Stortford Museum  
& Arts CIO trading as

**South  
Mill Arts**

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# **Bishop's Stortford Museum and Arts CIO Reference and Administrative details for the year ended 31<sup>st</sup> Mar 22**

## **Trustees**

Deirdre Glasgow  
Steve Connors  
Graham Pettit  
Patrick Brennan  
Angela Dias  
Valina Bowman-Burns

Ruth Davey  
(Resigned 28<sup>th</sup> September 22)

Keith Warnell  
(Resigned 5<sup>th</sup> September 22)

John Wyllie  
(Term expired 5<sup>th</sup> June 22)

## **REGISTERED CHARITY NUMBER**

1189853

## **PRINCIPAL ADDRESS**

1-3 South Road  
Bishop's Stortford  
Hertfordshire  
CM23 3JG

## **INDEPENDENT AUDITORS**

Johnsons, Chartered  
Accountants  
Statutory Auditor  
1-2 Craven Road  
Ealing  
London  
W5 2UA

## **KEY MANAGEMENT**

Chief Financial Officer:  
James Parker

Operations Director:  
Paula Holland

Museum Curator:  
Chris Lydamore

Artistic Programmer:  
Sue Scott Davison



# REPORT OF THE TRUSTEES

## for the year ended 31<sup>st</sup> Mar 22

The Trustees are pleased to present their report with the financial statements of the Charity for the year ended 31<sup>st</sup> March 2022. The Trustees have adopted the provisions of 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).

Bishop's Stortford Museum and Arts CIO (Charitable Incorporated Organisation),

trading as South Mill Arts, is the successor charity to Rhodes Birthplace Trust and accepted all assets, liabilities and operations of the former charity on 1st August 2021. The Trustees would like to place on record their thanks for the work of the previous Trustees who, as Rhodes Birthplace Trust, stewarded the work of this important charity on behalf of the people of Bishop's Stortford and the surrounding area. A summary of the wide range of work and activities of South Mill Arts for our local community appears later on in this report.

# STATEMENT FROM THE CHAIR AND OPERATIONS DIRECTOR

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*This year has not all been plain sailing and there has been a lot of hard work and sacrifice along the way but unlike last year which was all about survival, this year has been about laying the foundations for our future. Our main priority was to get South Mill Arts open and safe for staff, volunteers and visitors to return following the two years of disruption created by the Covid pandemic. Since emerging from the last lock-down our Front of House has seen the return of live shows, cinema, and music. The museum has welcomed visitors back and outreach work, talks and activities are all on the increase. Our Theatre Lounge is once again bustling with community groups and visitors and we have been able to accommodate even more classes than before.*

*The work behind the scenes has been no less intense. We have revised and modernised our governance arrangements by converting to a Charitable Incorporated Organisation (CIO), updated our governance documents and recruited some new Trustees along the way. Looking to the future, ten strategic tasks have been set and we will report back on progress next year.*

*We are working on some exciting new plans for the future that will see major investments in our infrastructure which includes the refurbishment of the museum façade. These will help us reduce our carbon footprint and improve our environmental sustainability whilst enhancing our visitor experience and paving the way for our future security - good news for us and good news for the planet. We have also developed a membership scheme to encourage more involvement by the community and supporters of the theatre and museum.*

*In closing, we thank the staff, volunteers and Trustees here at South Mill Arts for their incredible support and dedication, and express our gratitude to the Town Council and all our partner organisations, customers and supporters who have worked with us every step of the way, helping us to not just survive but to come back positive and looking forward to the future.*

*To know more visit our website [www.southmillarts.co.uk](http://www.southmillarts.co.uk) or telephone booking office on 01279710200.*

**Deirdre Glasgow**  
Chair

**Paula Holland**  
Operations Director



# OBJECTIVES AND AIMS

**The charitable objectives of Bishop's Stortford Museum & Arts CIO are;**

**1**

To advance the education for public benefit and to promote the public appreciation of the arts in particular but not exclusively by the provision of a museum, community arts centre, theatre, cinema, art gallery and library.

**2**

The preservation and maintenance of the collections formerly of the Bishop's Stortford Local History Society and the Cecil Rhodes Memorial Museum.

**3**

To promote for the benefit of the inhabitants of Bishop's Stortford and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The Trustees are determined that the venue operated by Bishop's Stortford Museum and Arts CIO, South Mill Arts, will sit at the heart of the local community and be the focal point of choice for cultural, social, historic and artistic activities in Bishop's Stortford and the surrounding area. The guiding principles for how we will continue to deliver this overriding ambition are encompassed within our values being;

- **We are here for our customers**

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- **We are honest and respectful of others**

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- **We work as one team**

- **We are committed to continuous improvement**

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- **We are proud to make a positive difference to our community**





# SIGNIFICANT DEVELOPMENTS FOR THE YEAR

Covid-19 restrictions were lifted in May 2021. Up to that point our priority was to adhere to the Government Guidelines that involved keeping our venue closed. We were able to keep our staff through the support of the Government Coronavirus Job Retention Scheme payments and Arts Council England grants and other Local Authority grants.

Upon re-opening, our priorities centred around giving staff and our venue users the confidence to return to working and using South Mill Arts. By year end we were delighted that all our regular hirers and clubs had returned to us and that a full programme of Museum talks and auditorium performances was in full swing.

We are very grateful to our managers, staff and volunteers for everything they have done to ensure that we have come through the pandemic in such a strong financial position. The activities that

have restarted during the financial year has given the charity a firm platform from which it can continue to thrive and be the leading cultural organisation in the area.

Bishop's Stortford Museum and Arts CIO aims to act as an independent steward of South Mill Arts whilst maintaining a close working relationship with Bishop's Stortford Town Council, who continue to kindly fund us through an annual revenue grant.

The Trustees have therefore set up three Committees (Finance, Facilities & Governance and Risk & Sustainability) and two Target Action Groups (Services and Stakeholders) to help the Trustees undertake its governance responsibilities and support the management team. Post year end each of these Committees and Target Action Groups have drawn up their Terms of Reference that are approved by the Trustees.



# PUBLIC BENEFIT

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**The Trustees confirm that they have referred to the guidance on public benefit contained in documents produced by the Charity Commission, when reviewing the aims and objectives of the Charity and future planning activities.**

**1**

## **The ‘benefit aspect’**

To satisfy this aspect:

- i. A purpose must be beneficial; and
- ii. Any detriment or harm that results from the purpose (to people, property or the environment) must not outweigh the benefit.

It is the opinion of the Trustees that the benefit aspect has been satisfied by the provision of facilities, theatrical performances and free museum exhibitions providing educational, leisure and cultural benefits to the visitors of South Mill Arts without causing any detriment or harm to others.

**2**

## **The ‘public aspect’**

To satisfy this aspect the purpose must:

- (i) Benefit the public in general, or a sufficient section of the public; and
- (ii) Not give rise to more than incidental personal benefit. It is the opinion of the Trustees that the public aspect has been satisfied by the provision of the above services to the general public without discrimination.

The Trustees have limited personal transactions with the Charity outside the benefits obtained as members of the Bishop’s Stortford general public. Where these do occur they are done at an arm’s length basis and therefore the Trustees do not consider any individuals to have obtained more than an incidental personal benefit.



## Social Investments

The Charity did not undertake any transactions that qualify as social investments in either the current or prior year.

## Grant Making

The Charity did not provide any grants to institutions or persons in the current or prior year.

# WHAT WE DO FOR OUR COMMUNITY



As has been described above much of our work in the early part of the reporting year was concerned with following the Covid guidance from the Government and keeping staff and our visitors safe.

It was therefore exciting to see audiences coming back to us in September in good numbers for shows such as 'Uncle Funk' and even more pleasing that we were able to put on a Christmas show again. In all there were 48 performances of Rapunzel that were very well received by families and schools alike – especially as so many other venues were unable to put on their shows.

Our first Santa's Grotto was a huge success – 588 children visited Santa in the Victorian room of our Museum, which was gratifying as we had to

cancel the previous year's Grotto at such short notice. Our Christmas offering was completed by performances of 'A Christmas Carol' and a screening of 'The Nutcracker'. Despite some hesitancy on the part of some would-be visitors to attend large events, we enjoyed the feeling of returning to normality which was heightened by the box office demand for shows in the new year that had previously been postponed. We also launched our first digital brochure in early 2022.



All our regular hirers returned to us, and new ones joined including, calmer yoga, body works and kung fu. Our list of regular hirers or users of our venue is instructive to illustrate the range and diversity of the users of our services and the extent to which the local community benefits from our existence.

- Calmer Yoga
- Body Works
- Kung Fu
- Over 50's Fitness Classes
- Yoga / Pilates/Kick Boxing/Baby Massage
- Weight Watchers
- Carers in Herts
- Hummingbird Cancer Support
- NHS Trust
- Grove Cottage
- Learning Disability Forum
- Retune
- Schools Appeals
- Herts & Essex School – technical workshops
- PQA Drama
- NADFAS Study Days (Fine Arts)
- Adult Art Classes
- Road Safety Awareness Courses
- Variety of local businesses/Solicitors/ Estate Agents/ Care Providers
- Bishop's Stortford's first Pride Event – kindly funded by East Herts District Council – the 2021 event was funded solely by South Mill Arts, the 2022 event was funded by East Herts District Council.

We also hosted the Hertfordshire Jazz Festival, the Bishops Stortford Means Business Trade Show and the National Blood Transfusion Service blood collection sessions.

Finally, our bar and lounge area is used by a large number of regular groups who meet, free of charge, including;

- **Stroke / Diabetes Group**
- **Breast Feeding Group / Mama Leche**
- **Book Club**
- **Discussion Group – weekly**
- **Philosophy Group – fortnightly**
- **Exidex – experienced individuals ideas exchange – monthly**
- **Methodist Church - weekly**
- **Italian Speaking Group – weekly**
- **Spanish Speaking Group – weekly**
- **Mahjong - weekly**

• **U3A Bridge – twice weekly**

• **U3A Cribbage – fortnightly**

• **U3A Scrabble – monthly**

• **U3A Rummikub – monthly**

We are grateful to all who have supported us during the pandemic. We are delighted to have been able to welcome back so many members of our community who we know, have missed us and we are looking forward to widening further our reach in the coming years.

# MUSEUM

Our volunteers returned helping us to deliver an ever-widening range of activities. Collections volunteers assisted with photographing collection objects, working on our documentation backlog (we now have a total of 43,538 objects on the museum's database) and information gathering. Our Learning & Outreach volunteers helped deliver the holiday crafts activities, assisting with school visits and providing guided town walks.



The summer holiday and half term holiday programmes, which collectively comprised of 22 days of activities, were successfully delivered by museum staff and volunteers. The new combination of booked "Discover & Make" and drop-in session has been well received and has helped us to incorporate more structured learning into the holiday programme.

## Our ArtSpace area hosted two exhibitions;

Changing Stortford by Mike Seabourne – a photographic exhibition taking a challenging look on changes that are occurring in Bishop's Stortford and Startling Stortford which was an in-house production of information posters in the style of horrible histories taking a light-hearted look at some of the quirkier and lesser known facts of our town's past. A supporting school pack was produced to help schools create their own mini exhibitions.





We saw the successful conclusion of this year's 'A Space To Be' project which seeks to support local secondary school aged young people who are experiencing difficulties with mental health, well-being and self-esteem. The project, which meets weekly, is facilitated by a professional artist and hosted by our Learning and Outreach Coordinator, in the museum. It draws upon objects in our collections for inspiration. The young people are referred to the project by CAMHS (Children and Adolescent Mental Health Services) who maintain contact throughout the duration of the project (due to the success of the project, a separately funded follow-on legacy project has now commenced). We are of course very much aware that the work of the Museum is not confined to the formal displays at South Mill Arts including our auditorium at which so many of the big names of pop and rock music played their early gigs during the 1960s, but also includes outreach work, undertaken with local schools such as various history related talks, lectures (these were offered in both physical and virtual formats to improve accessibility) and walks that take place across our community. Although the museum did offer some very limited "virtual" support for schools



during the lockdown, the disruption to the curriculum meant that we were unable to host a school visit until April 2021 (our first since March 2020) and ongoing problems with CV-19 school infections severely inhibited attendances for the remainder of the year. However, it was gratifying that our first school session, which took place in April 2021, was Cecil Rhodes, a new KS2 session created following the re-display of the Cecil Rhodes Room in 2020/21. This new session helps local schools to discuss and contextualise our colonial past and explore the issues that this may present in a modern multi-cultural society.

**We are grateful to all our volunteers and staff who work so hard to not only catalogue and care for the artifacts in our safekeeping but also to bring our local history to life so that members of our community can better understand our past and see how it has shaped our locality.**

# SOCIAL VALUE



**We are very much aware that our work has a positive social impact celebrating our diversity, contributing to social cohesion, reducing social exclusion and isolation whilst contributing to the well-being and education of our community.**

It is always difficult to express this contribution in monetary terms but using evidence data from the Department for Digital, Culture, Media and Sport we have calculated that we generate over £1m of social and economic value for our community.

**Put another way, we generate £3.28 of social and economic value for every £1 of the grant we receive annually from Bishop's Stortford Town Council. We continue to be grateful for that financial support from the Council and consider we are showing a very good return for the community we serve.**

# VOLUNTEERS

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An active volunteer programme makes a significant contribution to community engagement as well as keeping costs down. All volunteers are invited to two social events during the year, a Summer Tea and Christmas Celebration, to thank them for their continued support. The Charity actively seeks the assistance of volunteers in the following two capacities:

1

## Performance ushers

The Charity is always keen to hear from people who would like to join our dedicated team of ushers, for whom full training is provided. During the year the Charity received support from approximately 40 volunteers who provided ushering services to the Charity. Ushers are used for cinematic and theatrical shows, promotional events and private hire bookings. The number of hours provided by such ushers is typically estimated to be the course of an event and one hour before and after the event. No reliable full-time equivalent value has been able to be calculated by the Charity in respect of a monetary valuation that the Charity benefits from the services donated by volunteers in the year.

2

## Museum volunteers

Volunteering at the Bishop's Stortford Museum is a great way to experience a variety of opportunities and to learn something new every day. Museum volunteers are involved within the following activities:

- (i) Cataloguing and archiving objects in the museum collection
- (ii) Assisting in research for museum projects
- (iii) Helping with children's workshops.

During the current and prior years, the Charity received support from approximately 15 regular volunteers. The number of hours contributed by volunteers is varied and is subject to movement based on the availability of such volunteers in the year. No reliable full-time equivalent value has been able to be calculated by the Charity in respect of a monetary valuation that the Charity benefits from the services donated by volunteers in the year.

# ACHIEVEMENT AND PERFORMANCE

## FUNDRAISING ACTIVITIES

### **Bishop's Stortford Town Council Service Level Agreement:**

**Bishop's Stortford Museum and Arts CIO inherited a Service Level Agreement with Bishop's Stortford Town Council (that was agreed on 30th September 2019) at the point of accepting the assets, liabilities and operations from Rhodes Birthplace Trust.**

Part of the annual grant had restrictions placed upon it as a result of a proposed new venue at Old River Lane. Due to changes to the proposed new venue, as detailed in the Rhodes Birthplace Trust 2021 accounts, the Trustees of the Trust resolved to request these restrictions be removed on 28th July 2021. Bishop's Stortford Town Council approved this request at its next meeting on 4th October 2021.

The removal of the restrictions has allowed Bishop's Stortford Museum and Arts CIO to release a restricted reserve totalling £105,000 into general reserves during the 2021/2022 financial year, as detailed in the notes to the accounts.

During the year Bishop's Stortford Museum and Arts CIO raised unrestricted funds of £127,500 through the Service Level

Agreement with Bishop's Stortford Town Council. The amount paid annually from the Service Level Agreement remains unchanged from when it was agreed at £255,000 per annum, however the amount above is less due to Bishop's Stortford Museum and Arts CIO accepting all assets, liabilities and operations at 1st August 2021 when half of the annual grant had already been paid to the predecessor Charity.

**The funds have been raised via the Charity meeting the conditions of the agreement which include:**

i) Promote Bishop's Stortford Museum and Arts CIO to the community and have an annual footfall exceeding 120,000; and



- ii) Establish an annual force exceeding 35 volunteers representing Bishop’s Stortford communities to support Bishop’s Stortford Museum and Arts CIO; and
- iii) Co-operate in providing the necessary infrastructure in support of community groups and events by providing an annual number of outreach activities and events exceeding 20; and
- iv) Provide opportunities and activities for a minimum of 12 different schools in the community; and
- v) To monitor and increase social media, website access, and marketing initiatives that will raise the profile and awareness of the Charity; and
- vi) Operate financial management in a prudent fashion to ensure sustainability and in particular maintain an adequate level of reserves as recommended by the Charity Commission; and
- vii) Maintain accredited status of the museum and monitor its levels of collections care annually; and
- viii) Ensure free entry to the museum; and
- ix) Ensure free car parking facilities within the capabilities of the venue for all patrons

## BAR AND CATERING ACTIVITIES

**Bishop’s Stortford Museum and Arts CIO provides a café and bar facility in cohesion with the provision of hire facilities, promotion of the museum, and the provision of theatrical and artistic events. The facilities are open to the public and complement the facilities made available for schools and other groups, which rely on the transportation provided by parents and others.**

Bar and catering income in the period amounted to £117,911 compared with the direct expenditure amounting to £53,182. The net direct contribution to the Charity’s reserves from the bar and catering facilities amounted to £64,729 which is welcomed by Trustees.

Bar and catering expenditure also includes a portion of the support costs included within support costs as detailed within the notes to the financial statements. These are subsequently included in the charitable activities expenditure in order to reflect the nature of the provision of bar and catering facilities within the venue.

INVESTMENT  
PERFORMANCE

During the year the Charity received unrestricted investment income of £835.

# KEY PERFORMANCE INDICATORS

When considering the Charity’s performance across the financial period the Trustees use the following performance measures in their assessment:

	2022
Footfall at the Charity’s principal address in the year	127,328
Number of performances in the year (including panto)	128
Number of cinema screenings held in the year	76
Total theatre / cinema attendees in the year	11,312
Number of Museum visitors	3,403



# ADDITIONAL MEASURES

SOCIAL PLATFORM	NO. OF FOLLOWERS	REACH <i>Average per month</i>
Facebook	4,749	33,060
Instagram	1,757	11,562
Twitter	2,692	9,939

EVENTS  
IN 2022

386

AVERAGE  
TICKET PRICE

£19.50

excluding free events

# STRATEGIC APPROACH FOR THE COMING YEAR

The Trustees will seek to build upon the work started to during the reporting year to include;

1

A full review of the Constitution and the governance associated with it.

2

The establishment of our Committees and Target Action Groups to support the management team and the Board in their work.

3

The appointment of a new Charity Secretary.

4

Reviewing our Artistic Policy to ensure it is reflecting the ambitions of the Charity to appeal to the full diversity of our local population.

**5**

To build up the numbers of visitors to South Mill Arts to pre-pandemic levels and more.

**6**

Ensure we have the appropriate facilities to house and protect the artifacts in our care and those we are due to receive from archaeological sites in our area.

**7**

Undertake a redesign and redisplay of our public Museum exhibitions to even more effectively tell the story of the development of Bishop's Stortford.

**8**

Raise funds to address critical works that need to be undertaken to the infrastructure of our venue to ensure its sustainability in the medium term.

**9**

We will also review our pricing structures to ensure that our income generation is maximised where possible but always being mindful of our charitable objectives and responsibilities to be as inclusive as possible.

**10**

We will develop Reserves, Liquidity and Investment Policies for the approval by the Board.

**We look forward with confidence to being able to report on progress towards achieving each of these targets in next year's report.**

# FINANCIAL REVIEW

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## FINANCIAL POSITION

The tangible fixed assets net book value of £3,889,105 remains comparable with value of the assets transferred from the predecessor Charity, due to the level of freehold property and improvements to property with net book values of £152,386 and £3,550,911 respectively.

No depreciation has been provided on freehold property or improvements to the property as it was the predecessor Charity's policy to maintain its property to a high standard through a continual programme of refurbishment and maintenance. In the opinion of the Trustees, the residual values are such that any depreciation charge would be immaterial.

Heritage assets are not included in the balance sheet as explained in the notes to the financial statements.

The balance sheet position shows net current assets of £478,885. The cash held at the bank and in hand amounted to £507,509.

Debtors at year end stood at £61,680.

Creditors due within one year at year end stood at £162,893.

At year end the Charity has freely available current reserves of £315,992 which excludes tangible fixed assets of £3,889,105. Given the Charity's current levels of expenditure this would allow for approximately three months of trading without further freely available reserves becoming available.

At year end the Charity had unrestricted funds totalling £4,205,097 and restricted funds totalling £98,460 as detailed further in the notes to the financial statements. The total funds of Bishop's Stortford Museum and Arts CIO stands at £4,303,557.

## PRINCIPAL FUNDING SOURCES

The Charity's principal funding sources continue to be grants received, bar income, hire income and theatre income, which the Trustees utilise to facilitate the continued operation of the Museum and promote cultural activities including dance, theatre, education, and cinema within the local community.

The total net income for the year reflects the incoming transfer of assets from the predecessor Charity at £4,205,097.

Grants from the Charity's donors are continuing to meet the operating expenses not covered by other income streams. The Charity has previously proven to be remarkably resilient to economic downturns, and Trustees believe that local people continue to prefer utilising local facilities rather than incurring the heavy costs of travelling to London for their cultural entertainment.

The Charity finished the period with a largely similar level of reserves as compared to the value of the assets transferred from the predecessor Charity. This is due to prudent financial and operational management together with the constant monitoring of the financial results by Trustees and management.

## INVESTMENT POLICY AND OBJECTIVES

The Trustees will develop a comprehensive investment policy in future years. This will take a very cautious view to the investment of surplus funds as these are being retained for furthering the objects of the Constitution. Funds not required for expenditure in the short term are placed on interest earning term accounts with UK banks. The rates of interest obtained on such investments were low during the year, however, it was felt that, in the current financial climate, it would not be prudent to expose the Charity to the significantly higher risks that would be required to achieve a higher return.

## RESERVES POLICY

The total funds held at the period end were £4,303,557 and of which £98,460 is maintained within restricted funds for the purpose as described in the notes to the financial statements.

After making allowances for restricted funds Bishop's Stortford Museum and Arts CIO holds £4,205,097 in unrestricted funds for its general usage. Overall, the financial position of the Charity remains healthy despite the lingering effects of the Coronavirus pandemic and is a result of the vigilance of Trustees and management.

A substantial proportion of the reserves on the Balance Sheet are represented by the fixed assets totalling £3,889,105 of unrestricted funds. This balance includes the building and property improvements which represent £3,703,297 of unrestricted funds and which the Trustees recognise as a commitment of the reserves the Charity holds.

The level of reserves is regularly monitored by the Trustees and at present Bishop's Stortford Museum and Arts CIO holds a healthy freely available cash balance of £294,706. In order to maximise interest, the Charity invests in higher rate notice savings accounts with a current balance of £212,803. The cash balance plus notice savings represents just under five months expenditure cover.

The Trustees regularly review the finances, budgets, and cash flows to aid effective stewardship of Bishop's Stortford Museum and Arts CIO. In common with other charities the Trustees have elected to invest substantial sums into the Charity's buildings and facilities. The Charity has a continuing policy of refurbishment, development and investment to maintain excellent facilities for the regular users and visitors of South Mill Arts.

The Trustees recognise that the level of reserves fluctuate during periods of investment by the Charity and ensure an adequate liquid reserve is maintained, ideally unrestricted reserves of a minimum

three months running costs. The Trustees consider that a level of three months is sufficient given the flexibility provided by the secured grant income made available by the Service Level Agreement with Bishop's Stortford Town Council, which is payable to Bishop's Stortford Museum and Arts CIO on a quarterly basis. The Trustees will be reviewing the Reserves and Liquidity policies in future years.

## GOING CONCERN

### Review of liquidity and reserves:

The Charity has reported a cash inflow of £507,509. The Trustees are of the view that the cash reserves as at the reporting date of £507,509 illustrate the reduced risk of the Charity incurring cash-flow concerns in the short-term future.

Due to prudent management the Charity remains a going concern at year end.

### Compliance with grant conditions:

The Trustees of the Charity have identified the reliance of the Charity on Bishop's Stortford Town Council for the provision of the annual grant.

Therefore, there is a medium-term risk to the Charity should the Service Level Agreement not be renewed in 2024, which has been detailed further in the risk management review further in this report.

### Other going concern considerations:

Following a detailed and comprehensive review of the Charity's affairs, the Trustees have no reason, expectation, or intention to cease the Charity's activities over the foreseeable future. Therefore, the Trustees consider it appropriate they continue to prepare the financial statements on a going concern basis. These financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

### Funds in deficit

There were no funds in deficit as at the financial reporting date.

## FUTURE PLANS

These are discussed in the strategic approach for the coming year commentary earlier in this report.



# STRUCTURE, GOVERNANCE AND MANAGEMENT

## CHARITY CONSTITUTION

Bishop's Stortford Museum and Arts CIO is a registered charity with the Charity Commission for England and Wales, number 1189853, and is governed by a constitution dated 5<sup>th</sup> June 2020.

## RECRUITMENT AND APPOINTMENT OF NEW TRUSTEES

### The Trustees:

There should be not less than three nor more than eleven appointed Trustees, who must all be natural persons over the age of sixteen (a minimum of one Trustee must be over eighteen years of age).

If there are less than three Trustees or no Trustee is over eighteen the remaining Trustees may only act to call a meeting of the charity Trustees or appoint a new Trustee.

There must be at least three Trustees present at a meeting of the Trustees to form a quorum, or one third of the total number of current Trustees (whichever is greater). Meetings may be held by suitable electronic means.

### Appointment of Trustees:

Trustees must be appointed for a term of four years by a resolution passed at a properly convened meeting of the charity Trustees.

In selecting individuals for appointment as charity Trustees, the charity Trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

### Resignation and removal of Trustees:

A charity Trustee may retire by notifying the CIO in writing (but only if enough charity Trustees will remain in office when the notice of resignation takes effect to form a quorum for meetings).

Trustees will cease to hold office if; they are absent without the permission of the charity Trustees from all meetings held within a period of six months and the Trustees resolve that the absent Trustee's office be vacated, die, in the



written opinion of a registered medical practitioner treating the Trustee has become physically or mentally incapable of acting as a director and may remain so for more than three months or if a Trustee is disqualified from acting as a charity Trustee by virtue of sections 178-180 of the Charities Act 2011 (or any statutory re-enactment or modification of that provision).

Any retiring Trustee is eligible for reappointment.

### **Terms of office:**

Trustees must be appointed for a term of four years.

### **Remuneration and Expenses:**

All Trustees give their time freely and no Trustee remuneration was paid in the current and prior year, as disclosed in the notes to the financial statements. Details of Trustees' expenses and related party transactions are also disclosed within the notes to the financial statements.

# ORGANISATIONAL STRUCTURE

The Trustees are responsible for the overall management and control of Bishop's Stortford Museum and Arts CIO and meet on a quarterly basis for regular meetings in addition to any atypical meetings required to further the progress of the Charity in its objectives. The strategic direction and governance of the Charity are considered to be the key responsibilities of the Trustees, with individual Trustees assisting the key management personnel when

available. The Operations Director, Museum Curator, Artistic Programmer and Chief Financial Officer are considered by the Trustees to be the key management personnel of the Charity.

The key management personnel report to Trustees and are responsible for direction, control, and delegation of the Charity's day to day operations based on their role and function within the Charity.

Responsibilities of the key management personnel are detailed below.

**The Trustees determine the general policies of the Charity. The day to day running of Bishop's Stortford Museum and Arts CIO is delegated to the Operations Director, supported by senior personnel.**

## Chief Financial Officer

The key responsibilities of the Chief Financial Officer, currently the Chief Executive Officer of Bishop's Stortford Town Council, are to provide a regular review of the Charity's performance, providing segregation of duties for internal controls, as well as reporting the financial results to the Trustees.

## Operations Director

The Operations Director monitors and supports all day-to-day activities of Bishop's Stortford Museum and Arts CIO with support of other key management personnel, employees, and volunteers.

## Museum Curator

The Museum Curator is responsible for the delivery and presentation of the museum exhibitions and shows, as well as the maintenance of the collections held by the Charity on show and in storage. The performance of the Museum Curator's responsibilities and the museum exhibitions are monitored and reviewed by the Operations Director and the Trustees.

## Artistic Programmer

The Artistic Programmer is responsible for the production and delivery of all theatrical performances by the Charity, as well as the letting of the rooms used for theatrical purposes to third parties. The performance of the Artistic Programmer's responsibilities, as well as the individual theatrical performances themselves, are monitored and reviewed by the Operations Director and the Trustees.

# INDUCTION AND TRAINING OF NEW TRUSTEES

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## Induction:

All Trustees are required to sign a declaration of acceptance of office as a Trustee at the first meeting of the Trustees following their appointment. Such declarations may set out particular responsibilities to be undertaken by an individual Trustee.

experience, skills and expertise required by the Charity enables the Trustees to reduce the necessity of additional training required by newly appointed Trustees. The necessity for additional skills and training is reviewed internally on a regular basis by the Trustees.

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## Training:

The Charity intends to ensure suitably trained and experienced individuals are recruited to be Trustees.

The ability to recruit personnel with the required

Depending on the experience of newly appointed Trustees induction training may be provided if deemed necessary. The level of experience and participation with the Charity sought in the Trustees during the recruitment process reduces the level of induction training normally required

# KEY MANAGEMENT REMUNERATION

The key management personnel of the Charity are deemed to be those listed in the Reference and Administrative Details page, as they are those charged with the authority and responsibility for planning, directing, and controlling the activities on a day-to-day basis by the Trustees.

Pay and remuneration of the key management staff are determined by the employment or other contractual agreements made following approval of the Trustees.

Details of remuneration paid to the key management personnel of the Charity are detailed in the notes to the financial statements

# WIDER NETWORK

The Trustees may at any time co-opt individuals to provide advice. Such co-opted individuals may attend and take part in meetings of the Trustees and shall not be eligible to vote. They may be excluded from any part of a meeting by resolution of the Trustees. The Trustees may terminate their co-option at any time.

# RELATED PARTIES

Bishop's Stortford Museum and Arts CIO operates with continued support of Bishop's Stortford Town Council, including the Service Level Agreement provided by the council which provides a significant proportion of the Charity's incoming resources.

The Charity may also have regular transactions with Bishop's Stortford

Town Council by virtue of its operations taking place within Bishop's Stortford.

Further details of transactions with related parties in the current financial year are detailed in the notes to the financial statements.

From time to time the Trustees may have routine transactions with the Charity but derive no benefit from having Trustee status. There are no connected charities.

# 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.

The main risks to the Charity identified by the Trustees relate to its reliance on grants received from Bishop's Stortford Town Council should the Service Level Agreement not be renewed in 2024, and the level of fund reserves amounting to £3,703,297 secured within the building and property improvements. Whilst the Service Level Agreement funding offer remains conditional, the Trustees are confident that the conditions can be met.

The Trustees therefore deem the likelihood of the Service Level Agreement being withdrawn without notice sufficient prior to renewal to be a medium level of risk, and that the availability of freely available reserves to be suitably addressed in the "Reserves policy" earlier in this report sufficient to manage the risk.



# STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the Constitution 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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;**
- **state whether applicable accounting standards have**

**been followed, subject to any material departures disclosed and explained in the financial statements;**

**- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity and to 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 Constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of Trustees on 27<sup>th</sup> February 2023 and signed on its behalf by:



**Deirdre Glasgow - Chair**

## **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF BISHOP'S STORTFORD MUSEUM AND ARTS CIO**

### **Opinion**

We have audited the financial statements of Bishop's Stortford Museum and Arts CIO (the 'charity') for the year ended 31st March 2022 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st March 2022 and of its incoming resources and application of resources, 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 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 trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Report of the independent auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

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

### **Responsibilities of trustees**

As explained more fully in the Statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF BISHOP'S STORTFORD MUSEUM AND ARTS CIO**

### **Our responsibilities for the audit of the financial statements**

We have been appointed as auditors under Section 144 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 a Report of the independent auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

### **Identification and assessment of potential risks**

In identifying and assessing potential risks related to irregularities in identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we conducted:

- Discussions with those charged with governance and those who review the charity's internal ethics and compliance reporting summaries, including those concerning investigations;
- Enquiries of management, including obtaining and reviewing supporting documentation, concerning the charity's material policies and procedures relating to identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance relating to the detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- Our reviews of the charity's remuneration policies, and key drivers for remuneration and bonus levels;
- Our assessment of the influence of public officials over the operations of the charity including any material transactions with related parties and key individuals; and
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team includes the Audit Director and staff who have extensive experience of working with charities in the same sectors as the charity, and this experience was relevant to the discussion about where fraud risks may arise.

### **Risks arising from legal and regulatory frameworks**

We are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks in which the charity operates, focusing on provisions of those areas that had a direct effect on the determination of material amounts and disclosures in the financial statements.

We did not identify any material audit matters related to the potential risk of fraud or non-compliance with laws and regulations from our work:

- (i) Reviewing management override of controls;
- (ii) Testing the appropriateness of journal entries and other accounting adjustments;
- (iii) Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- (iv) Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated our assessment of the relevant 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF  
BISHOP'S STORTFORD MUSEUM AND ARTS CIO**

**Use of our report**

This report is made solely to the charity's trustees, 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Edmund Cartwright FCCA MAAT (Senior Statutory Auditor)  
for and on behalf of Johnsons, Chartered Accountants  
Statutory Auditor  
1-2 Craven Road  
Ealing  
London  
W5 2UA

Date: ..28/02/2023.....

# **BISHOP'S STORTFORD MUSEUM AND ARTS CIO**

## **STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2022**

	Notes	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and legacies	2	4,378,825	97,935	4,476,760
<b>Charitable activities</b>	5			
Facility hire and lettings		91,139	-	91,139
Museum Provision		2,560	-	2,560
Pantomime production		130,715	-	130,715
Other artistic events		196,537	-	196,537
Central administration		1,750	-	1,750
Other trading activities	3	117,911	-	117,911
Investment income	4	835	-	835
<b>Total</b>		<u>4,920,272</u>	<u>97,935</u>	<u>5,018,207</u>
<b>EXPENDITURE ON</b>				
Raising funds	6	53,182	-	53,182
<b>Charitable activities</b>	7			
Facility hire and lettings		32,561	-	32,561
Museum Provision		52,625	-	52,625
Pantomime production		108,037	-	108,037
Other artistic events		231,602	-	231,602
Bar and catering activities		7,071	-	7,071
Central administration		228,305	-	228,305
Other		1,267	-	1,267
<b>Total</b>		<u>714,650</u>	<u>-</u>	<u>714,650</u>
<b>NET INCOME</b>		<u>4,205,622</u>	<u>97,935</u>	<u>4,303,557</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>4,205,622</u></u>	<u><u>97,935</u></u>	<u><u>4,303,557</u></u>



**BISHOP'S STORTFORD MUSEUM AND ARTS CIO**

**BALANCE SHEET  
31ST MARCH 2022**

	Notes	Unrestricted fund £	Restricted funds £	Total funds £
<b>FIXED ASSETS</b>				
Tangible assets	12	3,889,105	-	3,889,105
<b>CURRENT ASSETS</b>				
Stocks	13	8,156	-	8,156
Debtors	14	61,680	-	61,680
Cash at bank and in hand		<u>409,574</u>	<u>97,935</u>	<u>507,509</u>
		479,410	97,935	577,345
<b>CREDITORS</b>				
Amounts falling due within one year	15	(162,893)	-	(162,893)
<b>NET CURRENT ASSETS</b>		<u>316,517</u>	<u>97,935</u>	<u>414,452</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,205,622</u>	<u>97,935</u>	<u>4,303,557</u>
<b>NET ASSETS</b>		<u>4,205,622</u>	<u>97,935</u>	<u>4,303,557</u>
<b>FUNDS</b>	16			
Unrestricted funds				4,205,622
Restricted funds				<u>97,935</u>
<b>TOTAL FUNDS</b>				<u>4,303,557</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 27th February 2023 and were signed on its behalf by:

  
Trustee

**BISHOP'S STORTFORD MUSEUM AND ARTS CIO**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST MARCH 2022**

	Notes	£
<b>Cash flows from operating activities</b>		
Cash generated from operations	1	<u>506,674</u>
Net cash provided by operating activities		<u>506,674</u>
 <b>Cash flows from investing activities</b>		
Interest received		<u>835</u>
Net cash provided by investing activities		<u>835</u>
 <b>Change in cash and cash equivalents in the reporting period</b>		<u>507,509</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>-</u>
 <b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>507,509</u></u>

**BISHOP'S STORTFORD MUSEUM AND ARTS CIO**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST MARCH 2022**

**1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	£
<b>Net income for the reporting period (as per the Statement of financial activities)</b>	4,303,557
<b>Adjustments for:</b>	
Depreciation charges	38,044
Interest received	(835)
Adjustment for donation-in-kind	(3,927,149)
Increase in stocks	(8,156)
Increase in debtors	(61,680)
Increase in creditors	<u>162,893</u>
<b>Net cash provided by operations</b>	<u><u>506,674</u></u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1/4/21 £	Cash flow £	At 31/3/22 £
<b>Net cash</b>			
Cash at bank and in hand	<u>-</u>	<u>507,509</u>	<u>507,509</u>
	<u>-</u>	<u>507,509</u>	<u>507,509</u>
<b>Total</b>	<u><u>-</u></u>	<u><u>507,509</u></u>	<u><u>507,509</u></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2022**

**1. ACCOUNTING POLICIES**

**BASIS OF PREPARING THE FINANCIAL STATEMENTS**

The financial statements of the charity, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling which is the functional currency of the entity and rounded to the nearest £.

**Legal status**

Bishop's Stortford Museum and Arts CIO is registered with the Charity Commission for England & Wales with the registered charity number 1189853.

**Going concern**

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements, with the trustees in particular taking in to account forecasts and projections and any pressures on income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

As such the charity can expect to be able to meet its liabilities as they fall due in the period of at least 12 months from the date of approval of these accounts. However, there can be no certainty in relation to these matters.

On this basis the trustees have concluded that the charity is a going concern. The financial statements do include any adjustments that would result from the charity not being able to meet its liabilities as they fall due.

Further information relating to the charity's ability to continue as a going concern can be found in the financial review under the report of the trustees.

**INCOME**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Receipts taken in advance for the future provision of bar or catering services are not recognised as income until the accounting period in which the provision of the goods or services occurs.

**Income from grants and donations**

Donations and grants are recognised when they have been communicated and received in writing with notification of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

**Hire and lettings income**

Income in relation to the provision of the auditorium, studio, or other properly hire is recognised within the reporting period that the venue hire takes place.

Income relating to hire or lettings received in advance of the hire period are recognised as deferred income until the accounting period during which the venue hire occurs.

**Show and performance income**

Income relating to shows and performances occurring within the reporting period are recognised as income within the accounting period during which the show takes place.

Income relating to shows and performances received in advance of the event date are recognised as deferred income until the accounting period during which the show occurs.

**Bar and catering income**

Income from the provision of bar or catering goods and/or services are recognised as income within the accounting period in which the provision of the goods or services takes place.

## **BISHOP'S STORTFORD MUSEUM AND ARTS CIO**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2022**

#### **1. ACCOUNTING POLICIES - continued**

##### **EXPENDITURE**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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

##### **Allocation and apportionment of costs**

All expenditure is accounted for on an accruals basis. All expenses including support costs, are allocated to the applicable expenditure headings in the statement of financial activities.

Support costs have been differentiated between management costs, finance costs, other costs, and governance costs.

Management costs comprise the costs of employing key management personnel to oversee the charity's activities in the financial year as detailed in the Report of the Trustees.

Finance costs comprise the costs of transactions with financial institutions for the charities activities, depreciation charges on tangible fixed assets and the interest payable on loan facilities in the financial year.

Other costs comprise of the contributions made by the charity to pension and other post-retirement benefits provided to a retired employee.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include the cost of an external audit, accountancy support, and other professional fees incurred in the financial year.

##### **TANGIBLE FIXED ASSETS**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixture and fittings	- 10%, 20% or 25% on cost/reducing balance
Computer equipment	- 25% on cost

No depreciation has been provided on freehold property as the charity's policy is to maintain the property to a high standard through a continual programme of refurbishment and maintenance. In the opinion of the trustees the residual value of the property is such that any depreciation charge would be immaterial.

##### **STOCKS**

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

##### **TAXATION**

The charity is exempt from tax on its charitable activities.

##### **FUND ACCOUNTING**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

##### **HIRE PURCHASE AND LEASING COMMITMENTS**

Rentals paid under any applicable rental leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

##### **DONATED GOODS AND SERVICES**

###### **Goods Donated for On-going Use**

Donated goods for on-going use by the charity in carrying out its activities are recognised as tangible fixed assets provided their fair value exceeds the threshold for capitalization set by the charity's policy, with the corresponding gain recognised as income from donations within the SOFA.



## **BISHOP'S STORTFORD MUSEUM AND ARTS CIO**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2022**

#### **1. ACCOUNTING POLICIES - continued**

##### **DONATED GOODS AND SERVICES**

In common with any other tangible asset, donated goods held as tangible fixed assets are subject to depreciation or amortisation and are assessed for any indications of impairment at the reporting date.

##### **Goods Donated for Resale**

In accepting donated goods for resale, the charity is receiving a gift in kind on trust for conversion into cash to fund the charity's activities. Where practicable, donated goods for resale have been measured at fair value on initial recognition.

It is often impractical to value donated goods for resale due to the volume of low-value items received or the absence of detailed stock controls systems. Instead, the value to the charity of the donated goods sold is recognised as income when sold.

In this case, the value of the stock donated to Bishop's Stortford Museum and Arts CIO has been independently valued by an industry specialist prior to donation, and this has been recognised in the balance sheet.

With respect to both goods donated for on-going use and goods donated for resale, where practical to do so, goods have been measured at fair value.

##### **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.

##### **PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS**

The charity operates both a defined contribution, and a defined benefit pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

##### **FINANCIAL INSTRUMENTS**

Bishop's Stortford Museum and Arts CIO only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. The charity does not acquire or use put options, derivatives or other complex financial instruments.

Basic financial instruments are initially recognised at the transaction price unless the arrangement constitutes a financing transaction where it is recognised at the present value of the future payments discounted at market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Other financial instruments are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the profit or loss immediately.

Any reversals of impairment are recognised in the profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

**BISHOP'S STORTFORD MUSEUM AND ARTS CIO****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2022****2. DONATIONS AND LEGACIES**

	£
Donations	4,349,260
Grants	<u>127,500</u>
	<u>4,476,760</u>

A one-off donation was made by Rhodes Birthplace Trust to Bishop's Stortford Museum and Arts CIO for the amount of £4,349,260. Included in this donation were goods for resale, and goods intended for on-going use. Where practical to do so, goods received have been valued at fair value.

Grants received from local councils in the period total £127,500.

**3. OTHER TRADING ACTIVITIES**

	£
Bar income	117,691
Catering income	<u>220</u>
	<u>117,911</u>

**4. INVESTMENT INCOME**

	£
Deposit account interest	<u>835</u>

**5. INCOME FROM CHARITABLE ACTIVITIES**

	Activity	£
Studio hire income	Facility hire and lettings	64,804
Other property hire income	Facility hire and lettings	26,335
Other charitable income	Museum Provision	2,560
Charitable show income	Pantomime production	129,301
Other charitable income	Pantomime production	1,414
Charitable show income	Other artistic events	178,803
Other charitable income	Other artistic events	17,734
Other charitable income	Central administration	<u>1,750</u>
		<u>422,701</u>

**6. RAISING FUNDS****OTHER TRADING ACTIVITIES**

	£
Purchases	42,204
Staff costs	<u>10,978</u>
	<u>53,182</u>

# **BISHOP'S STORTFORD MUSEUM AND ARTS CIO**

## **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2022**

### **7. CHARITABLE ACTIVITIES COSTS**

	Direct Costs £	Support costs (see note 8) £	Totals £
Facility hire and lettings	-	32,561	32,561
Museum Provision	32,491	20,134	52,625
Pantomime production	108,037	-	108,037
Other artistic events	231,602	-	231,602
Bar and catering activities	3,090	3,981	7,071
Central administration	174,547	53,758	228,305
	<u>549,767</u>	<u>110,434</u>	<u>660,201</u>

### **8. SUPPORT COSTS**

	Management £	Finance £	Other £	Governance costs £	Totals £
Facility hire and lettings	32,561	-	-	-	32,561
Museum Provision	20,134	-	-	-	20,134
Bar and catering activities	-	3,981	-	-	3,981
Central administration	-	483	38,044	15,231	53,758
	<u>52,695</u>	<u>4,464</u>	<u>38,044</u>	<u>15,231</u>	<u>110,434</u>

### **9. AUDITORS' REMUNERATION**

Fees payable to the charity's auditors for the audit of the charity's financial statements	£ <u>4,923</u>
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### **10. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31st March 2022.

#### **TRUSTEES' EXPENSES**

There were no trustees' expenses paid for the year ended 31st March 2022.

### **11. STAFF COSTS**

Wages and salaries	£ 200,948
Social security costs	9,590
Other pension costs	<u>7,294</u>
	<u>217,832</u>

The average monthly number of employees during the year was as follows:

Establishment	8
Museum	4
Arts and pantomime	4
Bar and catering	<u>3</u>
	<u>19</u>

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

Included within the wages and salaries, disclosed above, are subcontractor costs of £3,114.

#### **The Pension Trust Scheme**

As part of the terms and conditions of permanent employment, the charity offers retirement benefits. The charity participates in a defined contribution scheme operated by The Pensions Trust.

## BISHOP'S STORTFORD MUSEUM AND ARTS CIO

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2022

#### 11. STAFF COSTS - continued

The cost to the charity for the financial period was £6,026. As at the reporting date the unpaid contributions included within other creditors was £1,671.

##### Local Government Pension Scheme (LGPS)

The charity operates a defined benefit scheme operated by the London Pension Fund Authority, for one retired member of staff.

This is a multi-employer scheme and it is not possible or appropriate to consistently identify the liabilities of the LGPS which are attributable to the charity as required by FRS 102 Section 28 "Employee Benefits". Bishop's Stortford Museum and Arts CIO therefore accounts for this scheme as if it were a defined contribution scheme in accordance with paragraph 11 of section 28 of the FRS 102.

During the year the amount paid in relation to the scheme by the charity was £nil. As at the reporting date the unpaid contributions included within other creditors was £1,267.

#### 12. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
Additions	<u>3,703,297</u>	<u>218,191</u>	<u>5,661</u>	<u>3,927,149</u>
<b>DEPRECIATION</b>				
Charge for year	<u>-</u>	<u>36,435</u>	<u>1,609</u>	<u>38,044</u>
<b>NET BOOK VALUE</b>				
At 31st March 2022	<u>3,703,297</u>	<u>181,756</u>	<u>4,052</u>	<u>3,889,105</u>

Bishop's Stortford Museum and Arts CIO has been in receipt of a donation in kind from Rhodes Birthplace Trust inclusive of goods for on-going use. Fixed assets transferred under such conditions should be valued at the fair value at the point of transfer between market participants.

In this instance, the fixed assets transferred carry a bespoke and specialist nature and it is impractical to apply a fair value to these assets. As such, all donated goods for on-going use will be depreciated over their remaining useful life in line with our existing depreciation policy, whereas newly purchased assets will be depreciated over the useful life in line with our depreciation policy.

#### 13. STOCKS

Bishop's Stortford Museum and Arts CIO has been in receipt of a donation in kind from Rhodes Birthplace Trust inclusive of goods for resale. Goods transferred under such conditions should be valued at the fair value at the point of transfer between market participants. Estimating the fair value of donated goods for resale is often impractical because of the low-value items received or the absence of detailed stock control systems or records.

In this instance, a stock take was conducted by an industry specialist to confirm the amount of stock remaining at the year-end of Rhodes Birthplace Trust, and this value has been ascribed to the stock donated to Bishop's Stortford Museum and Arts CIO.

**BISHOP'S STORTFORD MUSEUM AND ARTS CIO**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2022**

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	£
Trade debtors	41,092
Other debtors	6,628
VAT	7,796
Prepayments and accrued income	<u>6,164</u>
	<u>61,680</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	£
Trade creditors	18,704
Taxation and social security	800
Other creditors	<u>143,389</u>
	<u>162,893</u>

**16. MOVEMENT IN FUNDS**

	Net movement in funds £	At 31/3/22 £
<b>Unrestricted funds</b>		
General fund	4,205,622	4,205,622
<b>Restricted funds</b>		
Book Sales Fund	2,282	2,282
Museum Grant Fund	3,926	3,926
Museum Donations Fund		
	2,458	2,458
Events Donation Fund	1,227	1,227
S106 Contribution Fund	<u>88,042</u>	<u>88,042</u>
	<u>97,935</u>	<u>97,935</u>
<b>TOTAL FUNDS</b>	<u>4,303,557</u>	<u>4,303,557</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	4,920,272	(714,650)	4,205,622
<b>Restricted funds</b>			
Book Sales Fund	2,282	-	2,282
Museum Grant Fund	3,926	-	3,926
Museum Donations Fund			
	2,458	-	2,458
Events Donation Fund	1,227	-	1,227
S106 Contribution Fund	<u>88,042</u>	<u>-</u>	<u>88,042</u>
	<u>97,935</u>	<u>-</u>	<u>97,935</u>
<b>TOTAL FUNDS</b>	<u>5,018,207</u>	<u>(714,650)</u>	<u>4,303,557</u>



## **BISHOP'S STORTFORD MUSEUM AND ARTS CIO**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2022**

#### **17. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31st March 2022.

#### **18. HIRE PURCHASE AND LEASING COMMITMENTS**

Bishop's Stortford Museum and Arts CIO is engaged in a lease agreement for the use of Bishop's Stortford Town Council's Cemetery Chapel where there are 4 years remaining on this lease agreement.

Rentals paid under this rental lease are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Disclosure under Charities SORP (FRS 102)	<b>Within 1 Year</b>	<b>2 - 5 Years</b>	<b>&gt; 5 Years</b>
	2,047	6,141	

#### **19. EVENTS SINCE THE END OF THE PERIOD**

The Trustees have appointed a Charity Secretary to oversee the administration and governance of Charity.

Since year end the Committees/Target Action Groups have met regularly and are making a significant contribution to the governance of the Charity. The Trustees of Bishop's Stortford Museum and Arts CIO has approved Reserves, Investments and Liquidity policies designed to manage the Charity's resources effectively.

**BISHOP'S STORTFORD MUSEUM AND ARTS CIO**  
**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31ST MARCH 2022**

£

**INCOME AND ENDOWMENTS**

**Donations and legacies**

Donations	4,349,260
Grants	<u>127,500</u>
	4,476,760

**Other trading activities**

Bar income	117,691
Catering income	<u>220</u>
	117,911

**Investment income**

Deposit account interest	835
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**Charitable activities**

Studio hire income	64,804
Other property hire income	26,335
Charitable show income	308,104
Other charitable income	<u>23,458</u>
	422,701

<b>Total incoming resources</b>	<b>5,018,207</b>
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**EXPENDITURE**

**Other trading activities**

Purchases	42,204
Wages	<u>10,978</u>
	53,182

**Charitable activities**

Wages	144,177
Social security	4,898
Pensions	3,817
Other operating leases	9,794
Rates and water	41,452
Insurance	12,985
Light and heat	4,489
Telephone	2,335
Postage and stationery	1,557
Subscriptions	960
Computer costs	8,471
Maintenance and repairs	23,947
Marketing costs	16,314
Professional fees	17,249
Costs of exhibitions and shows	251,728
Contractor cost	3,114
Staff training	815
Staff expenses	127
Staff catering	482
Workwear	437
Other staff related cost	<u>619</u>
	549,767

This page does not form part of the statutory financial statements

**BISHOP'S STORTFORD MUSEUM AND ARTS CIO**  
**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31ST MARCH 2022**

	£
<b>Charitable activities</b>	
<b>Other</b>	
Pensions	1,267
<b>Support costs</b>	
<b>Management</b>	
Wages	45,793
Social security	4,692
Pensions	<u>2,210</u>
	52,695
<b>Finance</b>	
Bank charges	4,464
<b>Other</b>	
Plant and machinery	38,044
<b>Governance costs</b>	
Auditors' remuneration	4,923
Accountancy and legal fees	<u>10,308</u>
	<u>15,231</u>
Total resources expended	<u>714,650</u>
<b>Net income</b>	<u><u>4,303,557</u></u>