

RUSSELL-COTES ART GALLERY AND MUSEUM

England & Wales · Charity number 306288

Details

Status Registered

Legal form Other

Registered 1962-07-30

Register [View on the Charity Commission register](#)

Contact

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East Cliff
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BH1 3AA

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Activities

Objects: TO MAINTAIN AN ART GALLERY AND MUSEUM KNOWN AS RUSSELL-COTES ART GALLERY AND MUSEUM IN BOURNEMOUTH FOR THE RECREATION AND ENJOYMENT OF THE PUBLIC.

Activities: Russell-Cotes provides a museum and art gallery based in a listed building overlooking Poole Bay. The Museum is part of the Government's initiative to improve access to the arts.

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** BOURNEMOUTH AND DISTRICT.
- Bournemouth

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31		-	-	-
2024-03-31	£2,005,144	£1,973,815	£46,784,424	20
2023-03-31	£1,280,043	£1,792,530	£71,492,454	18
2022-03-31	£1,131,293	£1,110,583	£68,780,719	17
2021-03-31	£871,196	£864,167	£66,806,651	13
2020-03-31	£1,056,428	£1,072,897	£66,645,762	18

Trustees

Name	Role	Appointed
BCP Council		

RUSSELL-COTES ART GALLERY AND MUSEUM

England & Wales - Charity number 306288

Accounts

Russell-Cotes Art Gallery and Museum
Charity No. 306288
Trustees' Report and Audited Accounts
31 March 2024

Trustees' Annual Report	2 to 11
Auditor's Report	12 to 15
Statement of Financial Activities	16
Balance Sheet	17
Statement of Cash flows	18
Notes to the Accounts	19 to 31
Detailed Statement of Financial Activities	32 to 33

The trustees present their report with the audited financial statements of the charity for the year ended 31 March 2024.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity No. 306288

Principal Office

Russell-Cotes Road

East Cliff

Bournemouth

BH1 3AA

Trustees

The following trustees served during the year:

BCP Council

G. Meyrick (Meyrick Baronetcy -

entitlement not taken up)

Trustees holding title to charity property

BCP Council

Key Management Personnel

Professor S. Bartholomew (Chair)

Cllr L. Northover

G. Irvine

Sir G. Meyrick

S. Newman - Museum manager

As of 1st April 2019 Bournemouth Borough Council became part of a new authority Bournemouth,

Christchurch & Poole Council (BCP) and the policy of donation has passed to the new authority. This is enshrined in the following two UK Statutory Instruments:

- 2018 No. 648 The Bournemouth, Dorset and Poole (Structural Changes) Order 2018

- 2008 No. 2176 The Local Government (Structural Changes)(Transfer of Functions, Property, Rights and Liabilities) Regulations 2008.

The trustee is pleased to present these formal statements of account. This recognises the importance the art gallery and museum has as a key cultural community resource and flagship visitor attraction for the Bournemouth conurbation and region. The trustee has taken the Charity Commission's guidance on public benefit into consideration. It formalises the accounting treatment of the Trust as a separate entity with its own transactions distinct from those of BCP Council (The Council).

Auditor

Hixsons

24 Cecil Avenue

Bournemouth

BH8 9EJ

OBJECTIVES AND ACTIVITIES

The objects of the Charity are the purposes of an art gallery and museum.

Our vision is that the Russell-Cotes Art Gallery & Museum will be the internationally acclaimed cultural flagship for Bournemouth and beyond. Our Mission is to inspire and enrich the lives of Bournemouth's residents and visitors by creating a cultural flagship around a unique historic house and international art collections.

Russell-Cotes Art Gallery and Museum is an outstanding celebration of late Victorian art collectors; their passions and achievements; how they lived and encountered the world; and how they presented their collections to enrich the lives of others. We are entrusted to present the Russell-Cotes' personal legacy in the most authentic way possible, and to enable learning, enjoyment and access to the house and collections for residents and visitors to Bournemouth.

Background - The Russell-Cotes is a rare survivor as the residence of a Victorian/Edwardian collector, planned and perpetuated as a permanent art museum. It now comprises art galleries, historic house, exhibitions, a licensed café, a shop and activity/learning area.

The Collections - The collection is a prime example of Victorian attitudes which resulted in an eclectic collection spanning fine art, ethnography, decorative and applied arts, sculpture, souvenirs and a theatre collection. Since Merton Russell-Cotes was an assiduous collector of British paintings in the latter part of the 19th century, the art collection provides a unique insight into middle class taste of the period. The collections were expanded and enhanced by the souvenirs acquired during the Russell-Cotes' travels around the world. Further donations, purchases and bequests have significantly added to the collection after 1921.

The 'collections strategy' contains the policies for the acquisition, preservation, management and disposal of heritage assets and the details of the assets are maintained in the Modes database. The public has access to the collections that are on display. Personal access to the collections is not permitted as a general rule, although each request is reviewed on its merits taking into account the risks to the collections before granting or refusing access.

ACHIEVEMENTS AND PERFORMANCE

Review of the Year - The Museum had made a complete recovery from Covid in the previous financial year. Visitor numbers and activities continued to increase during this year.

Usage: Headline Performance - During the year, the gallery provided a range of public benefits through its public exhibitions, displays, activities, events, learning resources and sessions, including online activities, achieving the following usage numbers: 171,219 usages (53,231 visits in person, 1,559 enquiries, 91,057 unique website users, 10,830 followers on Facebook, 2,884 followers on Twitter, 4,848 followers on Instagram, 521 followers on other social media (YouTube, LinkedIn and TikTok) 5,828 e-newsletter subscribers, 198 off-site participants and 263 online participants, compared to 165,946 in 2022-23. 53,231 visits in person, compared to 49,762 in 2022-23. September 2023 saw the most visitors to the gallery (5,841), whilst August 2023 (5,828) and March 2024 (5,426) were also busy.

The Museum's educational and events programme continued - 47 formal education sessions were held on site delivering to 816 pupils and home-educated children. This compares to 39 sessions for home educated children, delivering to 1,118 children in 2022-23. Offsite 3 sessions were held for 72 university students. The number of annual tickets sold increased to 588 (from 580) generating 1,246 return visits. The Friends membership increased to 267 (from 218 members), generating 1,144 return visits.

Exhibitions and Events - 'In her own voice: the art of Lucy Kemp-Welch (1869 – 1948)' (1 April – 1 October 2023). Lucy Kemp-Welch (1869-1958) is one of Britain's best-known equine, female artists. Over a long and successful career spanning the first half of the 20th century she became a leading painter of horses, famous for her illustrations for Black Beauty and sensitive portrayals of horses at work. Her pictures are informed by her expertise as a horsewoman and love for her equine subjects. The Russell-Cotes Art Gallery & Museum partnered with the National Horse Racing Museum to organise the first major retrospective exhibition of works since the artist's death. Curated by art historian David Boyd Haycock, the exhibition focussed on key works and moments in Kemp-Welch's illustrious career and the influence of Hubert von Herkomer's teaching at his school in Bushey. This exhibition was made possible with a grant from the Weston Loan Programme with Art Fund and featured works from the Russell-Cotes collection as well as from national and regional museums, including the Imperial War Museum, Bushey Museum and Southampton City Art Gallery. The exhibition coincided with the launch of David Boyd Haycock's new biography of the artist 'The Life and Work of Lucy Kemp-Welch, Painter of Horses'. The exhibition was made possible as a result of the Government Indemnity Scheme. The Russell-Cotes Art Gallery & Museum is very grateful to HM Government for providing Government Indemnity and the Department for Digital, Culture and Sport and Arts Council England for arranging the indemnity. The exhibition was very popular, attracting visitors from around the world and very significant press coverage including 'Country Life' and 'The Spectator'. Reviews included: 'Superb exhibition of the paintings of Lucy Kemp-Welch, which was my main reason for visiting and was delighted to discover what a treasure the whole experience was.'

'Siam: through the lens of John Thomson (1837 – 1921)' (21 October 2023 – 14 April 2024). This exhibition showed modern large-scale prints of glass plate photographs of Siam and Ankor Wat in Cambodia in the 1870s taken by John Thomson, who was an exact contemporary of Merton and Annie Russell-Cotes. It is the sister exhibition to the very popular 'China, through the lens of John Thomson' which was held in 2018. A Scottish photographer with an exceptional eye for detail, Thomson embarked on a ground-breaking journey to Siam during the late Victorian period, with a fairly new invention in those days: photography, capturing scenes that had been scarcely witnessed before in the western world. Throughout his remarkable career, Thomson ventured into uncharted territories and documented the exotic beauty and cultural richness of Thailand and Cambodia in stunning detail. Featuring dramatic images developed from negatives preserved in London's Wellcome Collection, this exhibition introduced the sights and people of nineteenth-century Thailand and Cambodia as witnessed by Thomson first hand. The exhibition was opened by His Excellency Than! Thongphakdi, the Thai ambassador, and there were a number of associated events and workshops on site and on-line. The exhibition was well received with comments such as 'the Siam photographic exhibition was outstanding'.

Secretary's Room Exhibitions - From the Outside In: Responding to Art and Sculpture from the Russell-Cotes Africa Collection (January – December 2023). The Russell-Cotes worked with diverse community groups including local charity, DEED, to develop an exhibition of art and sculpture from a range of African countries from Sierra Leone to the Democratic Republic of Congo. Participants used the opportunity to explore ideas of colonialism, collecting, representation and meaning.

'Beautiful Bournemouth' (January 2024 – July 2024). This exhibition featured paintings and prints from the collection showing Bournemouth views.

Events, Learning and Community – On-site and on-line

A total of 90 informal learning and activity sessions took place on site involving 6,624 people. They included:

- Behind the Scenes Tours restarted on a monthly basis
- Regular drop-in tours of the museum for visitors offered by volunteer tour guides resumed three times per week.
- 46 booked group visits, some with a guided tour, for 1,005 people (including tour operators, specialist interest and adult education groups).
- The popular Halloween event was resumed attracting 110 people.
- Christmas Weekend attracted 669 visitors.

- A 'Lates' programme of a monthly evening opening with additional talks, tours and activities, was made a regular event on the third Thursday of the month and proved very popular. Themes included Dangerous Women, Time Travellers and Christmas. A total of 3,305 visitors attended Lates over the year.

In addition, 197 children participated in 18 family learning and engagement activities

- Father Christmas made a welcome return for a further 103 children.

- 34 people attended workshops

- 62 formal learning sessions were delivered for 2,046 pupils/students including

- 29 formal learning sessions were held for 694 school children.

- 18 sessions for 122 home-educated children.

- There were also 32 visits by Language schools for 806 students (though many were self-led).

- 14 groups of 398 university students from AUB and Bournemouth University.

- 2 sessions off-site for 72 students from the universities.

Digital activity included:

- 6 on-line talks were offered by volunteers, staff and external curators and researchers related to the collections, museum and exhibitions attracting 263 attendees.
- Regular newsletters were sent to the mailing list/supporters to keep them up to date with museum activities.
- A 'Friends Zone' continued with background information and articles.

Outreach included:

- 5 take-out talks for 126 attendees

Audiences

The museum engaged with community groups, specifically IAAC and DEED, to develop the exhibition 'From the Outside In: Responding to Art and Sculpture in the African Collection' in the Secretary's Room.

Focus groups on Visitor Experience, Programming, Access and Diversity continued with quarterly meetings scheduled to seek the views and ideas of diverse visitors and communities, in order to help inform the work of the Russell-Cotes, ensuring that it is relevant, engaging and respectful to all, and to drive improvements across its activities.

Sixpence Days, which essentially allowed free entry, were held four times in the year and attracted 3,626 visitors in total, averaging 906 per day. This enabled those for whom the admission charge is a barrier to visit for free.

The museum attended the World of Love Festival in Bournemouth and had stands at the Freshers Fairs for Bournemouth University and AUB, reaching 777 people in total.

Collections and Interpretation

As a result of the Lucy Kemp-Welch exhibition, the Russell-Cotes was offered the opportunity to purchase five studies by the artist dated 1894 for the painting 'Gypsy Horse Drivers' (in the RCAGM collections). The acquisitions were partly funded by grants from Arts Council England/V&A Purchase Grant Fund (£8,725), and Art Fund (£5,725). The balance came from the specific RCAGM fund restricted for the conservation and purchase of work for the Collection.

The museum's interpretation has been updated with new Room Books in all rooms now including information on sculptures, decorative art, world cultures and fittings as well as paintings. Conservation of the sculpture of 'Queen Victoria' by John Gibson RA (1790 – 1866) has enabled her nose to be reconstructed. Friends of the Russell-Cotes contributed to the cost of the conservation. 'Thames Embankment' by James Aumonier (1832 – 1911) was also conserved. Both works are on display in the Museum.

Loans of paintings and objects in the Collection were made to British Museum, Kunsthalle Munchen (Munich), Museo d'Arte Moderna e Contemporanea di Casa Cavazzini (Udine), Casa delle Esposizioni di Illegio (Italy), Musei di San Domenico (Forlì, Italy), Falmouth Art Gallery, Tullie House Museum and Art Gallery (Carlisle), Southampton City Art Gallery, Red House Museum (Christchurch) and National Horseracing Museum (Newmarket). Attendance at these exhibitions was 513,133 in total.

Income generation - Café - The outdoor terrace and catering cart were fully operational subject to weather and demand and have enhanced the Café's offer and contributed to an increased turnover. Wedding and Venue Hire - Three room hires were held. Retail - Shop sales from the pop-up Lucy Kemp-Welch exhibition were strong, and from an improved Christmas offer. However, overall shop sales were slightly reduced from the previous year.

FINANCIAL REVIEW

Historically the Council, in its role as local authority and corporate trustee, has provided donated services each year sufficient for the trust to achieve breakeven. This is currently the policy that is expected to continue and so the accounts have been prepared on a going concern basis.

The unrestricted income fund is £193,869 and is stock, petty cash and reserves from BCP Council. The restricted income fund is £278,327 and is the conservatory repair fund, the purchase reserve and various other reserves held in trust to be retained for the benefit of the charity. The endowment reserve is £46,312,228 and is the value of the Heritage assets.

The Trust's assets are the freehold land and buildings consisting of the East Cliff Hall, Bournemouth and the collection itself. The Trustee has valued the freehold land and buildings at depreciated replacement cost value which, is reflected in a revaluation reserve on the balance sheet.

In 2022, the Russell-Cotes was awarded a grant of £518,000 from the Arts Council England (ACE) Museums Estates and Development Fund (MEND) to deliver a defined programme of maintenance work: restoring the conservatory, replacing the end-of-life air handling units, improving drainage and improving CCTV security. Match funding was provided by £213,000 from the Community Infrastructure Levy (CIL), fundraising (£30,000) and £213,000 BCP Council prudential borrowing.

Work was successfully completed on the drainage and replacing all the air handling units in spring 2024. This allowed the museum to be closed for 4 weeks in January 2024. All plant has been upgraded and renewed allowing the delivery of close control of the environment in the museum, whilst providing only customer comfort in the Café area, with more modern and efficient systems which will bring a reduction in energy usage.

The cost of the repairs to the conservatory was higher than budgeted due to inflation in the sector, so additional funds have been raised and secured from reserves. Work started in spring 2024 and is due for completion in autumn 2024.

The Museum received £1,915 from Neighbourhood CIL for the refurbishment of garden features including the Japanese bridge, fountain and the refurbishment of the beach sculptures on the metal railings. It received £36,303 from the Bournemouth Civic Society on its closure after 50 years, to recreate a children's pavilion in the garden. It also received a legacy from Miss Julia Stallard of £84,317 towards the maintenance of the museum.

Approximately 20 FTE members of staff were employed during this period, (18 FTE in 2022-23), excluding a % of senior management time.

Volunteers continued to make a valuable 'in kind' contribution to the service both remotely and on-site, working on a range of projects including:

- Interpretation - (research on exhibition text)
- Collections related (cataloguing RC library, collections research and documentation, environmental monitoring, deep cleaning)
- Public-facing (stewarding, tour guiding, learning assistance, talks, cafe etc)
- IT, marketing & administrative (visitor feedback, data entry etc)
- Performing live music in the house
- Maintaining the garden

During the year the museum had 129 volunteers who contributed about 4,168 hours of their time.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustee relies on the Council's corporate risk register to monitor and manage risk. Where necessary specific matters relating to the Russell Cotes will be included. The Trustee has considered the risks that the charity is exposed to but does not deem there to be any significant risk arising from its activities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trustee is pleased to present these formal statements of account. It recognises the importance the art gallery and museum has as a key cultural community resource and flagship visitor attraction for the Bournemouth conurbation and region. The Trustee has taken the Charity Commission's guidance on public benefit into consideration. It also formalises the accounting treatment of the Trust as a separate entity with its own transactions distinct from those of BCP Council (The Council).

The Trust was created under indentures of 1908, 1918 and 1920 between BCP Council's predecessor body the County Borough of Bournemouth Corporation and Sir Merton and Lady Russell-Cotes. In 1962 a charity was formed to take over responsibility for the house and contents. Further information is provided in the notes to the accounts – tangible fixed assets.

Under the indentures, the house and its collection were gifted to the Council for the purpose of forming an art gallery and museum for the use, benefit and enjoyment of the inhabitants of and visitors to Bournemouth.

The original indentures were varied by s.57 Bournemouth Borough Council Act 1985. This requires that the Council manage, regulate, control and deal with the Trust, premises and property by means of a management committee appointed by them in accordance with the Local Government Act 1972. Pursuant to the Council's Constitution, local choice functions are intended to be executive functions (ordinarily exercised by the Leader and/or Cabinet and Cabinet members per the Leader's scheme of delegation) as is permitted in accordance with the Local Authorities (Functions and Responsibilities) (England) Regulations 2000. The Council's executive therefore exercises the functions as Trustee for the operations and management of the Russell-Cotes Art Gallery and Museum. As in practice, Cabinet does not sit as the Management Committee, a new Management Committee was created in 2016, as a sub-committee of Cabinet and exercises the functions delegated to it.

**Russell-Cotes Art Gallery and Museum
Trustees Annual Report**

The Management Committee meets twice a year and is serviced by the Council's Democratic Services team. As a sub-committee the minutes of meetings are noted and agreed by Cabinet. The Management Committee is made up of:

- a) the Portfolio Holder,
- b) two further Council member,
- c) 4 external (Non-Council Members) and
- d) Sir George Meyrick (or the person for the time being in enjoyment of the title), in compliance with the Bournemouth Borough Council Act. A substitute can be agreed with the elected chair prior to any meeting.

Non-Council members cannot lawfully exercise formal voting rights. However the rules have been written very carefully to ensure the non-members views are taken into account through a recorded shadow vote before any formal vote is taken.

Following continued discussion and consultation on the governance arrangements within the Council and with external stakeholders and communities, an application was made to the Charity Commission for permission to apply for a change of governance. In August 2022, the Charity Commission concluded that a change of governance was in the best interests of the charity and invited BCP Council to formally request a parliamentary scheme to replace the Local Authority Trustee with a new corporate Trustee under Section 73 of the Charities Act 2011.

BCP Council, as Sole Trustee, formally approved the request to the Charity Commission for a new Corporate Trustee in the minutes of its meeting on 10 January 2023.

Funding of £98,500 was provided by National Lottery Heritage Fund (NLHF) to support the costs of making this application and the transition to a new independent charity.

The formal application to the Charity Commission by BCP Council was delayed by the process of agreeing a financial arrangement for the new Trustee, but it was formally submitted in December 2023. A financial settlement to support the new corporate trustee was agreed by BCP Council at its meeting in February 2024. The Charity Commission is currently in process of drafting a Scheme for the new Trustee to be agreed with the Council and approved by Parliament in due course.

Progress on establishing the new trustee and its organisational arrangements continues.

Recruitment and appointment of external members

The management Committee recruitment process is carried out by officers and existing members on behalf of the Management Committee. The vacancy is advertised in the local media and interested parties are then provided with:

- a. Briefing Note
- b. Forward Plan
- c. Collections Strategy
- d. Latest Annual Report

The applicants' CV's are reviewed and potential applicants are then interviewed and appointed using the Charity Commission Operational Guidance, Trustee Act 2000, OG 86 B4 'Power to employ nominees and custodians'. On the appointment the committee members are provided with a copy of the governing documents, the Rules of the Management Committee together with the rules for conflicts of interest. A familiarisation session will be provided which ensures that the new management committee members have a good understanding of the Russell-Cotes Art Gallery and Museum as a whole and how it operates within the context of BCP Council.

Statement of trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities requires the charity trustees to prepare financial statements which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:


- * select suitable accounting policies and then apply them consistently;
- * observe the methods and principles in the Charities SORP;
- * make judgements and estimates that are reasonable and prudent;
- * state whether applicable UK 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 that 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 applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. The Trustees are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditor

So far as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware and each trustee has taken all the steps that he or she ought to have taken as a trustee in order to make himself or herself aware of any relevant information and to establish that the company's auditors are aware of that information.

Signed on behalf of the charity's trustees


Sarah Lowe
Trustee
BCP Council
Amy Martin
Trustee
Audit for Trustees

29 January 2025

Opinion

We have audited the accounts of Russell-Cotes Art Gallery and Museum (the 'charity') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the Notes to the Accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024, and of its profit/loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charity's ability to continue as a going concern for a period of at least 12 months from when the accounts 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 annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

**Russell-Cotes Art Gallery and Museum
Audit Report Unqualified**

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 in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the accounts is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the accounts are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

In preparing the accounts, 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 intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

We have been appointed under the Charities Act 2011, s. 145 and report in accordance with the regulations made under the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements, including how fraud may occur by enquiring of management of its own the financial statements, including how fraud may occur by enquiring of management of its own consideration of fraud. In particular, we looked at where management made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also considered potential financial or other pressures, opportunity and motivations for fraud.

As part of this discussion we identified the internal controls established to mitigate risks related to fraud or noncompliance with laws and regulations and how management monitor these processes. Appropriate procedures included the review and testing of manual journals and key estimates and judgements made by management.

We gained an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates, drawing on our sector experience, and considered the risk of acts by the Charity that were contrary to these laws and regulations, including fraud.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Charities Act 2011 and UK tax legislation.

We made enquiries of management with regards to compliance with the above laws and regulations and corroborated any necessary evidence to relevant information, for example, minutes of the trustees' meetings and correspondence between the Charity and its solicitors.

Our tests included agreeing the financial statements disclosures to underlying supporting documentation and enquiries with management, identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, reviewing of deferred income and accrued provisions.

We did not identify any key audit matters relating to irregularities, including fraud. As in all of our audits, we also addressed the risk of management override of internal controls including testing journals and evaluation whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditresponsibilities. This description forms part of our auditor's report.

Use of this report

This report is made solely to the charity's trustees, as a body, in accordance 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.

Hixsons, Accountants and Statutory Auditors
24 Cecil Avenue
Bournemouth
BH8 9EJ

29 January 2025

Hixsons is eligible for appointment as auditor in terms of the Companies Act 2006, s.1212.

Russell-Cotes Art Gallery and Museum
Statement of Financial Activities
for the year ended 31 March 2024

	Unrestricted funds 2024	Restricted funds 2024	Endowment funds 2024	Total funds 2024	Total funds 2023
Income and endowments from:					
3 Donations and legacies	699,545	778,606	-	1,478,151	945,897
4 Charitable activities	246,198	-	-	246,198	354,830
5 Other trading activities	280,007	-	-	280,007	255,347
6 Other	788	-	-	788	326
Total	1,226,538	778,606	-	2,005,144	1,556,400
Expenditure on:					
7 Raising funds	1,003,405	688,773	-	1,692,178	1,133,418
8 Charitable activities	190,317	-	-	190,317	150,761
9 Other	-	-	91,320	91,320	508,351
Total	1,193,722	688,773	91,320	1,973,815	1,792,530
Net gains on investments	-	-	-	-	-
10 Net income/(expenditure) Transfers between funds	32,816	89,833	(91,320)	31,329	(236,130)
Net income/(expenditure) before other gains/(losses)	32,816	89,833	(91,320)	31,329	(236,130)
Other gains and losses	-	-	(4,735,580)	(4,735,580)	(17,055,914)
Other (Losses)	-	-	(4,735,580)	(4,735,580)	(17,055,914)
Net movement in funds	32,816	89,833	(4,826,900)	(4,704,251)	(17,292,044)
Reconciliation of funds:					
Total funds brought forward	161,053	188,494	51,139,128	51,488,675	68,780,719
Total funds carried forward	193,869	278,327	46,312,228	46,784,424	51,488,675

RESTATED

Russell-Cotes Art Gallery and Museum
Balance Sheet

at 31 March 2024

Charity No. 306288

2024
£

2023
£

RESTATED

Fixed assets				
Tangible assets	12	46,312,228	51,139,128	51,139,128
Current assets				
Stocks	13	13,820	14,013	14,013
Debtors	14	12,283	9,010	9,010
Cash at bank and in hand		498,472	428,745	428,745
Creditors: Amount falling due within one year	15	(52,379)	(102,221)	(102,221)
Net current assets		472,196	349,547	349,547
Total assets less current liabilities		46,784,424	51,488,675	51,488,675
Net assets excluding pension asset or liability		46,784,424	51,488,675	51,488,675
Total net assets		46,784,424	51,488,675	51,488,675
The funds of the charity				
Restricted funds				
Endowment funds	16	46,312,228	51,139,128	51,139,128
Restricted income funds		278,327	188,494	188,494
Unrestricted funds	16	46,590,555	51,327,622	51,327,622
General funds		193,869	161,053	161,053
Total funds		46,784,424	51,488,675	51,488,675

Approved by the trustees on 29 January 2025

And signed on their behalf by:


ANDY MARTIN

BCP Council

Trustee

29 January 2025


Stuart Bostock

Russell-Cotes Art Gallery and Museum
Statement of Cash flows
for the year ended 31 March 2024

	2024	2023
	£	£
Cash flows from operating activities		
Net expenditure per Statement of Financial Activities	(4,704,251)	(17,292,044)
Adjustments for:		
Profit on disposal of tangible fixed assets	(788)	(326)
Depreciation of property, plant and equipment	91,320	508,351
Other (gains)/losses	4,735,580	17,055,914
Decrease in stocks	193	6,415
(Increase)/Decrease in trade and other receivables	(3,273)	29,537
(Decrease)/Increase in trade and other payables	(49,842)	10,135
Net cash provided by operating activities	68,939	317,982
Cash flows from investing activities		
Profit on disposal of tangible fixed assets	788	326
Dividends, interest and rents from investments	-	-
Net cash from investing activities	788	326
Net cash from financing activities		
Net cash from financing activities	-	-
Net increase in cash and cash equivalents	69,727	318,308
Cash and cash equivalents at the beginning of the year	428,745	110,437
Cash and cash equivalents at the end of the year	498,472	428,745
Components of cash and cash equivalents		
Cash and bank balances	498,472	428,745
	<u>498,472</u>	<u>428,745</u>

Basis of preparation

The financial statements have been prepared in accordance with Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 1 January 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The Russell-Cotes Art Gallery and Museum's corporate trustee includes the charity in its consolidated financial statements. The consolidated financial statements are prepared under the International Financial Reporting Standards and are available to the public at <https://www.bcpccouncil.gov.uk/About-the-council/Budgets-and-finance/Annual-accounts.aspx>. Having given regard to Public Benefit Entity guidance the corporate trustee considers the Russell-Cotes Art Gallery and Museum to be a Public Benefit Entity.

Going Concern

Historically the Council, in its role as local authority and corporate trustee, has provided donated services each year sufficient for the trust to achieve breakeven. This is currently the policy and the trustee has received confirmation that this support will continue for the foreseeable future and is considered adequate and so the accounts have been prepared on a going concern basis. The trustee considers that there are no material uncertainties about the Trust's ability to continue as a going concern.

Change in basis of accounting or to previous accounts

There has been no change to the accounting policies (valuation rules and method of accounting) since last year and no changes have been made to accounts for previous years.

Fund accounting

Unrestricted funds These are available for use at the discretion of the trustees in furtherance of the general objects of the charity.
Designated funds These are unrestricted funds earmarked by the trustees for particular purposes.
Revaluation funds These are unrestricted funds which include a revaluation reserve representing the restatement of investment assets at their market values.
Restricted funds These are available for use subject to restrictions imposed by the donor or through terms of an appeal.

Income

Recognition of

income

Income is included in the Statement of Financial Activities (SoFA) when the charity becomes entitled to, and virtually certain to receive, the income and the amount of the income can be measured with sufficient reliability.

Voluntary income in the form of Donated Services received is recognised in the year that the matching unfunded element of expenditure is incurred. The policy of BCP Council has been and will be to subsidise the charity each year to the extent of its income shortfall. While this arrangement is likely to continue for the foreseeable future there is no contractual necessity for the Council to provide the subsidy through Donated Services other than the basic maintenance of the East Cliff Hall premises and grounds and the collection. There is also the need to employ a curator. Staffing currently includes a post of this nature together with the staff expected of a modern-day museum and art gallery. Income from commercial trading activities is recognised at point of sale - this includes income from the café. Grant income is recognised when the charity can demonstrate entitlement, receipt is probable, and the amount can be measured reliably.

Income with related

expenditure

Where income has related expenditure the income and related expenditure is reported gross in the SoFA.

Donations and

legacies

Voluntary income received by way of grants, donations and gifts is included in the SoFA when receivable and only when the Charity has unconditional entitlement to the income.

Tax claims on

donations and gifts

it relates.

Income from tax claims is included in the SoFA at the same time as the gift/donation to which

Donated services

and facilities

These are only included in income (with an equivalent amount in expenditure) where the benefit to the Charity is reasonably quantifiable, measurable and material.

Volunteer help

The value of any volunteer help received is not included in the accounts.

Investment income

This is included in the accounts when receivable.

Gains/(losses) on

revaluation of fixed

assets
This includes any gain or loss resulting from revaluing investments to market value at the end of the year.

Gains/(losses) on

investment assets

This includes any gain or loss on the sale of investments.

Expenditure

Recognition of expenditure is recognised on an accruals basis. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Expenditure on raising funds

These comprise the costs associated with attracting voluntary income, fundraising trading costs and investment management costs.

The main cost is for staff and there is no distinction or recording of time between charitable activities and the cost of generating funds. For example, there are no specific, salaried staff members employed to make retail sales. Instead, other staff members cover this function as an incidental part of their employment. An estimate of the value of this service is reflected in the statement of financial activities on an accrual basis. Maintenance includes the direct costs of maintaining the building and gardens. Running costs include rates, utilities and insurances. Salaries represent the cost of the Council supplied staff including those funded by any external grants. Operating costs are mostly incurred by the Council and charged by way of recharges to reflect the Russell-Cotes' apportionment of the cost of central Council services provided. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include those related to preparing statutory accounts, the statutory audit, legal fees and costs of Committee meetings.

Expenditure on charitable activities

These comprise the costs incurred by the Charity in the delivery of its activities and services in the furtherance of its objects, including the making of grants and governance costs. All grant expenditure is accounted for on an actual paid basis plus an accrual for grants that have been approved by the trustees at the end of the year but not yet paid.

Governance costs

These include those costs associated with meeting the constitutional and statutory requirements of the Charity, including any audit/independent examination fees, costs linked to the strategic management of the Charity, together with a share of other administration costs.

Other expenditure

These are support costs not allocated to a particular activity.

Taxation

The charity is exempt from tax on its charitable activities.

Freehold investment property

Heritage Assets

The Trust's heritage assets consist of the museum building - East Cliff Hall, the land and the paintings, furniture and other objects that form the collection of the Russell-Cotes museum. They are held to provide benefit and enjoyment to the inhabitants of and visitors to Bournemouth. Heritage assets are initially recognised at cost and are revalued periodically. Any revaluation gains or losses are held in the Endowment fund. These assets are valued using the Council's land and building valuation processes (depreciated replacement cost). Major refurbishment carried out by the Council is classified as a donated service and the asset revalued accordingly. Whilst being carried at other than a notional value, assets are depreciated on a straight line basis over their estimated useful lives.

Tangible assets

5 years

Heritage - Freehold Buildings

Capitalisation follows the policy of a threshold of £1,000.

The carrying values of heritage assets are reviewed where there is evidence of physical deterioration or breakage. Any impairment is recognised and measured in accordance with the Trust's general policies on impairment. Depreciation is only chargeable on heritage assets if they meet the Trust's general policies for depreciation. The collection is not depreciated but revalued on a periodic basis by appropriate experts including the museum curator. A record of the heritage assets held by the Trust is maintained in the Modes database.

Stocks

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market. The gift shop & cafe stock is counted at year end and valued at the lower of cost or most recent purchase price and net realisable value as per FRS102 (Section 13) and the Charity SORP.

Trade and other debtors

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

Cash and cash equivalents

Cash at bank is equal and opposite to the sum of the net of the debtors and creditors, the Conservatory Repair fund and the Paintings and Specimens reserve. The museum does not have its own bank account - all receipts are paid into and all payments paid from the BCP Council's main bank account.

Trade and other creditors

Short term creditors are measured at the transaction price. Other creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Pension costs

The charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the charity pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payments obligations. The contributions are recognised as expenses when they fall due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the charity in independently administered funds.

Receipt of donated goods, facilities and services

All donated goods, facilities and services received are recognised within incoming resources and expenditure at an estimate of the value to the charity.

2 Statement of Financial Activities - prior year

	RESTATED	RESTATED	RESTATED	RESTATED	RESTATED
	Unrestricted funds	Restricted funds	Endowment funds	Total funds	Total funds
	2023	2023	2023	2023	2023
	£	£	£	£	£
Income and endowments from:					
Donations and legacies	813,601	132,296	-	945,897	945,897
Charitable activities	313,197	41,633	-	354,830	354,830
Other trading activities	255,347	-	-	255,347	255,347
Other	326	-	-	326	326
Total	1,382,471	173,929	-	1,556,400	1,556,400
Expenditure on:					
Raising funds	1,091,785	41,633	-	1,133,418	1,133,418
Charitable activities	150,761	-	-	150,761	150,761
Other	-	-	508,351	508,351	508,351
Total	1,242,546	41,633	508,351	1,792,530	1,792,530
Net income/(expenditure)	139,925	132,296	(508,351)	(236,130)	(236,130)
Net income/(expenditure) before other gains/(losses)	139,925	132,296	(508,351)	(236,130)	(236,130)
Other gains and losses:					
Other losses	(25,074)	-	(17,030,840)	(17,055,914)	(17,055,914)
Net movement in funds	114,851	132,296	(17,539,191)	(17,292,044)	(17,292,044)
Reconciliation of funds:					
Total funds brought forward	46,202	56,198	68,678,319	68,780,719	68,780,719
Total funds carried forward	161,053	188,494	51,139,128	51,488,675	51,488,675
3. Income from donations and legacies					
Unrestricted funds	699,545	778,606		945,897	945,897
2024	£	£		£	£
80,698	302,239		82,361	82,361	82,361
618,847	476,367		863,536	863,536	863,536
Restricted funds	778,606	778,606		945,897	945,897
2024	£	£		£	£
302,239	302,239		82,361	82,361	82,361
476,367	476,367		863,536	863,536	863,536
Total funds	1,478,151	1,557,212		1,891,794	1,891,794
2024	£	£		£	£
80,698	302,239		82,361	82,361	82,361
618,847	476,367		863,536	863,536	863,536
Total funds	1,478,151	1,557,212		1,891,794	1,891,794
2024	£	£		£	£

**Russell-Cotes Art Gallery and Museum
Notes to the Accounts**

3 Income from donations and legacies

Included in BCP Council donations are 'in kind donations' for central support totalling £48,779 (2023: £44,694) and repairs totalling £40,001 (2023: £28,715).

RESTATED

Donated goods, facilities and services received

General donation				
Change in value of gift stock and cafe closing stock				
	1,095,407	(193)	1,095,214	863,536
Total funds 2024	£ 1,095,407	£ (193)	£ 1,095,214	£ 863,536
	869,951	(6,415)	863,536	863,536
Total funds 2023	£ 869,951	£ (6,415)	£ 863,536	£ 863,536

4 Income from charitable activities

Admission fees and school visits	246,198	-	246,198	224,886
Grant income	-	-	-	129,944
	246,198	-	246,198	224,886
Total funds 2024	£ 246,198	£ -	£ 246,198	£ 224,886
	246,198	-	246,198	224,886
Total funds 2023	£ 246,198	£ -	£ 246,198	£ 224,886

5 Income from other trading activities

Retail trading	279,294	-	279,294	254,042
Venue hire	713	-	713	1,305
	279,294	-	279,294	254,042
Total funds 2024	£ 279,294	£ -	£ 279,294	£ 254,042
	279,294	-	279,294	254,042
Total funds 2023	£ 279,294	£ -	£ 279,294	£ 254,042

6 Other income

Sales of fixed assets (net proceeds)	788	-	788	326
	788	-	788	326
Total funds 2024	£ 788	£ -	£ 788	£ 326
	788	-	788	326
Total funds 2023	£ 788	£ -	£ 788	£ 326

Russell-Cotes Art Gallery and Museum
Notes to the Accounts
7 Expenditure on raising funds

	2024	2023		2024	2023
	£	£		£	£
Unrestricted funds			Restricted funds		
	2024	2023		2024	2023
	£	£		£	£
<i>Fundraising trading costs</i>					
Retail trading	56,178	60,010		56,178	60,010
General operations - for detail see below	943,765	1,078,669		675,764	1,619,529
Grant funded - for detail see below	-	-		13,009	13,009
Exhibitions	3,462	(5,261)		-	3,462
Total	1,003,405	1,133,418		688,773	1,692,178
General operations and grant funded - detail					
Repairs & maintenance	50,577	183,786		653,849	704,426
Rates & utilities	34,374	139,443		-	34,374
Other premises costs	7,594	6,254		-	7,594
Wages & salaries	432,245	423,161		-	432,245
Social security	36,627	33,119		-	36,627
Pension	71,246	62,181		-	71,246
Other employee costs	15,201	18,188		-	15,201
Accountancy, HR, Payroll & Legal costs	48,779	23,240		-	48,779
Insurance premiums	66,718	65,139		-	66,718
IT & telecoms	4,924	5,700		-	4,924
Travel	1,281	567		-	1,281
Other office costs	3,431	2,722		-	3,431
Marketing & promotion	19,724	20,861		199	19,923
Consultants	81,629	43,284		12,810	94,439
Miscellaneous supplies & services	69,415	51,024		21,915	91,330
Total	943,765	1,078,669		688,773	1,632,538

Russell-Cotes Art Gallery and Museum
Notes to the Accounts

	2024	2023
8 Expenditure on charitable activities		
Unrestricted funds	£	£
Total	190,317	150,761
Expenditure on charitable activities	171,657	120,596
General operations - for detail see below	15,800	12,000
Repository	2,860	18,165
Governance costs	15,800	12,000
Included in Governance costs are external audit fees of £15,800 (2023: £12,000) excluding VAT.		
9 Other expenditure		
Endowment funds	£	£
Total	145,341	103,657
General operations - detail	145,341	103,657
Wages and salaries	10,712	9,743
Social Security	15,604	7,196
Pension	171,657	120,596
Total	171,657	120,596
10 Net income/(expenditure) before transfers		
Endowment funds	£	£
Total	91,320	508,351
Amortisation, depreciation, impairment, profit/loss on disposal of fixed assets	91,320	508,351
Depreciation of owned fixed assets	91,320	508,351
This is stated after charging:		
Endowment funds	£	£
2024	91,320	508,351
2023	91,320	508,351

11 Staff costs

No employees received emoluments in excess of £60,000 for their Russell-Cotes related duties. There were no transactions involving the trustee or related parties and there were no ex-gratia payments.

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

2024	2023
20	18
20	18

12 Tangible fixed assets

Heritage Assets	2024	2023
Cost or revaluation		
At 1 April 2023	51,139,128	51,139,128
Additions	673,849	673,849
Revaluation	(5,500,749)	(5,500,749)
At 31 March 2024	46,312,228	46,312,228
Depreciation and impairment		
Depreciation charge for the year	91,320	91,320
Revaluation	(91,320)	(91,320)
At 31 March 2024	46,312,228	46,312,228
At 31 March 2023	51,139,128	51,139,128

The valuations (as at 31 March 2024) for the Heritage assets are:

- Building and Land £ 5,763,000 (RESTATED 2023: £ 4,880,000)
- Fine Art Collection £40,549,228 (2023: £46,259,128)

13 Stocks

Raw materials and consumables	2024	2023
	£ 13,820	£ 14,013
	13,820	14,013
Carrying value analysed by activities		
Retail trading	£ 13,820	£ 14,013
	13,820	14,013

**Russell-Cotes Art Gallery and Museum
Notes to the Accounts**

14 Debtors

Other debtors

2024	12,283
2023	9,010

2024	12,283
2023	9,010

15 Creditors:

amounts falling due within one year

Accruals

2024	52,379
2023	102,221

2024	52,379
2023	102,221

RESTATED

	At 1 April 2023	including other resources (including gains/losses)	Resources expended	At 31 March 2024
Restricted funds	51,139,128	(4,735,580)	(91,320)	46,312,228
Endowment funds:				
Building and Collection	51,139,128	(4,735,580)	(91,320)	46,312,228
Total	51,139,128	(4,735,580)	(91,320)	46,312,228
Restricted income funds:				
Conservatory repair fund - Public donations	33,804	2,221	-	36,025
Endowment income fund - Public donations	8,580	1,915	(1,915)	8,580
Paintings and specimen reserve	36,830	-	(20,000)	16,830
MEND * grant - Public donations	-	177,482	(177,482)	-
MEND * grant - BCP Council donations	-	476,367	(476,367)	-
Heritage Lottery Fund	49,280	-	(13,009)	36,271
Bequeaths	-	120,621	-	120,621
BCP Council donations	60,000	-	-	60,000
Total	188,494	778,606	(688,773)	278,327
MEND * grant - Museum Estate and Development Fund grant				
Unrestricted funds:				
General funds	161,053	1,226,538	(1,193,722)	193,869
Total	161,053	1,226,538	(1,193,722)	193,869
Total funds	51,488,675	(2,730,436)	(1,973,815)	46,784,424

Purposes and restrictions in relation to the funds:

Endowment funds: Building and Collection

This comprises the full sum of the Heritage Assets total revalued amount, the cost of any fixed asset additions since the last valuation and the depreciation charged.

Restricted funds: All funds

The cash balances are held by the Council within its general bank balances and are available at any time upon demand.

Donations to support the repair of Conservatory.

Funds received solely for the benefit of the Russell-Cotes.

Collection sales receipts retained to fund the acquisition of new items for the collection.

Paintings and specimen reserve

Endowment income fund

Conservatory repair fund

Russell-Cotes Art Gallery and Museum Notes to the Accounts

MEND (Museum Estate and Development Fund) grant

Heritage Lottery Fund

Bequeaths

BCP Council donations

17 Analysis of net assets between funds

Art Council England grant to fund essential internal and external building repairs.
To support the creation of Russell-Cotes as an independent charity.
Donations from individual estates or other interest parties to support ongoing activities of the Russell-Cotes.
Funding purposes includes - Externalisation, revenue support, repairs & maintenance & collection repository feasibility study.

	Unrestricted funds	Restricted funds	Total
Fixed assets	193,869	46,312,228	46,312,228
Net current assets	193,869	278,327	472,196
18 Reconciliation of net debt	193,869	46,590,555	46,784,424

	At 1 April 2023	Cash flows	At 31 March 2024
17 RESTATED	£	£	£
Cash and cash equivalents	428,745	69,727	498,472
Net debt	428,745	69,727	498,472

19 Restatement of prior year accounts

In preparation for the transfer of the Russell Cotes Art Gallery and Museum (RCAGM) from BCP Council into an Independent Charitable Organisation (IC), additional work has been undertaken to restate the 2022/23 Financial Accounts to take account of the following material changes.

The Land and Buildings belonging to the RCAGM have been re-assessed by External Valuers providing an updated RCI5 Valuation in line with UK GAAP and IFRS Reporting Standards. The Valuation has changed from £25,083m to £4,880m. This method of valuation will be adopted moving forward to provide a consistent accounting treatment across financial years.

Earmarked Reserve Balances held by BCP on behalf of the Russell Cotes Art Gallery and Museum (RCAGM) have been released to the Museum and have increased the Unrestricted and Restricted Funds from £73,190 to £349,547.

**Russell-Cotes Art Gallery and Museum
Detailed Statement of Financial Activities
for the year ended 31 March 2024**

RESTATED

	Unrestricted funds 2024	Restricted funds 2024	Endowment funds 2024	Total funds 2024	Total funds 2023
Income and endowments from:					
Donations and legacies	80,698	302,239	-	382,937	82,361
Public donations	618,847	476,367	-	1,095,214	863,536
BCP Council donations	699,545	778,606	-	1,478,151	945,897
Charitable activities	246,198	-	-	246,198	224,886
Admission fees and school visits	-	-	-	-	129,944
Grant income	246,198	-	-	246,198	354,830
Other trading activities	279,294	-	-	279,294	254,042
Retail trading	713	-	-	713	1,305
Venue hire	280,007	-	-	280,007	255,347
Other	788	-	-	788	326
Sale of fixed assets (net proceeds)	788	-	-	788	326
Total income and endowments	1,226,538	778,606	-	2,005,144	1,556,400
Expenditure on:					
Costs of other trading activities	56,178	-	-	56,178	60,010
Retail trading	-	13,009	-	13,009	-
Grant funded	943,765	675,764	-	1,619,529	1,078,669
General operations	3,462	-	-	3,462	(5,261)
Exhibitions	1,003,405	688,773	-	1,692,178	1,133,418
Total of expenditure on raising funds	1,003,405	688,773	-	1,692,178	1,133,418
Charitable activities	171,657	-	-	171,657	120,596
General operations	2,860	-	-	2,860	18,165
Repository	174,517	-	-	174,517	138,761
Governance costs	15,800	-	-	15,800	12,000
Total of expenditure on charitable activities	190,317	-	-	190,317	150,761
General administrative costs, including depreciation and amortisation	15,800	-	-	15,800	12,000

**Russell-Cotes Art Gallery and Museum
Detailed Statement of Financial Activities**

Depreciation of land and buildings	-	-	91,320	91,320	508,351
Total of expenditure of other costs	-	-	91,320	91,320	508,351
Total expenditure	1,193,722	688,773	91,320	1,973,815	1,792,530
Net gains on investments	-	-	-	-	-
Net income/(expenditure)	32,816	89,833	(91,320)	31,329	(236,130)
Net income/(expenditure) before other gains/(losses)	32,816	89,833	(91,320)	31,329	(236,130)
Other (Losses)	-	-	(4,735,580)	(4,735,580)	(17,055,914)
Net movement in funds	32,816	89,833	(4,826,900)	(4,704,251)	(17,292,044)
Reconciliation of funds:					
Total funds brought forward	161,053	188,494	51,139,128	51,488,675	68,780,719
Total funds carried forward	193,869	278,327	46,312,228	46,784,424	51,488,675

RUSSELL-COTES ART GALLERY AND MUSEUM

England & Wales - Charity number 306288

Accounts

Russell-Cotes Art Gallery and Museum

Charity No. 306288

Trustees' Report and Audited Accounts

31 March 2023

Russell-Cotes Art Gallery and Museum
Contents

	Pages
Trustees' Annual Report	2 to 12
Auditor's Report	13 to 15
Statement of Financial Activities	16
Balance Sheet	17
Statement of Cash flows	18
Notes to the Accounts	19 to 30
Detailed Statement of Financial Activities	31 to 32

The trustees present their report with the audited financial statements of the charity for the year ended 31 March 2023.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity No. 306288

Principal Office

Russell-Cotes Road

East Cliff

Bournemouth

BH1 3AA

Trustees

The following trustees served during the year:

BCP Council

G. Meyrick (Meyrick Baronetcy -
entitlement not taken up)

Trustees holding title to charity property

BCP Council

Key Management Personnel

Professor S. Bartholomew (Chair)

Cllr L. Williams

Cllr L. Northover

A. Frost

G. Irvine

F. Winrow

Sir G. Meyrick

S. Newman - Museum manager

As of 1st April 2019 Bournemouth Borough Council became part of a new authority Bournemouth, Christchurch & Poole Council (BCP) and the policy of donation has passed to the new authority. This is enshrined in the following two UK Statutory Instruments:

- 2018 No. 648 The Bournemouth, Dorset and Poole (Structural Changes) Order 2018
- 2008 No. 2176 The Local Government (Structural Changes)(Transfer of Functions, Property, Rights and Liabilities) Regulations 2008.

The trustee is pleased to present these formal statements of account. This recognises the importance the art gallery and museum has as a key cultural community resource and flagship visitor attraction for the Bournemouth conurbation and region. The trustee has taken the Charity Commission's guidance on public benefit into consideration. It formalises the accounting treatment of the Trust as a separate entity with its own transactions distinct from those of BCP Council (The Council).

Auditor

Hixsons

24 Cecil Avenue

Bournemouth

BH8 9EJ

Bankers

Barclays

Leicester

LE87 2BB

OBJECTIVES AND ACTIVITIES

The objects of the Charity are the purposes of an art gallery and museum.

Our vision is that the Russell-Cotes Art Gallery & Museum will be the internationally acclaimed cultural flagship for Bournemouth and beyond. Our Mission is to inspire and enrich the lives of Bournemouth's residents and visitors by creating a cultural flagship around a unique historic house and international art collections.

Russell-Cotes Art Gallery and Museum is an outstanding celebration of late Victorian art collectors; their passions and achievements; how they lived and encountered the world; and how they presented their collections to enrich the lives of others. We are entrusted to present the Russell-Cotes' personal legacy in the most authentic way possible, and to enable learning, enjoyment and access to the house and collections for residents and visitors to Bournemouth.

Background - The Russell-Cotes is a rare survivor as the residence of a Victorian/ Edwardian collector, planned and perpetuated as a permanent art museum. It now comprises art galleries, historic house, exhibitions, a licensed café, a shop and activity/ learning area.

The Collections - The collection is a prime example of Victorian attitudes which resulted in an eclectic collection spanning fine art, ethnography, decorative and applied arts, sculpture, souvenirs and a theatre collection. Since Merton Russell-Cotes was an assiduous collector of British paintings in the latter part of the 19th century, the art collection provides a unique insight into middle class taste of the period. The collections were expanded and enhanced by the souvenirs acquired during the Russell-Cotes' travels around the world. Further donations, purchases and bequests have significantly added to the collection after 1921. The 'collections strategy' contains the policies for the acquisition, preservation, management and disposal of heritage assets and the details of the assets are maintained in the Modes database. The public has access to the collections that are on display. Personal access to the collections is not permitted as a general rule, although each request is reviewed on its merits taking into account the risks to the collections before granting or refusing access.

ACHIEVEMENTS AND PERFORMANCE

Review of the Year

Covid Recovery - The Russell-Cotes has made a good recovery from the impact of Covid during this Financial Year. Whilst Covid was still circulating in the population and impacting on staff health, visitor confidence and delaying the return and take-up of a few activities, there were no limitations placed on the opening of the museum during this time period. The Museum saw its visitor numbers recover completely and were the highest since 2017/18.

Usage: Headline Performance - During the year, the gallery provided a range of public benefits through its public exhibitions, displays, activities, events, and learning resources and sessions, with a continued focus on online activities, achieving the following usage numbers: 165,946 usages (49,762 visits in person (35,497 visits in person 2021-22), 1,374 enquiries, 91,398 unique website users, 10,000 followers on Facebook, 2,835 followers on Twitter, 4,386 followers on Instagram, 329 followers on other social media (YouTube, LinkedIn and TikTok) 5,642 e-newsletter subscribers, 60 off-site participants and 160 online participants, compared to 149,512 in 2021-22.

The Museum's educational and events programme continued - 39 formal education sessions were held on site delivering to 1,118 pupils and, home- educated children, university students and language school students. This compares to 18 sessions for home educated children, delivering to 365 children in 2021-22. The number of annual tickets sold increased to 580 (from 451) generating 1,342 return visits. The Friends membership increased to 218 (from 166 members), generating 856 return visits.

Centenary - 2022 marked the Centenary of the Russell-Cotes opening fully to the public as a museum. A small steering group of Management Committee members, stakeholders, staff, Friends and volunteers was convened to advise on activities. A varied but small-scale programme of events, exhibitions and activities was organised for the Centenary year to commemorate, celebrate and engage audiences in line with our general strategy and in the light of modest funding and on-going Covid uncertainties.

The programme of Centenary activities began when the Museum reopened on 25 January 2022 and a Centenary logo was used to brand relevant activities.

A year-long Facebook project to post on 100 objects was delivered by the Curator and volunteers.

'Sixpence days' were held four times during the year.

A series of evening themed 'Lates' was scheduled on a monthly basis throughout the year.

Additionally special children's activities were organised in the garden during the holiday period including a children's party with free entertainment such as a Punch and Judy Show, in recognition of the Russell-Cotes' philanthropic focus on children in Bournemouth. Local charities were informed and their supporters invited to attend. Free family tickets were also offered via local schools.

Exhibitions and Events

'The Lost Words: Robert Macfarlane and Jackie Morris' (26 March – 18 September 2022)

The exhibition, 'The Lost Words', opened on 26 March 2022 and featured over 50 original watercolour illustrations by artist Jackie Morris and 20 acrostic poems by writer Robert Macfarlane from the bestselling book of the same name published by Hamish Hamilton. The book was created in response to the removal of the names of animals and plants from a children's dictionary and has become a cultural phenomenon. In response to this widening gulf between childhood and the natural world, 'The Lost Words' seeks to conjure that vanishing wildness back into existence through images and writing. Robert Macfarlane created a series of spell-poems – one for each lost word – while Jackie Morris, inspired by her lifelong passion for Britain's landscapes and wildlife, painted beautiful watercolours and used gold leaf to take the viewer on a journey that makes the familiar magical once more. Over a quarter of a million copies of the book have been sold which has been adapted into a film, folk songs, dance and even puppet theatre. The exhibition was developed by and loaned from Compton Verney. Over 18,000 visitors came to see the exhibition and the comment 'tree' overflowed with positive comments including:

"Thank you for opening our eyes to 'The Lost Words'. Magical, beautiful and exquisite"

"Simply Beautiful"

"Words fail me, wonderful, just wonderful"

"Beautiful and thoughtful exhibition"

"Wonderful and uplifting"

The Museum ran a number of successful related events based around the themes and artwork featured in the exhibition, including family fun days, late night events and adult art workshops. The co-creator of the book, artist Jackie Morris, also came to the museum for an artist-in-residence day and evening talk, much to the delight of museum visitors. With support from a museum shop consultant, the Russell-Cotes also trialled a pop up shop in the Cafe Gallery dedicated to 'The Lost Words' exhibition in order to fully display the wide range of 'The Lost Words' merchandise.

'Telling Tales: The Story of Victorian Narrative Art' (8 October 2022 – 5 March 2023)

This exhibition was a collaboration with Southampton City Art Gallery, following success with 'Beast or Best Friend: Animals in Art' in 2015 and 'Beyond the Brotherhood: The Pre-Raphaelite Legacy' in 2019/20. It marked the centenary by highlighting some of the finest paintings in the collection and partnering them with the best of Southampton's. The exhibition transferred to Southampton in Spring 2023. The exhibition was guest curated by Kirsty Stonell-Walker.

Narrative Art was the reality television of the Victorian era. Whilst the artistic elite rejected it, the general public loved to see soap opera drama on the gallery walls. Its accessible and sensational quality allowed viewers to transport themselves to the scene and identify with the characters depicted. Narrative Art was often a visual companion to novels, and many famous narrative pieces drew their inspiration from literature. 'Telling Tales' explored Victorian attitudes, from the cradle to the grave, through paintings chosen to show love and loss, the perils of being a woman, the foreshadowing of adult life through childhood, and how war and Empire were legitimised.

This exhibition was made possible as a result of the Government Indemnity Scheme. The Russell-Cotes Art Gallery and Museum is very grateful to HM Government for providing Government Indemnity and the Department for Digital, Culture, Media and Sport and Arts Council England for arranging the indemnity.

'Collecting the World: Quay Crafts at the Russell-Cotes' 28 June – 16 October 2022

Celebrating the centenary of the Russell-Cotes Museum, nine artists from QuayCrafts, a group of artist/makers based on the Isle of Wight, created artistic responses, inspired by the home and collections of Merton and Annie Russell-Cotes using a wide range of media. Works including textiles, ceramics, paper, print, mosaic and photography were displayed throughout the historic house. Art works were for sale.

Secretary's Room Exhibitions - 'The Road to the Museum' (25 Jan 2022 – 1 November 2022)

Paul Whitaker (author of the autobiography of Merton Russell-Cotes: 'The Art of a Salesman' created this exhibition, with illustrations by Ella Shepard. It traced the key events that led to Merton and Annie's creation of the Russell-Cotes Art Gallery & Museum in 1922.

Café Gallery

The Café Gallery was used for the purpose of selling affordable prints from the Collection and work by local craftspeople. A pop-up shop related to 'The Lost Words' operated from March – October 2022.

'New Histories and Old Stories: portraits by Jack Dickson' 7 October 2022 – 12 March 2023. This selling exhibition of stunning mixed media portraits of sitters of mixed heritage with a link to Dorset was by the Dorset-based artist and teacher Jack Dickson, who has mixed British and Zambian heritage. Jack has exhibited in Brighton, London and Dorset and appeared on Sky Arts Portrait Artist of the Year in 2020. The exhibition coincided with his appearance on the BBC's 'Make It At Market' which aired in 2023.

Events, Learning and Community – On-site and on-line

A total of 241 informal learning and activity sessions took place on site involving 3,752 people. They included:

- Behind the Scenes Tours restarted on a monthly basis from January 2023
- Regular drop-in tours of the museum for visitors offered by volunteer tour guides resumed three times per week.
- 53 booked group visits, some with a guided tour, for 1,047 people (including tour operators, specialist interest and adult education groups).
- Jackie Morris, illustrator of 'The Lost Words' gave an evening talk and book signing to coincide with the exhibition. Lucinda Hawksley talked about Charles Dickens and Christmas.
- Tours of the garden were conducted by the volunteer gardeners for Friends and for visitors under the National Garden Scheme.
- Creative workshops were led by artists in connection to 'The Lost Words' exhibition.
- The popular Hallowe'en event was resumed attracting 106 people.
- Christmas Weekend attracted 424 visitors .
- A 'Lates' programme of a monthly evening opening with additional talks, tours and activities, was made a regular event on the third Thursday of the month and proved very popular. Themes included Victorian Gothic, Japan, the Joy of Tea and Wellbeing. A total of 1,333 visitors attended Lates over the year.

2 Informal learning and activity events – take out talks were delivered off site to 60 people.

In addition, 619 children and 290 adults participated in 15 family learning and engagement activities including:

- 9 family activity days at Easter, May, October and February half-terms attracted 523 children.
- The Centenary inspired 4 free summer activities in the garden attracted 295 children including a Children's Party with entertainment (above) to coincide with Annie Russell-Cotes birthday.
- Father Christmas made a welcome return for 58 children.

62 formal learning sessions for were delivered for 2,046 pupils/students including:

- 27 formal learning sessions were held for 1,020 school children
- 12 sessions for 88 home-educated children.
- There were also 28 visits by Language schools for 773 students (though many were self-led).
- 8 groups of 165 university students.

Digital activity included:

- 4 on-line talks were offered by volunteers, staff and external curators and researchers related to the collections, museum and exhibitions attracting 160 attendees.
- Regular newsletters were sent to the mailing list/ supporters to keep them up to date with museum activities.
- A 'Friends Zone' continued with background information and articles.

Audiences:

The museum worked to further diversify its audiences, engaging different communities in and around Bournemouth. It established links with community groups, specifically IAAC and DEED, using its collections, spaces and stories to connect Bournemouth's diverse communities to Russell-Cotes. This resulted in the exhibition 'From outside in: African sculpture' in the Secretary's Room, a popup exhibition on Black Dorset in association with DEED and a Café Gallery exhibition by Jack Dickson.

Focus groups on Visitor Experience, Programming, Access and Diversity were established with quarterly meetings scheduled to seek the views and ideas of diverse visitors and communities, in order to help inform the work of the Russell-Cotes, ensuring that it is relevant, engaging and respectful to all, and to drive improvements across its activities.

'Sixpence Days', which essentially allowed free entry, were held four times in the year and attracted 1500 visitors in total, averaging 375 per day. This enabled those for whom the admission charge is a barrier to visit for free.

Collections and Interpretation

Conservation of key items included Napoleon's table, part of a suite of furniture designed by George Bullock (1717 – 1818) and procured by the British government for Napoleon's use at Longwood, St Helena. This is again on display in the Dining Room. The original lantern for the Moorish alcove was repaired, cleaned and adapted for modern LED lighting. It has been rehung bringing the alcove back to its glittering intended appearance.

Two publications have been produced, as a result of specialist research on the Collection. A short publication of some highlights of the European ceramics, 'Decorating the House Beautiful: Chinamania at Russell-Cotes' was written by Dr Anne Anderson, a noted expert, and is the first time that this part of the collection has been subject to rigorous study and evaluation. 'Passport to Japan: Sir Merton and Lady Annie Russell-Cotes and their Victorian Vision of the East' was written by Greg Irvine, former curator of the Japanese Department at the V&A.

A review of the museum's interpretation, particularly focussing on how to address issues of empire appropriately has been undertaken, but implementation paused due to staff changes.

Loans of paintings and objects in the Collection were made to Rijksmuseum (Amsterdam), Dulwich Picture Gallery, Fondazione La Triennale di Milano, Sainsbury Centre for Visual Arts (UEA, Norwich), Laing Art Gallery (Newcastle), Falmouth Art Gallery, William Morris Gallery (Walthamstow), Tullie House Museum and Art Gallery (Carlisle), Pallant House Gallery (Chichester), Henry Moore Institute (Leeds), Hamburg Kunsthalle, Kunsthalle Munchen (Munich), Museo d'Arte Moderna e Contemporanea di Casa Cavazzini (Udine).

Income generation

Cafe - The outdoor terrace and catering cart were fully operational subject to weather and demand and have enhanced the Café's offer and contributed to an increased turnover.

Wedding and Venue Hire - The museum has chosen not to renew its wedding licence. One filming session has taken place and one room hire.

Retail - The use of an external shop consultant to develop a pop-up shop in the Café Gallery to coincide with 'The Lost Words' exhibition, resulted in increased exhibition related turnover and has been repeated since warranted. Otherwise, shop sales have not been as strong as previously, partly because of different audiences (fewer overseas visitors) and the challenge of restocking post Covid.

FINANCIAL REVIEW

Historically the Council, in its role as local authority and corporate trustee, has provided donated services each year sufficient for the trust to achieve breakeven. This is currently the policy that is expected to continue and so the accounts have been prepared on a going concern basis.

The unrestricted income fund is £14,713 and is stock and petty cash held. The restricted income fund is £58,477 and is the Endowment income fund, conservatory repair fund & purchase reserve held in trust to be retained for the benefit of the charity. The endowment reserve is £71,419,264 and is the value of the Heritage assets.

The Trust's assets are the freehold land and buildings consisting of the East Cliff Hall, Bournemouth and the collection itself. The Trustee has valued the freehold buildings at insurance value, reduced by the likely costs of remedial work disclosed in the 2020 conditions survey report, uplifted to 2023 values. The value thereof is reflected in a revaluation reserve on the balance sheet.

In February 2021, the Russell-Cotes was successful in its application to the Museums Estates and Development Fund (MEND) which was established by Arts Council England (ACE) specifically to address the backlog of urgent repairs needed in the Museum sector and support environmental and financial sustainability.

This major investment to carry out urgent capital work, including restoring the conservatory, replacing the end of life air handling units, improving drainage and improving CCTV security, will cost £974,000.

A grant of £518,000 has been awarded by MEND, £33,834 has been fundraised for the conservatory and match funding of £426,000 has been agreed by BCP Council (of which £213,000 has been allocated from the Community Infrastructure Levy (CIL) Fund).

Detailed design work has been undertaken and work started on the plant rooms in March 2023. A phased approach is being taken so that the museum will remain open to visitors throughout. On site works should be complete by Summer 2024 followed by a period of monitoring and review.

A grant of £18,710 from the Art Fund and Weston Loan programme was received to support an exhibition of the work of renowned Bournemouth-born, equine artist Lucy Kemp Welch (1869 -1958) (April – September 2023) in conjunction with the National Horseracing Museum in Newmarket.

The Russell-Cotes was awarded £98,500 by the National Lottery Heritage Fund to support the transition costs for progressing the change for the charity to full independence from BCP Council.

Approximately 18.11 FTE members of staff were employed during this period, (17.11 FTE in 2021-22), excluding a % of senior management time.

Volunteers continued to make a valuable 'in kind' contribution to the service both remotely and on-site, working on a range of projects including:

- Interpretation support for the new Smartify app and Russell-Cotes 100 objects (research, and writing)
- Collections related (cataloguing RC library, collections research and documentation, environmental monitoring, deep cleaning)
- Public-facing (stewarding, tour guiding, learning assistance, talks, café etc)
- IT, marketing & administrative (visitor feedback, data entry etc)
- Performing live music in the house
- Maintaining the garden

During the year the museum had 124 volunteers who contributed about 3,330 hours of their time.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustee relies on the Council's corporate risk register to monitor and manage risk. Where necessary specific matters relating to the Russell Cotes will be included. The Trustee has considered the risks that the charity is exposed to but does not deem there to be any significant risk arising from its activities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trustee is pleased to present these formal statements of account. It recognises the importance the art gallery and museum has as a key cultural community resource and flagship visitor attraction for the Bournemouth conurbation and region. The Trustee has taken the Charity Commission's guidance on public benefit into consideration. It also formalises the accounting treatment of the Trust as a separate entity with its own transactions distinct from those of BCP Council (The Council).

Russell-Cotes Art Gallery and Museum
Trustees Annual Report

The Trust was created under Indentures of 1908, 1918 and 1920 between BCP Council's predecessor body the County Borough of Bournemouth Corporation and Sir Merton and Lady Russell-Cotes. In 1962 a charity was formed to take over responsibility for the house and contents. Further information is provided in the notes to the accounts – tangible fixed assets.

Under the Indentures, the house and its collection were gifted to the Council for the purpose of forming an art gallery and museum for the use, benefit and enjoyment of the inhabitants of and visitors to Bournemouth.

The original Indentures were varied by s.57 Bournemouth Borough Council Act 1985. This requires that the Council manage, regulate, control and deal with the Trust, premises and property by means of a management committee appointed by them in accordance with the Local Government Act 1972.

Pursuant to the Council's Constitution, local choice functions are intended to be executive functions (ordinarily exercised by the Leader and/or Cabinet and Cabinet members per the Leader's scheme of delegation) as is permitted in accordance with the Local Authorities (Functions and Responsibilities) (England) Regulations 2000. The Council's executive therefore exercises the functions as Trustee for the operations and management of the Russell-Cotes Art Gallery and Museum. As in practice, Cabinet does not sit as the Management Committee, a new Management Committee was created in 2016, as a sub-committee of Cabinet and exercises the functions delegated to it.

The Management Committee meets twice a year and is serviced by the Council's Democratic Services team. As a sub-committee the minutes of meetings are noted and agreed by Cabinet. The Management Committee is made up of:

- a) the Portfolio Holder,
- b) two further Council member,
- c) 4 external (Non-Council Members) and
- d) Sir George Meyrick (or the person for the time being in enjoyment of the title), in compliance with the Bournemouth Borough Council Act. A substitute can be agreed with the elected chair prior to any meeting.

Non-Council members cannot lawfully exercise formal voting rights. However the rules have been written very carefully to ensure the non-members views are taken into account through a recorded shadow vote before any formal vote is taken.

Following continued discussion and consultation on the governance arrangements within the Council and with external stakeholders and communities, an application was made to the Charity Commission for permission to apply for a change of governance. In August 2022, the Charity Commission concluded that a change of governance was in the best interests of the charity and invited BCP Council to formally request a parliamentary scheme to replace the Local Authority Trustee with a new corporate Trustee under Section 73 of the Charities Act 2011.

BCP Council, as Sole Trustee, formally approved the request to the Charity Commission for a new Corporate Trustee in the minutes of its meeting on 10 January 2023.

Funding has been received from National Lottery Heritage Fund (NLHF) to support the costs of making this application to the Charity Commission, supporting the process of legal change through Parliament, establishing a new Corporate Trustee, recruiting a new Board of Directors, transferring the assets and establishing all the services, policies and procedures needed for a new independent charity and negotiating a settlement to ensure the financial sustainability of an independent charity.

Recruitment and appointment of external members

The management Committee recruitment process is carried out by officers and existing members on behalf of the Management Committee. The vacancy is advertised in the local media and interested parties are then provided with:

- a. Briefing Note
- b. Forward Plan
- c. Collections Strategy
- d. Latest Annual Report

The applicants' CV's are reviewed and potential applicants are then interviewed and appointed using the Charity Commission Operational Guidance, Trustee Act 2000, OG 86 B4 'Power to employ nominees and custodians'. On the appointment the committee members are provided with a copy of the governing documents, the Rules of the Management Committee together with the rules for conflicts of interest. A familiarisation session will be provided which ensures that the new management committee members have a good understanding of the Russell-Cotes Art Gallery and Museum as a whole and how it operates within the context of BCP Council.

Statement of trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities requires the charity trustees to prepare financial statements which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- * select suitable accounting policies and then apply them consistently;
- * observe the methods and principles in the Charities SORP;
- * make judgements and estimates that are reasonable and prudent;

- * state whether applicable UK 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 that 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 applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. The Trustees are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditor

So far as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware and each trustee has taken all the steps that he or she ought to have taken as a trustee in order to make himself or herself aware of any relevant information and to establish that the company's auditors are aware of that information.

Signed on behalf of the charity's trustees

A handwritten signature in black ink, appearing to be 'A. H. B.', written over a circular stamp or seal.

BCP Council
Trustee
29 January 2024

Independent Auditor's Report to the Trustees of Russell-Cotes Art Gallery and Museum

Opinion

We have audited the accounts of Russell-Cotes Art Gallery and Museum (the 'charity') 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 Accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 ,and of its profit/loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charity's ability to continue as a going concern for a period of at least 12 months from when the accounts 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 annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the accounts is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the accounts are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

In preparing the accounts, 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 intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

We have been appointed under the Charities Act 2011, s. 145 and report in accordance with the regulations made under the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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

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

Russell-Cotes Art Gallery and Museum
Audit Report Unqualified

Use of this report

This report is made solely to the charity's trustees, as a body, in accordance 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.

Hixsons, Accountants and Statutory Auditors

24 Cecil Avenue

Bournemouth

BH8 9EJ

29 January 2024

Hixsons is eligible for appointment as auditor in terms of the Companies Act 2006, s.1212.

Russell-Cotes Art Gallery and Museum

Statement of Financial Activities

for the year ended 31 March 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
	Notes					
Income and endowments from:						
Donations and legacies	3	667,261	2,279	-	669,540	685,821
Charitable activities	4	313,197	41,633	-	354,830	199,373
Other trading activities	5	255,347	-	-	255,347	225,829
Other	6	326	-	-	326	20,268
Total		1,236,131	43,912	-	1,280,043	1,131,291
Expenditure on:						
Raising funds	7	1,091,785	41,633	-	1,133,418	932,982
Charitable activities	8	150,761	-	-	150,761	177,600
Other	9	-	-	508,351	508,351	464,288
Total		1,242,546	41,633	508,351	1,792,530	1,574,870
Net gains on investments		-	-	-	-	-
Net expenditure	10	(6,415)	2,279	(508,351)	(512,487)	(443,579)
Transfers between funds		-	-	-	-	-
Net expenditure before other gains/(losses)		(6,415)	2,279	(508,351)	(512,487)	(443,579)
Other gains and losses						
Other Gains		(25,074)	-	3,249,296	3,224,222	2,417,647
Net movement in funds		(31,489)	2,279	2,740,945	2,711,735	1,974,068
Reconciliation of funds:						
Total funds brought forward		46,202	56,198	68,678,319	68,780,719	66,806,651
Total funds carried forward		14,713	58,477	71,419,264	71,492,454	68,780,719

Russell-Cotes Art Gallery and Museum

Balance Sheet

at 31 March 2023

Charity No. 306288

		2023	2022
		£	£
Fixed assets			
Tangible assets	12	-	25,074
Heritage assets	12	71,419,264	68,678,319
		<u>71,419,264</u>	<u>68,703,393</u>
Current assets			
Stocks	13	14,013	20,428
Debtors	14	9,010	38,547
Cash held on behalf of trust		152,388	110,437
		<u>175,411</u>	<u>169,412</u>
Creditors: Amount falling due within one year	15	(102,221)	(92,086)
Net current assets		<u>73,190</u>	<u>77,326</u>
Total assets less current liabilities		<u>71,492,454</u>	<u>68,780,719</u>
Net assets excluding pension asset or liability		<u>71,492,454</u>	<u>68,780,719</u>
Total net assets		<u><u>71,492,454</u></u>	<u><u>68,780,719</u></u>
The funds of the charity			
Restricted funds			
Endowment funds	16	71,419,264	68,678,319
Restricted income funds		58,477	56,198
		<u>71,477,741</u>	<u>68,734,517</u>
Unrestricted funds			
General funds	16	14,713	46,202
Designated funds		-	
		<u>14,713</u>	<u>46,202</u>
Total funds		<u><u>71,492,454</u></u>	<u><u>68,780,719</u></u>

Approved by the trustees on 29 January 2024

And signed on their behalf by:

BCP Council

Trustee

29 January 2024

Russell-Cotes Art Gallery and Museum

Statement of Cash flows

for the year ended 31 March 2023

	2023	2022
	£	£
Cash flows from operating activities		
Net income per Statement of Financial Activities	2,711,735	1,974,068
Adjustments for:		
Depreciation of property, plant and equipment	508,351	464,288
Profit on disposal of tangible fixed assets	(326)	(20,268)
Other gains/losses	(3,224,222)	(2,417,647)
Decrease/(Increase) in stocks	6,415	(4,466)
Decrease/(Increase) in trade and other receivables	29,537	(14,955)
Increase in trade and other payables	10,135	67,488
Net cash provided by operating activities	<u>41,625</u>	<u>48,508</u>
Cash flows from investing activities		
Payments for property, plant and equipment	-	(14,595)
Profit on disposal of tangible fixed assets	326	20,268
Net cash from investing activities	<u>326</u>	<u>5,673</u>
Net cash from financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	41,951	54,181
Cash and cash equivalents at the beginning of the year	110,437	56,256
Cash and cash equivalents at the end of the year	<u>152,388</u>	<u>110,437</u>
Components of cash and cash equivalents		
Cash held on behalf of trust	152,388	110,437
	<u>152,388</u>	<u>110,437</u>

for the year ended 31 March 2023

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 1 January 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The Russell-Cotes Art Gallery and Museum's corporate trustee includes the charity in its consolidated financial statements. The consolidated financial statements are prepared under the International Financial Reporting Standards and are available to the public at <https://www.bpcouncil.gov.uk/About-the-council/Budgets-and-finance/Annual-accounts.aspx>. Having given regard to Public Benefit Entity guidance the corporate trustee considers the Russell-Cotes Art Gallery and Museum to be a Public Benefit Entity.

Going Concern

Historically the Council, in its role as local authority and corporate trustee, has provided donated services each year sufficient for the trust to achieve breakeven. This is currently the policy and the trustee has received confirmation that this support will continue for the foreseeable future and is considered adequate and so the accounts have been prepared on a going concern basis. The trustee considers that there are no material uncertainties about the Trust's ability to continue as a going concern. The pandemic has not affected this policy.

Change in basis of accounting or to previous accounts

There has been no change to the accounting policies (valuation rules and method of accounting) since last year and no changes have been made to accounts for previous years.

Fund accounting

Unrestricted funds	These are available for use at the discretion of the trustees in furtherance of the general objects of the charity.
Designated funds	These are unrestricted funds earmarked by the trustees for particular purposes.
Revaluation funds	These are unrestricted funds which include a revaluation reserve representing the restatement of investment assets at their market values.
Restricted funds	These are available for use subject to restrictions imposed by the donor or through terms of an appeal.

Income

Recognition of income Income is included in the Statement of Financial Activities (SoFA) when the charity becomes entitled to, and virtually certain to receive, the income and the amount of the income can be measured with sufficient reliability.

Voluntary income in the form of Donated Services received is recognised in the year that the matching unfunded element of expenditure is incurred. The policy of BCP Council has been and will be to subsidise the charity each year to the extent of its income shortfall. While this arrangement is likely to continue for the foreseeable future there is no contractual necessity for the Council to provide the subsidy through Donated Services other than the basic maintenance of the East Cliff Hall premises and grounds and the collection. There is also the need to employ a curator. Staffing currently includes a post of this nature together with the staff expected of a modern-day museum and art gallery. Income from commercial trading activities is recognised at point of sale - this includes income from the café. Grant income is recognised when the charity can demonstrate entitlement, receipt is probable, and the amount can be measured reliably.

Income with related expenditure Where income has related expenditure the income and related expenditure is reported gross in the SoFA.

Donations and legacies Voluntary income received by way of grants, donations and gifts is included in the the SoFA when receivable and only when the Charity has unconditional entitlement to the income.

Tax reclaims on donations and gifts Income from tax reclaims is included in the SoFA at the same time as the gift/donation to which it relates.

Donated services and facilities These are only included in income (with an equivalent amount in expenditure) where the benefit to the Charity is reasonably quantifiable, measurable and material.

Volunteer help The value of any volunteer help received is not included in the accounts.

Investment income This is included in the accounts when receivable.

Gains/(losses) on revaluation of fixed assets This includes any gain or loss resulting from revaluing investments to market value at the end of the year.

Gains/(losses) on investment assets This includes any gain or loss on the sale of investments.

Expenditure

Recognition of expenditure Expenditure is recognised on an accruals basis. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Expenditure on raising funds These comprise the costs associated with attracting voluntary income, fundraising trading costs and investment management costs.
The main cost is for staff and there is no distinction or recording of time between charitable activities and the cost of generating funds. For example, there are no specific, salaried staff members employed to make retail sales. Instead, other staff members cover this function as an incidental part of their employment. An estimate of the value of this service is reflected in the statement of financial activities on an accrual basis. Maintenance includes the direct costs of maintaining the building and gardens. Running costs include rates, utilities and insurances. Salaries represent the cost of the Council supplied staff including those funded by any external grants. Operating costs are mostly incurred by the Council and charged by way of recharges to reflect the Russell-Cotes' apportionment of the cost of central Council services provided. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include those related to preparing statutory accounts, the statutory audit, legal fees and costs of Committee meetings.

Expenditure on charitable activities These comprise the costs incurred by the Charity in the delivery of its activities and services in the furtherance of its objects, including the making of grants and governance costs.

Grants payable All grant expenditure is accounted for on an actual paid basis plus an accrual for grants that have been approved by the trustees at the end of the year but not yet paid.

Governance costs These include those costs associated with meeting the constitutional and statutory requirements of the Charity, including any audit/independent examination fees, costs linked to the strategic management of the Charity, together with a share of other administration costs.

Other expenditure These are support costs not allocated to a particular activity.

Taxation

The charity is exempt from tax on its charitable activities.

Fixed assets

Heritage assets

The Trust's heritage assets consist of the museum building - East Cliff Hall, the land and the paintings, furniture and other objects that form the collection of the Russell-Cotes museum. They are held to provide benefit and enjoyment to the inhabitants of and visitors to Bournemouth. Heritage assets are initially recognised at cost and are revalued periodically. Any revaluation gains or losses are held in the Endowment fund. These assets are valued using the Council's land and building valuation processes. Major refurbishment carried out by the Council is classified as a donated service and the asset revalued accordingly. Whilst being carried at other than a notional value, assets are depreciated on a straight line basis over their estimated useful lives.

Tangible assets	5 years
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Heritage - Freehold buildings	50 years
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The carrying values of heritage assets are reviewed where there is evidence of physical deterioration or breakage. Any impairment is recognised and measured in accordance with the Trust's general policies on impairment. Depreciation is only chargeable on heritage assets if they meet the Trust's general policies for depreciation. The collection is not depreciated but revalued on a periodic basis by appropriate experts including the museum curator. A record of the heritage assets held by the Trust is maintained in the Modes database.

Capitalisation follows the policy of a threshold of £1,000.

Freehold investment property

Investment properties are measured initially at cost and subsequently at fair value at each balance sheet date and are not depreciated. All gains or losses are taken to the Statement of Financial Activities as they arise.

Stocks

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market. The gift shop & cafe stock is counted at year end and valued at the lower of cost or most recent purchase price and net realisable value as per FRS102 (Section 13) and the Charity SORP.

Trade and other debtors

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

Cash and cash equivalents

Cash at bank is equal and opposite to the sum of the net of the debtors and creditors, the Conservatory Repair fund and the Paintings and Specimens reserve. The museum does not have its own bank account - all receipts are paid into and all payments paid from the BCP Council's main bank account.

Trade and other creditors

Short term creditors are measured at the transaction price. Other creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Receipt of donated goods, facilities and services

All donated goods, facilities and services received are recognised within incoming resources and expenditure at an estimate of the value to the charity.

2 Statement of Financial Activities - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Income and endowments from:				
Donations and legacies	684,174	1,648	-	685,822
Charitable activities	199,372	-	-	199,372
Other trading activities	225,830	-	-	225,830
Other	20,268	-	-	20,268
Total	<u>1,129,644</u>	<u>1,648</u>	<u>-</u>	<u>1,131,292</u>
Expenditure on:				
Raising funds	932,983	-	-	932,983
Charitable activities	177,600	-	-	177,600
Other	-	-	464,288	464,288
Total	<u>1,110,583</u>	<u>-</u>	<u>464,288</u>	<u>1,574,871</u>
Net income	<u>19,061</u>	<u>1,648</u>	<u>(464,288)</u>	<u>(443,579)</u>
Net income before other gains/(losses)	19,061	1,648	(464,288)	(443,579)
Other gains and losses:				
Other Gains	-	-	2,417,647	2,417,647
Net movement in funds	<u>19,061</u>	<u>1,648</u>	<u>1,953,359</u>	<u>1,974,068</u>
Reconciliation of funds:				
Total funds brought forward	27,141	54,550	66,724,960	66,806,651
Total funds carried forward	<u>46,202</u>	<u>56,198</u>	<u>68,678,319</u>	<u>68,780,719</u>

3 Income from donations and legacies

	Unrestricted	Restricted	Total 2023	Total 2022
	£	£	£	£
Public donations	80,082	2,279	82,361	40,376
BCP Council donations	587,179	-	587,179	645,445
	<u>667,261</u>	<u>2,279</u>	<u>669,540</u>	<u>685,821</u>

Included in BCP Council donations are 'in kind donations' for central support totalling £44,694 (2022: £42,705) and repairs totalling £28,715 (2022: £6,873).

Donated goods, facilities and services received

	Total 2023	Total 2022
	£	£
General donation	593,594	626,385
Fixed asset donation	-	14,595
Change in value of gift shop & café closing stock	(6,415)	4,466
	<u>587,179</u>	<u>645,446</u>

4 Income from charitable activities

	Unrestricted	Restricted	Total 2023	Total 2022
	£	£	£	£
Admission fees and school visits	224,886	-	224,886	199,373
Grant income	88,311	41,633	129,944	-
	<u>313,197</u>	<u>41,633</u>	<u>354,830</u>	<u>199,373</u>

5 Income from other trading activities

	Unrestricted	Total 2023	Total 2022
	£	£	£
Retail trading	254,042	254,042	213,105
Venue hire	1,305	1,305	12,724
	<u>255,347</u>	<u>255,347</u>	<u>225,829</u>

6 Other income

	Unrestricted	Total 2023	Total 2022
	£	£	£
Sale of fixed assets (net proceeds)	326	326	20,268
	<u>326</u>	<u>326</u>	<u>20,268</u>

7 Expenditure on raising funds

	Unrestricted	Restricted	Total 2023	Total 2022
	£	£	£	£
<i>Fundraising trading costs</i>				
Retail trading	60,010	-	60,010	36,364
General operations - for detail see below	1,037,036	41,633	1,078,669	849,710
Exhibitions	(5,261)	-	(5,261)	46,908
	<u>1,091,785</u>	<u>41,633</u>	<u>1,133,418</u>	<u>932,982</u>
General operations - detail				
Repairs & maintenance	142,153	41,633	183,786	46,277
Rates & utilities	139,443	-	139,443	65,439
Other premises costs	6,254	-	6,254	7,550
Wages & salaries	423,161	-	423,161	293,863
Social security	33,119	-	33,119	17,606
Pension	62,181	-	62,181	45,884
Other employee costs	18,188	-	18,188	14,910
Accountancy, HR, Payroll and Legal Costs	23,240	-	23,240	18,047
Insurance premiums	65,139	-	65,139	57,098
IT & telecoms	5,700	-	5,700	22,106
Travel	567	-	567	531
Other office costs	2,722	-	2,722	5,916
Marketing & promotion	20,861	-	20,861	54,485
Consultants	43,284	-	43,284	110,947
Miscellaneous supplies & services	51,024	-	51,024	89,051
	<u>1,037,036</u>	<u>41,633</u>	<u>1,078,669</u>	<u>849,710</u>

8 Expenditure on charitable activities

	Unrestricted	Total 2023	Total 2022
	£	£	£
<i>Expenditure on charitable activities</i>			
General operations - for detail see below	120,596	120,596	152,500
Repository	18,165	18,165	15,600
Governance costs	12,000	12,000	9,500
	<u>150,761</u>	<u>150,761</u>	<u>177,600</u>
Included in Governance costs are external audit fees of £12,000 (2022: £9,500) excluding VAT.			
General operations - detail			
Wages & salaries	103,657	103,657	124,555
Social security	9,743	9,743	14,621
Pension	7,196	7,196	9,442
	<u>120,596</u>	<u>120,596</u>	<u>152,500</u>

9 Other expenditure

	Endowment	Total 2023	Total 2022
	£	£	£
Amortisation, depreciation, impairment, profit/loss on disposal of fixed assets	508,351	508,351	464,288
	<u>508,351</u>	<u>508,351</u>	<u>464,288</u>

10 Net expenditure before transfers

	2023	2022
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	508,351	464,288

11 Staff costs

No employee received emoluments in excess of £60,000 for their Russell-Cotes related duties. There were no transactions involving the trustee or related parties and there were no ex-gratia payments.

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

	2023	2022
	Number	Number
	18.11	17.11
	<u>18.11</u>	<u>17.11</u>

12 Tangible fixed assets

	Tangible assets	Heritage assets	Total assets
	£	£	2023 £
Cost or revaluation			
At 1 April 2022	25,074	68,678,319	68,703,393
Revaluation	(25,074)	2,740,945	2,715,871
	<hr/>	<hr/>	<hr/>
At 31 March 2023	-	71,419,264	71,419,264
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation and impairment			
Depreciation charge for the year	-	508,351	508,351
Revaluation	-	(508,351)	(508,351)
	<hr/>	<hr/>	<hr/>
At 31 March 2023	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book values			
At 31 March 2023	-	71,419,264	71,419,264
At 31 March 2022	25,074	68,678,319	68,703,393
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The trust's assets are the freehold land and buildings consisting of the East Cliff Hall, Bournemouth and the collection itself. The buildings are now classified as Heritage Assets. Their value is reflected in the endowment funds on the balance sheet. Following the insurance strategy and to ensure the valuations remain up to date a rolling programme of revaluation by collection area has been implemented using relevant experts. Some of the collection is valued by insured value as is the Heritage Freehold Buildings. All valuations are used to update the total valuations for the collection. All valuers, excepting the Heritage Freehold Buildings, and the museum curator are independent of the Trust. The museum curator has provided a valuation in her capacity as a professional in this area.

The valuations (as at 31 March 2023) for the Heritage assets are:

- Building and Land £25,160,136 (2022: £25,082,956)
- Fine Art Collection £46,259,128 (2022: £43,595,363)

Russell-Cotes Art Gallery and Museum
Notes to the Accounts

13 Stocks

	2023	2022
	£	£
Goods for resale and consumables	14,013	20,428
	<u>14,013</u>	<u>20,428</u>

Carrying value analysed by activities

	2023	2022
	£	£
Retail trading	14,013	20,428
	<u>14,013</u>	<u>20,428</u>

14 Debtors

	2023	2022
	£	£
Other debtors	9,010	38,547
	<u>9,010</u>	<u>38,547</u>

15 Creditors:

amounts falling due within one year

	2023	2022
	£	£
Accruals	102,221	92,086
	<u>102,221</u>	<u>92,086</u>

16 Movement in funds

	At 1 April 2022	Incoming resources (including other gains/losses) £	Resources expended £	At 31 March 2023 £
Restricted funds:				
Endowment funds:				
Building & Collection	68,678,319	3,249,296	(508,351)	71,419,264
<i>Total</i>	<u>68,678,319</u>	<u>3,249,296</u>	<u>(508,351)</u>	<u>71,419,264</u>
Restricted income funds:				
Conservatory repair fund	31,525	2,279	-	33,804
Endowment income fund	8,580	-	-	8,580
Paintings and specimen reserve	16,093	-	-	16,093
MEND (Museum Estate and Development Fund) grant	-	41,633	(41,633)	-
<i>Total</i>	<u>56,198</u>	<u>43,912</u>	<u>(41,633)</u>	<u>58,477</u>
Unrestricted funds:				
General funds	46,202	1,211,057	(1,242,546)	14,713
<i>Total</i>	<u>46,202</u>	<u>1,211,057</u>	<u>(1,242,546)</u>	<u>14,713</u>
 Total funds	 <u>68,780,719</u>	 <u>4,504,265</u>	 <u>(1,792,530)</u>	 <u>71,492,454</u>

Purposes and restrictions in relation to the funds:

Endowment funds:

Building & Collection

This comprises the full sum of the Heritage Assets total revalued amount, the cost of any fixed asset additions since the last valuation and the depreciation charged.

Restricted funds:

All funds

The cash balances are held by the Council within its general bank balances and are available at any time upon demand.

Conservatory repair fund

Donations to support the repair of Conservatory.

Endowment income fund

Funds received solely for the benefit of the Russell-Cotes.

Paintings and specimen
reserve

Collection sales receipts retained to fund the acquisition of new items for the collection.

MEND (Museum Estate and
Development Fund) grant

Art Council England grant to fund essential repairs.

17 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fixed assets	-	71,419,264	71,419,264
Net current assets	73,190	-	73,190
	<u>73,190</u>	<u>71,419,264</u>	<u>71,492,454</u>

18 Reconciliation of net debt

	At 1 April 2022	Cash flows	At 31 March 2023
	£	£	£
Cash and cash equivalents	110,437	41,951	152,388
	<u>110,437</u>	<u>41,951</u>	<u>152,388</u>
Net debt	<u>110,437</u>	<u>41,951</u>	<u>152,388</u>

19 Related party disclosures

	2023	2022
	£	£
<i>Transactions with related parties</i>		
<i>Name of related party</i>	BCP Council in its role as local authority	
<i>Description of relationship between the parties</i>	Trustee	
<i>Donations received from the related party</i>	587,179	645,447

The trust has a close working relationship with BCP Council acting in its role of local authority. The Council acting in its role of trustee of the charitable trust has nominated Council Cabinet to act as the Management Committee under s.57 Bournemouth Borough Council Act 1985.

The charity trustee acting in the capacity as management was not paid or reimbursed expenses during the year and no charity trustee received any emolument or payment for professional or other service.

As disclosed in the analysis of resources expended, the Council provides staff to manage and maintain the museum and gallery. The Council has historically subsidised the annual deficits of the trust.

There are 4 exhibits on loan to BCP Council which can be found in the parlours of both the Mayor and the Mayoress.

Russell-Cotes Art Gallery and Museum
Detailed Statement of Financial Activities

for the year ended 31 March 2023

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income and endowments from:					
Donations and legacies					
Public donations	80,082	2,279	-	82,361	40,376
BCP Council donations	587,179	-	-	587,179	645,445
	<u>667,261</u>	<u>2,279</u>	<u>-</u>	<u>669,540</u>	<u>685,821</u>
Charitable activities					
Admission fees and school visits	224,886	-	-	224,886	199,373
Grant Income	88,311	41,633	-	129,944	-
	<u>313,197</u>	<u>41,633</u>	<u>-</u>	<u>354,830</u>	<u>199,373</u>
Other trading activities					
Retail trading	254,042	-	-	254,042	213,105
Venue hire	1,305	-	-	1,305	12,724
	<u>255,347</u>	<u>-</u>	<u>-</u>	<u>255,347</u>	<u>225,829</u>
Other					
Sale of fixed assets (net proceeds)	326	-	-	326	20,268
	<u>326</u>	<u>-</u>	<u>-</u>	<u>326</u>	<u>20,268</u>
Total income and endowments	1,236,131	43,912	-	1,280,043	1,131,291
Expenditure on:					
Costs of other trading activities					
Retail trading	60,010	-	-	60,010	36,364
General operations	1,037,036	41,633	-	1,078,669	849,710
Exhibitions	(5,261)	-	-	(5,261)	46,908
	<u>1,091,785</u>	<u>41,633</u>	<u>-</u>	<u>1,133,418</u>	<u>932,982</u>
Total of expenditure on raising funds	1,091,785	41,633	-	1,133,418	932,982
Charitable activities					
General operations	120,596	-	-	120,596	152,500
Repository	18,165	-	-	18,165	15,600
	<u>138,761</u>	<u>-</u>	<u>-</u>	<u>138,761</u>	<u>168,100</u>
Governance costs					
	12,000	-	-	12,000	9,500
	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>12,000</u>	<u>9,500</u>
Total of expenditure on charitable activities	150,761	-	-	150,761	177,600
General administrative costs, including depreciation and amortisation					

Russell-Cotes Art Gallery and Museum
Detailed Statement of Financial Activities

Depreciation of land and buildings	-	-	508,351	508,351	464,288
	-	-	508,351	508,351	464,288
Total of expenditure of other costs	-	-	508,351	508,351	464,288
Total expenditure	1,242,546	41,633	508,351	1,792,530	1,574,870
Net gains on investments	-	-	-	-	-
Net expenditure	(6,415)	2,279	(508,351)	(512,487)	(443,579)
Net expenditure before other gains/(losses)	(6,415)	2,279	(508,351)	(512,487)	(443,579)
Other Gains	(25,074)	-	3,249,296	3,224,222	2,417,647
Net movement in funds	(31,489)	2,279	2,740,945	2,711,735	1,974,068
Reconciliation of funds:					
Total funds brought forward	46,202	56,198	68,678,319	68,780,719	66,806,651
Total funds carried forward	14,713	58,477	71,419,264	71,492,454	68,780,719

RUSSELL-COTES ART GALLERY AND MUSEUM

England & Wales - Charity number 306288

Accounts



RUSSELL-COTES ART GALLERY AND MUSEUM
ANNUAL REPORT AND STATEMENT OF ACCOUNTS
YEAR ENDED 31 MARCH 2022

Charity number 306288

CONTENTS	Page
Report of the Trustee	3 - 8
Report of the Independent Auditor	9 - 10
Statement of Financial Activities (incorporating Income and Expenditure Account)	11
Balance sheet	12
Notes to the Accounts	13 - 20

Report of the Trustee

The trustee is pleased to present its report together with the financial statements of the charity for the year ended 31st March 2022.

Reference and administrative details

Registered name: Russell-Cotes Art Gallery and Museum
Charity number: 306288
Principal Office: Russell-Cotes Road, East Cliff, Bournemouth, BH1 3AA
Trustee: BCP Council - Cabinet members <https://democracy.bpcouncil.gov.uk/mgCommitteeDetails.aspx?ID=285>
The current holder of the Meyrick Baronetcy - Sir George Meyrick (*entitlement not taken up*)
Auditors: Hixsons, 24 Cecil Avenue, Bournemouth BH8 9EJ

As of 1st April 2019 Bournemouth Borough Council became part of a new authority Bournemouth, Christchurch & Poole Council (BCP) and the policy of donation has passed to the new authority. This is enshrined in the following two UK Statutory Instruments:

- 2018 No. 648 The Bournemouth, Dorset and Poole (Structural Changes) Order 2018
- 2008 No. 2176 The Local Government (Structural Changes)(Transfer of Functions, Property, Rights and Liabilities) Regulations 2008.

The trustee is pleased to present these formal statements of account. This recognises the importance the art gallery and museum has as a key cultural community resource and flagship visitor attraction for the Bournemouth conurbation and region. The trustee has taken the Charity Commission's guidance on public benefit into consideration. It formalises the accounting treatment of the Trust as a separate entity with its own transactions distinct from those of BCP Council (The Council).

Governing Document

The Trust was created under Indentures of 1908, 1918 and 1920 between the County Borough of Bournemouth Corporation and Sir Merton and Lady Russell-Cotes. In 1962 a charity was formed to take over responsibility for the house and contents. Further information is provided in the notes to the accounts - fixed assets.

Under the Indentures, the house and its collection were gifted to the Council for the purpose of forming an art gallery and museum for the use, benefit and enjoyment of the residents of and visitors to Bournemouth.

The original Indentures were varied by s.57 Bournemouth Borough Council Act 1985. This requires that the Council manage, regulate, control and deal with the Trust, premises and property by means of a management committee appointed by them in accordance with the Local Government Act 1972.

Governance

Pursuant to the Council's Constitution, local choice functions are intended to be executive functions (ordinarily exercised by the Leader and/or Cabinet and Cabinet members per the Leader's scheme of delegation) as is permitted in accordance with the Local Authorities (Functions and Responsibilities) (England) Regulations 2000. The Council's executive therefore exercises the functions as Trustee for the operations and management of the Russell-Cotes Art Gallery and Museum. As in practice, Cabinet does not sit as the Management Committee and to that end, a new Management Committee was created in 2016, as a sub-committee of Cabinet and exercises the functions delegated to it.

The Management Committee meets twice a year and is serviced by the Council's Democratic services team. As a sub-committee the minutes of meetings are noted and agreed by Cabinet.

The Management Committee is made up of:

- The Portfolio Holder
- Two further Council members
- 4 external (Non-Council Members)
- Sir George Meyrick (or the person for the time being in enjoyment of the title), in compliance with the Bournemouth Borough Council Act. A substitute can be agreed with the elected chair prior to any meeting.

Non-council members cannot lawfully exercise formal voting rights. However the rules have been written very carefully to ensure the non-members' views are taken into account through a recorded shadow vote before any formal vote is taken.

Recruitment and appointment of external members

The management Committee recruitment process is carried out by officers and existing members on behalf of the Management Committee. The vacancy is advertised in the local media and interested parties are then provided with:

- Briefing Note
- Forward Plan
- Collections Strategy
- Latest Annual Report

The applicants' CVs are reviewed and potential applicants are then interviewed and appointed using the Charity Commission Operational Guidance, Trustee Act 2000, OG 86 B4 "Power to employ nominees and custodians". On the appointment the committee members are provided with a copy of the governing documents, the Rules of the Management Committee together with the rules for conflicts of interest. A familiarisation session will be provided which ensures that the new management committee members have a good understanding of the Russell-Cotes Art Gallery and Museum as a whole and how it operates within the context of BCP Council.

Objectives and Activities

The objectives of the Charity are the purposes of an art gallery and museum.

Vision and Aims

Vision

Our vision is that the Russell-Cotes Art Gallery and Museum will be the internationally-acclaimed cultural flagship for Bournemouth and beyond.

Mission

The mission is to inspire and enrich the lives of Bournemouth's residents and visitors by creating a cultural flagship around a unique historic house and international art collections.

The Core Offer

Russell-Cotes Art Gallery and Museum is an outstanding celebration of late Victorian art collectors; their passions and achievements; how they lived and encountered the world; and how they presented their collections to enrich the lives of others.

We are entrusted to present the Russell-Cotes' personal legacy in the most authentic way possible, and to enable learning, enjoyment and access to the house and collections for residents and visitors to Bournemouth.

Background

The Russell-Cotes is a rare survivor as the residence of a Victorian / Edwardian collector, planned and perpetuated as a permanent art museum. It now comprises art galleries, historic house, exhibitions, a licensed café, a shop and activity / learning area.

The Collections

The collection is a prime example of Victorian attitudes which resulted in an eclectic collection spanning fine art, ethnography, decorative and applied arts, sculpture, souvenirs and a theatre collection. Since Merton Russell-Cotes was an assiduous collector of British paintings in the latter part of the 19th century, the art collection provides a unique insight into middle class taste of the period. The collections were expanded and enhanced by the souvenirs acquired during the Russell-Cotes's travels around the world. Further donations, purchases and bequests have significantly added to the collection after 1921. The 'collections strategy' contains the policies for the acquisition, preservation, management and disposal of heritage assets and the details of the assets are maintained in the Modes database. The public has access to the collections that are on display however personal access to the collections is not permitted as a general rule, although each request is reviewed on its merits taking into account the risks to the collection before granting or refusing access.

Achievements and Performance

Covid Pandemic

Due to the Covid Pandemic and the regulations introduced, the Russell-Cotes was closed from 30 December 2020 until 12 April 2021. In line with changes to the regulations, the shop and outside catering reopened on 13 April 2021 and from 18 May the Museum and indoor catering reopened. Restrictions on mask wearing, one-way systems and capacity were removed from 19 July. There has been no requirement to close since, for Covid, but the museum closed routinely for two weeks in January 2022 to allow conservation activities.

The Covid pandemic has impacted on visitor numbers and confidence throughout the year, but the impact of this on income/expenditure was partially offset by a reduction in expenditure on casual staff (when closed) and rates reductions, and an increase in net income due to the reductions in VAT on admission and catering income.

Visitor numbers improved from 75% of pre-Covid levels from reopening in May, to more than 90% by March 2022.

The pandemic has not changed the vision, mission or core offer of the museum, it has only restricted the numbers of people it could reach and focussed its work on on-line activity. The museum is still a viable going concern as BCP Council acting as the trustee will donate services sufficient for the museum to break even.

Review of the year

During the year, the gallery provided a range of public benefits through its public exhibitions, displays, activities, events and learning resources and sessions, some of which moved to online activity because of the Pandemic, achieving the usage numbers:

- 449,512 usages (35,497 visits in person, 1,674 enquiries, 91,041 unique website users, 9,374 followers on Facebook, 2,748 followers on Twitter, 3,578 followers on Instagram, 5,016 e-newsletter subscribers and 584 online participants), compared to 71,295 in 2020-21.
- 35,497 visits in person, compared to 9,667 in 2020-21.

October 2021 saw the most visitors to the gallery (4,535), whilst September (4,279) and August (4,232) were also busy.

Visitor numbers were impacted by closure for Covid initially, with social distancing measures and lack of consumer confidence but have increased over the year. Overall visitor numbers were 77% of 2019-20 figures, even though the museum was closed for 6 weeks.

The Museum's educational and events programme restarted.

- 98 sessions were held on site delivering to 365 pupils, home educated children, university students and language school students. This compares to 2 sessions for home educated children, delivering to 18 children in 2020-21.

The number of annual tickets sold increased to 451 (from 93) generating 983 return visits. The Friends membership increased to 166 members, generating 498 return visits.

Centenary

2022 marks the Centenary of the Russell-Cotes opening as a museum. A small steering group of Management Committee members, stakeholders, staff, Friends and volunteers was convened to advise on activities. A varied but small-scale programme of events, exhibitions and activities was organised for the Centenary year to commemorate, celebrate and engage audiences in line with our general strategy and in the light of modest funding and on-going Covid uncertainties. The programme of Centenary activities began when the Museum reopened on 25 January 2022 with a Centenary logo being used to badge up activities.



A year-long Facebook project to post on 100 objects is being organised by the Curator and volunteers.

On 10 March the anniversary of our opening, the Mayor of Bournemouth, Cllr David Kelsey visited the museum for a tour with the Chair and Vice-Chair of the Management Committee and afternoon tea. In the evening a party was held for staff and volunteers past and present. About 50 people attended the evening and toasted Annie and Merton's contribution to the cultural life of Bournemouth.

10 March was also the first of the Museum's Sixpence Days commemorating the opening of the museum when on Thursdays visitors would pay 6d to visit (other days being free). This attracted 434 visitors and many made significant donations. Many visitors had come specifically because it was free, however others were regular visitors who wanted to be at the museum to mark this special day. Volunteers provided musical performances, talks and tours during the day. Further Sixpence Days are scheduled on a quarterly basis.

Exhibitions and Events

Hidden Highlights: Life in Lockdown (24 October 2020 - 12 September 2021)

The exhibition was initially conceived as a 'quick win', during the height of the Covid pandemic when the museum had been closed to visitors for over four months and the public programme was on pause.

A new twist on the traditional 'highlights from the collection' exhibition was achieved by grouping paintings into pertinent covid lockdown related themes such as Home Schooling, Staycations, Eat Out to Help Out etc. All the works featured were from the Russell-Cotes reserve collection (no external loans from other institutions).

A decision was taken to keep interpretation to a minimum, instead focusing on a painting's title, artist and date, with a small selection of works having a humorous comment attached. This reduced interpretation style appeared to fit well with the relaxed nature of the exhibition.

The exhibition was planned, interpreted and installed within a 4 week period and was initially conceived to be on display for a



6 month stopgap period, to enable decisions to be made about future exhibitions. Unfortunately, a further two National Lockdowns were implemented, meaning that the exhibition was extended by a further 6 months, leading to one of the longest runs for an exhibition.

Visitor feedback was overwhelmingly positive. Many visitors thought the exhibition was a nationally touring exhibition. Comment cards in the exhibition space, encouraged visitors to create their own labels for the covid paintings.

- *Loved this exhibition and the hilarious captions*
- *All the quips were so good. Hope you enjoyed writing them as much as I enjoyed reading them*
- *I loved all the captions accompanying the paintings as well as the paintings themselves of course. To find such humour and self-awareness was brilliant. A fantastic exhibition!*
 - *Thankyou for putting a smile on my face*
 - *Made our day. Brilliant job!*
 - *What a creative, delightful witty and very well inspired exhibition. I haven't had as much fun engaging with the artworks*
 - *This is a fabulous selection. Loved the creativity and imagination. Thank you for an amazing experience and the light-hearted take on covid*
 - *The captions made me belly laugh*
 - *This was the best exhibition I've ever seen at a museum!*

A Century of British Art: Bournemouth Arts Club 1920 - 2020 (1 October 2021- 6 March 2022)



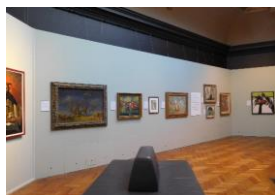
This exhibition commemorated the centenary of the Bournemouth Arts Club, with which the Russell-Cotes has had a close connection. Shortly after the ending of the First World War a group of accomplished artists most notably Geoffrey Baker, Head of the Municipal College of Art; Eustace Nash and Leslie Ward formed the Bournemouth Arts Club (BAC) to support and promote art and artists in the area. They invited leading contemporary artists to join them in exhibitions and events. Showcased in this exhibition were some of the finest twentieth century British Art drawn to reveal fascinating insights into how the Club flourished and responded to radical ideas and changing approaches in art. Alongside work by well-known BAC members were works by internationally acclaimed artists including

Henry Moore, John Nash, Ben Nicholson, Prunella Clough and William Crozier who inspired them. Loans had been received from Southampton City Art Gallery, Swindon Art Gallery and numerous private collectors. The exhibition was curated by Dr Gill Clarke.



The much-delayed exhibition was finally able to open the public from 1 October 2021- 6 March 2022. Visited by over 15,500 visitors, the local subject matter by local artists really resonated with visitors, as reflected in the positive feedback.

- *'I knew it would be good by what I saw on your website, but truly surpassed. Fantastic collection & mix of media & ageless. Would definitely come to see another exhibition you put on here.'*
- *'Very interesting - nice to see an exhibition concentrating on specific times and places and put in social & artistic context (local interest too). Well done!'*
- *'One of the best exhibitions I've seen here - excellent!'*



Covid restrictions during the run of the exhibition hampered the public programming ambitions for the exhibition, but we were still able to run a restricted private view attended by past and present Bournemouth Art Club members, gallery tours and a zoom talk by the exhibition's curator Dr Gill Clarke, as well as two artist workshops lead by members of Bournemouth Arts Club (for 18 people). In addition we published a mini-catalogue of the highlights of the Russell-Cotes 20th Century collection to accompany the exhibition. A successful evening symposium in

partnership with Arts University Bournemouth, was held to discuss the continuing arts movement in Bournemouth and how to create a vibrant art scene in the town for the next century.

The Lost Words: Robert Macfarlane Jackie Morris (26 March - 18 September 2022)

The exhibition, *The Lost Words*, opened on 26 March 2022 and featured over 50 original watercolour illustrations by artist Jackie Morris and 20 acrostic poems by writer Robert Macfarlane from the bestselling book of the same name published by Hamish Hamilton. The book was created in response to the removal of the names of animals and plants from a children's dictionary and has become a cultural phenomenon.

In response to this widening gulf between childhood and the natural world, *The Lost Words* seeks to conjure that vanishing wildness back into existence through images and writing.

Robert Macfarlane has created a series of spell-poems - one for each lost word - while Jackie Morris, inspired by her lifelong passion for Britain's landscapes and wildlife, has painted beautiful watercolours and used gold leaf to take the viewer on a journey that makes the familiar magical once more.



Over a quarter of a million copies of the book have been sold and has been adapted into a film, folk songs, dance and even puppet theatre. The exhibition was developed by, and is on loan from, Compton Verney.

Secretary's Room Exhibitions

The programming for the Secretary's Room was impacted by Covid.

John Thomas: The Japanese Sketches of a Victorian Director (18 May 2021 - 3 January 2022)

The artist John Thomas was the creator of most of the beautiful murals and motifs throughout the Russell-Cotes. In 1886, Thomas published a portfolio of 24 Japanese-inspired engravings, possibly commissioned by the Russell-Cotes', following their recent trip to Japan. Many of the images were almost identical to wood block prints by Japanese artists. Careful study reveals that many of the motifs featured in the portfolio were repeated throughout the house and Royal Bath Hotel. The exhibition featured a number of works from the portfolio.

The Road to the Museum (25 Jan 2022 - 1 November 2022)

As part of our centenary celebrations, we worked alongside one of our long-standing volunteers, Paul Whitaker (author of the autobiography of Meron Russell-Cotes; *The Art of a Salesman*) to produce this exhibition. *Road to the Museum* follows in the footsteps of our founder by retracing the key events that led to the creation of the Russell-Cotes Art Gallery & Museum in 1922. Local artist, Ella Shephard, was also commissioned to produce a series of illustrations to accompany the exhibition.

Cafe Gallery

The Café Gallery was used for the purposes of selling affordable prints from the Collection and work by local craftspeople. A pop-up shop related to *The Lost Words* exhibition was developed in March 2022.

Events, Learning & Community - On-site and on-line

Owing to the pandemic and restrictions on social distancing, many of the usual on-site activities such as tours and talks were not able to take place and some engagement activities therefore were moved on-line. However, by the end of the year, most of the Museum's activities had resumed.

- 40 on-line talks were offered by volunteers, staff and external curators and researchers related to the collections, museum and BAC exhibitions attracting 584 attendees
- Regular newsletters were sent to the mailing list/ supporters to keep them up to date with that was happening
- A 'Friends Zone' was put on the website with background information and articles.
- 4 on-site performance of *Tea with Oscar Wilde* for 50 people
- The popular Hallowe'en event was resumed attracting 115 people
- 8 family activity days attracted 46 children
- Four events were held in the garden during summer 2021, funded by Festival Coast Live with activities and music all day.
- Creative workshops were led by artists from Bournemouth Arts Club.
- Christmas Weekend attracted 279.
- A 'Lates' Programme of a monthly evening opening with additional programming was planned for the year, as a Centenary activity to attract a younger and working audience. They started in February with *House of Hearts*, organised by 2nd year BA Events students at AUB attracting an additional 250 people to see performances and activities. *Back to the Roaring 20s* in March attracted 85 people, many of whom dressed up and danced to 'FB Pocket Orchestra'.
- Two tactile tours were delivered for people with visual impairments.
- The annual AUB installation project resumed. In December 2021, 18 2nd year Fine Art students held their exhibition in response to the collection in the museum called 'Bifolds'.
- 11 formal learning sessions were held for 154 school and home-educated children. There were also 2 visits by Language schools and 5 groups of university students.
- As well as on-site conservation of the Solomon Hart by Brick House Conservation, a 'Clock Day' was held in partnership with West Dean College, Clock Conservation Department. These 'conservation in action' events were very popular with visitors.

Audiences

The Learning and Engagement Officer and Visitor Services Team Leader completed the Equity and Inclusion course offered by Museums Development. They have drafted an Equity and Inclusion Plan for the Museum to drive improvements in diversity and equality in all activities.

Collections and Interpretation

During the year, the display and conservation improvements were focussed on Galleries 1 and 2 with the aim to refresh the décor, fittings and some of the paintings. Conservation work was also carried out to some of the minor but unsightly wear and tear to the wall surfaces and woodwork in the Galleries and Main Hall. 22 years on from the original HLF building restoration the damage to high traffic areas of the building had become noticeable and while not full conservation this minor treatment has yielded noticeable results greatly improving the visitor experience.

During the Christmas closure period Galleries 1 and 2 were rehung. Previously some of our most popular paintings were not displayed to their best advantage. Additionally, visitor feedback from exhibitions had indicated that there were some works not on display that perhaps should be. The hang is now more thematic with the 'high Victorian' works in Gallery 1 while the much lighter Gallery 2 contains our Pre-Raphaelite masterpieces as well as some of our finest 20th century works.

Conservation work was also carried out on 'The Submission of the Emperor Barbarossa' by Solomon Alexander Hart RA (circa 1867), Napoleon's table and the Louis XVI giltwood chairs (owned by Queen Victoria), 'Dorset Landscape' by Leslie Moffat Ward (1930) and 'A Tempting Bait' by Arthur John Elsley (c1906)



An 1910 Anatolian carpet has been sourced for the Dining Room floor, which along with druggets (yet to be sourced) will protect the original wooden floor which is being worn away by visitor traffic and contribute to the ambience of the room. The carpet is an authentic approximation of the carpet the Russell-Cotes' had in that room and will be used sacrificially.

The Royal Bath Hotel Visitor Book which was bought by the Museum in 2018, with support from private donors and the Friends of National Libraries was reinterpreted with a touchscreen display about the hotel and its famous guests including Oscar Wilde and redisplayed in the Study.

Paper-based interpretation, such as room books were reintroduced alongside the online information and Smartify app. A new video in which the Curator gives a tour of the upstairs rooms was completed and is now available on the website and via a tablet, for all visitors unable to climb the stairs. This has been extremely popular. Collections information has been uploaded onto the website.

Income Generation

- **Café**

The café operated initially outside on the terrace and then inside as the rules relaxed. The outdoor terrace has been popular and attracted attention to the garden. It requires new flexibility in staffing according to the weather and the season.

- **Weddings and Venue Hire**

The museum closed for one wedding.

- **Retail**

Shop sales recovered reasonably well, but were impacted by the reduction of visitors, the changed demographic, particularly the loss of overseas visitors in summer 2021 and the problems of getting supplies.

The Museum commissioned an external shop consultant to advise on refreshing the shop stock to generate greater income and to advise on the development of a pop-up shop in the Café Gallery to fully exploit the opportunities for merchandising and sale of prints books and cards offered by The Lost Words exhibition.

Governance

Proposals to modify the governance arrangements for the museum continued, with the drafting of a new business model for a new independent trust. However discussions were ongoing with the Charity Commission on the appropriate legal mechanism for effecting a change of trusteeship due to the impact of the Bournemouth Borough Council Act 1985.

Consultation on the proposals on governance, business plan and funding arrangements started with key stakeholders.

Funding and Grants

In October 2020 the Russell-Cotes had received £225,916 from the ACE Coronavirus Recovery Fund. This contributed partly to ongoing costs including salaries because of the lack of visitor income. It also invested in improvements to support the museum's ongoing financial sustainability including a new outdoor catering facility, a new integrated till and CRM system for managing income and memberships, improved signage, a marketing review. A significant proportion also supported the governance review by funding consultants and specialists to provide expert advice on legal, financial and staffing issues to progress the case for externalization from BCP Council. Some of this funding was carried into the 2022-23 Financial Year to complete the projects identified.

In February 2021, the Russell-Cotes was successful in its application to the Museums Estates and Development Fund (MEND) which was established by Arts Council England (ACE) specifically to address the backlog of urgent repairs needed in the Museum sector and support environmental and financial sustainability.

This major investment to carry out urgent capital work, including restoring the conservatory, replacing the end of life Air Handling Units, improving drainage and improving CCTV security, will cost £974,000.

A grant of £518,000 has been awarded by MEND, £30,000 has been fundraised for the conservatory and match funding of £426,000 has been agreed by BCP Council (of which £213,000 has been allocated from the Community Infrastructure Levy (CIL) Fund).

The work on site is expected to begin in March 2023, in a phased approach so that the museum will remain open to visitors throughout. On site works should be complete by Winter 2023 followed by a period of monitoring and review.

The Russell-Cotes received a grant from AIM for a Collections Care Audit which was carried out in May 2021. It commended conservation practices in operation and identified areas of improvement.

Staffing

Approximately 17 FTE members of staff were employed during this period, (18 FTE in 2020-21). The figures exclude a % of senior management time.

Volunteer roles and involvement, largely returned to pre-Covid levels with many volunteers continuing to make a valuable 'in kind' contribution to the service both remotely and on-site, working on a range of projects including:

- **Interpretation** support for the new Smartify app and Russell-Cotes 100 objects (research and writing)
- **Collections-related** (cataloguing the Russell-Cotes library, collections research and documentation, environmental monitoring, deep cleaning)
- **Public facing** (stewarding, tour guiding, learning assistance, talks, café etc.)
- **IT, marketing & administrative** (gift aid reclaim, visitor feedback data entry etc.)
- **Performing live music in the house**
- **Maintaining the garden**

During the year about 115 volunteers contributed about 3,540 hours of their time.

Financial Review

Financial position and reserves policy

Historically the Council, in its role as local authority and corporate trustee, has provided donated services each year sufficient for the trust to achieve breakeven. This is currently the policy that is expected to continue and so the accounts have been prepared on a going concern basis. The unrestricted income fund is stock and cash held. Endowment income fund, conservatory repair fund & purchase reserve are held in trust to be retained for the benefit of the charity.

The trust's assets are the freehold land and buildings consisting of the East Cliff Hall, Bournemouth and the collection itself. The buildings are now classified as Heritage Assets. Their value is reflected in the endowment funds on the balance sheet. Following the insurance strategy and to ensure the valuations remain up to date a rolling programme of revaluation by collection area has been implemented using relevant experts. All valuations are used to update the total valuations for the collection. All valuers with the exception of the museum curator are independent of the Trust. The museum curator has provided a valuation in her capacity as a professional in this area.

Responsibilities of the Trustee

The Law requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its net movement in funds for that period.

The charity trustee is responsible for preparing a trustee annual report and financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom generally accepted accounting practice.)

In preparing those financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 operation.

The Trustee is 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 requirements of the Charities Act 2011. 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.

Each of the persons who are trustees at the time when this Report of the Trustee is approved has confirmed that:

- so far as that trustee is aware, there is no relevant auditor information of which the trust's auditor is unaware, and
- a trustee has taken all the steps that ought to have been taken as a trustee in order to make them aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

All of the activities reported are derived from the continuing operations of the charity.

By Order of the trustee

Signed

Clr D Mellor



on behalf of Trustee

Approved on 30 January 2023

Independent Auditor's Report to the Trustee of Russell-Cotes Art Gallery and Museum

Opinion

We have audited the financial statements of Russell-Cotes Art Gallery and Museum (the 'charity') for the year ended 31 March 2022 which comprise the Annual Report and Statement of Accounts and 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022, 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the trustee's annual report, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustee's report; or
- the charity has not kept adequate accounting records; 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 trustee

As explained more fully in the trustee's responsibilities statement set out on page 8 the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Independent Auditor's Report to the Trustee of Russell-Cotes Art Gallery and Museum
(continued)**

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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 misrepresentation.

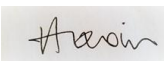
As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustee, 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 trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustee, for our audit work, for this report, or for the opinions we have formed.



Hixsons (Statutory Auditor)

24 Cecil Avenue

Bournemouth BH8 (EJ)
30 January 2023

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

Statement of Financial Activities (incorporating Income and Expenditure Account)

Year ended 31 March 2022

Note		2021-22	2021-22	2021-22	2021-22	2020-21	2020-21	2020-21	2020-21
		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
		£	£	£	£	£	£	£	£
2	Income and endowments from								
2a	Donations and legacies	(684,174)	(1,648)	0	(685,822)	(495,939)	0	0	(495,939)
2b	Other trading activities	(225,830)	0	0	(225,830)	(60,308)	0	0	(60,308)
2c	Other income	(20,268)	0	0	(20,268)	0	0	0	0
		(930,273)	(1,648)	0	(931,921)	(556,247)	0	0	(556,247)
2d	Charitable activities	(199,372)	0	0	(199,372)	(312,449)	(2,500)	0	(314,949)
	Total income and endowments	(1,129,645)	(1,648)	0	(1,131,293)	(868,696)	(2,500)	0	(871,196)
3	Expenditure on								
3a	Raising funds	932,983	0	0	932,983	702,726	2,500	0	705,226
		932,983	0	0	932,983	702,726	2,500	0	705,226
3b	Charitable activities	177,600	0	0	177,600	158,941	0	0	158,941
3c	Other	0	0	464,288	464,288	0	0	446,131	446,131
	Total expenditure	1,110,583	0	464,288	1,574,871	861,666	2,500	446,131	1,310,297
	Net (income)/expenditure before other recognised (gains)/losses	(19,061)	(1,648)	464,288	443,578	(7,030)	0	446,131	439,101
	Total (gains)/losses on revaluation of fixed assets	0	0	(2,417,647)	(2,417,647)	0	0	(599,319)	(599,319)
	Net movement in funds	(19,061)	(1,648)	(1,953,359)	(1,974,069)	(7,030)	0	(153,188)	(160,218)
	Reconciliation of Funds								
	Balance brought forward	27,141	54,550	66,724,960	66,806,651	20,111	53,879	66,571,772	66,645,762
	Movement in current assets	4,466	0	0	4,466	(3,449)	671	0	(2,778)
	Movement in fixed assets	14,595	0	1,953,359	1,967,954	10,479	0	153,188	163,667
	Total funds carried forward	46,202	56,198	68,678,319	68,780,719	27,141	54,550	66,724,960	66,806,651

All of the activities are derived from the continuing operations of the charity.

The movement in current assets is the difference between the opening stock and closing stock of items purchased for resale in the gift shop and cafe. These are donated assets and are reflected in the balance sheet.

The movement in fixed assets is due to capital costs being incurred by BCP Council and donated to the Trust and revaluations of the Heritage Assets.

Balance Sheet

31 March 2022

Note.		2021-22 Total Funds £	2020-21 Total Funds £
	Fixed Assets:		
5	Tangible assets	25,074	10,479
5	Heritage assets	68,678,319	66,724,960
	Total Fixed Assets	68,703,393	66,735,439
	Current Assets:		
6	Stock and work-in-progress	20,428	15,962
7	Debtors	38,547	23,592
	Investments (2021/22 - moved to Cash held on behalf of Trust)	0	8,580
	Cash in hand	700	700
	Cash held on behalf of the Trust	109,737	46,976
	Total Current Assets	169,412	95,810
	Current Liabilities:		
	Overdraft	0	0
8	Creditors: Amounts falling due within one year	(92,086)	(24,598)
	Total Current Liabilities	(92,086)	(24,598)
	Net Assets	68,780,719	66,806,651
	The funds of the charity:		
9	<i>Restricted Income funds</i>		
	Endowment income fund	(8,580)	(8,580)
	Conservatory repair fund	(31,525)	(29,877)
	Painting and Specimens Reserve	(16,093)	(16,093)
		(56,198)	(54,550)
10	Unrestricted income fund	(46,202)	(27,141)
11	<i>Endowment fund</i>		
	Heritage Assets	(68,678,319)	(66,724,960)
		(68,678,319)	(66,724,960)
	Total Charity Funds	(68,780,719)	(66,806,651)

Signed

Cllr D Mellor



on behalf of Trustee

Approved on

30 January 2023

Notes to the Accounts

1. Statement of Accounting Policies

Basis of preparation of the accounts

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting standard applicable in the UK and Republic of Ireland (FRS 102). Section 1A of FRS 102 has been applied and no Statement of Cashflows has been prepared.

The Russell-Cotes Art Gallery and Museum's corporate trustee includes the charity in its consolidated financial statements. The consolidated financial statements are prepared under the International Financial Reporting Standards and are available to the public at <https://www.bcpCouncil.gov.uk/About-the-council/Budgets-and-finance/Annual-accounts.aspx>. In these financial statements the Russell-Cotes Art Gallery and Museum is considered to be a qualifying entity (for the purpose of this FRS) and has applied exemptions available under FRS 102 in respect of the requirement to present a cashflow statement. Having given regard to Public Benefit Entity guidance the corporate trustee considers the Russell-Cotes Art Gallery and Museum to be a Public Benefit Entity.

Going Concern

Historically the Council, in its role as local authority and corporate trustee, has provided donated services each year sufficient for the trust to achieve breakeven. This is currently the policy and the trustee has received confirmation that this support will continue for the foreseeable future and is considered adequate and so the accounts have been prepared on a going concern basis. The trustee considers that there are no material uncertainties about the Trust's ability to continue as a going concern. The pandemic has not affected this policy.

Income recognition

Voluntary income in the form of Donated Services received is recognised in the year that the matching unfunded element of expenditure is incurred. The policy of BCP Council has been and will be to subsidise the charity each year to the extent of its income shortfall.

While this arrangement is likely to continue for the foreseeable future there is no contractual necessity for the Council to provide the subsidy through Donated Services other than the basic maintenance of the East Cliff Hall premises and grounds and the collection. There is also the need to employ a curator. Staffing currently includes a post of this nature together with the staff expected of a modern-day museum and art gallery.

Income from commercial trading activities is recognised at point of sale - this includes income from the café. Grant income is recognised when the charity can demonstrate entitlement, receipt is probable, and the amount can be measured reliably.

Expenditure recognition

Raising funds

The main cost is for staff and there is no distinction or recording of time between charitable activities and the cost of generating funds. For example, there are no specific, salaried staff members employed to make retail sales. Instead, other staff members cover this function as an incidental part of their employment. An estimate of the value of this service is reflected in the statement of financial activities on an accrual basis.

Maintenance includes the direct costs of maintaining the building and gardens. Running costs include rates, utilities and insurances. Salaries represent the cost of the Council supplied staff including those funded by any external grants.

Operating costs are mostly incurred by the Council and charged by way of recharges to reflect the Russell-Cotes' apportionment of the cost of central Council services provided.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include those related to preparing statutory accounts, the statutory audit, legal fees and costs of Committee meetings.

Current assets - Stock

The gift shop & cafe stock is counted at year end and valued at the lower of cost or most recent purchase price and net realisable value as per FRS102 (Section 13) and the Charity SORP.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

Cash at bank and in hand

Cash at bank is equal and opposite to the sum of the net of the debtors and creditors, the Conservatory Repair fund and the Paintings and Specimens reserve. The museum does not have its own bank account - all receipts are paid into and all payments paid from the BCP Council's main bank account.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount.

Fixed assets

Heritage assets

The Trust's heritage assets consist of the museum building - East Cliff Hall, the land and the paintings, furniture and other objects that form the collection of the Russell-Cotes museum. They are held to provide benefit and enjoyment to the inhabitants of and visitors to Bournemouth.

Heritage assets are initially recognised at cost and are revalued periodically. Any revaluation gains or losses are held in the Endowment fund. These assets are valued using the Council's land and building valuation processes. Major refurbishment carried out by the Council is classified as a donated service and the asset revalued accordingly. Whilst being carried at other than a notional value, assets are depreciated on a straight line basis over their estimated useful lives.

Tangible	5 years
Heritage - Freehold buildings	50 years
Heritage - Land	Not depreciated

The carrying values of heritage assets are reviewed where there is evidence of physical deterioration or breakage. Any impairment is recognised and measured in accordance with the Trust's general policies on impairment. Depreciation is only chargeable on heritage assets if they meet the Trust's general policies for depreciation. The collection is not depreciated but revalued on a periodic basis by appropriate experts including the museum curator. A record of the heritage assets held by the Trust is maintained in the Modes database.

Capitalisation follows the policy of a threshold of £1,000.

Funds structure

There are a number of small restricted income funds which have designated purposes. The cash balance for these funds is held by the Council within its general bank balances and is available at any time upon demand.

The charity has a main unrestricted income fund. That comprises those funds which the trustee is free to use for any purpose in furtherance of the charitable objects.

The charity has a restricted endowment fund. This comprises the full sum of the Heritage Assets total revalued amount, the cost of any fixed asset additions since the last valuation and the depreciation charged.

2. Analysis of Income and endowments from

	2021-22	2020-21
	£	£
Public Donations	(40,376)	(25,295)
General support through donated goods and services	(626,386)	(463,614)
Donation of fixed assets	(14,595)	(10,479)
Change in value of gift shop & café closing stock	(4,466)	3,449
Donations from BCP Council	(645,447)	(470,644)
2a. Total Donations and legacies	(685,823)	(495,939)

2. Analysis of Income and endowments from (continued)

	2021-22	2020-21
	£	£
Retail Income	(213,105)	(56,466)
Venue Hire	(12,725)	(3,842)
2b. Total Other trading activities	(225,830)	(60,308)
Fixed Asset sales (net proceeds)	(20,268)	0
2c. Total Other Income	(20,268)	0
Admission fees	(197,920)	(56,663)
Grant Income	0	(258,286)
School Visits	(1,452)	0
2d. Total Charitable Activities	(199,372)	(314,949)
Total Income and endowments	(1,131,293)	(871,196)

3. Analysis of Expenditure on

	2021-22	2020-21
	£	£
General Operations (see note 4 below)	849,710	617,668
Exhibition Expenditure	46,908	69,981
Other Grant Funded Expenditure	0	2,500
Retail Expenditure	36,364	15,077
3a. Total Raising funds	932,983	705,226
General Operations (see note 4 below)	148,619	119,021
Accountancy and audit costs	13,382	18,816
Repository	15,600	21,104
3b. Total Charitable Activities	177,600	158,941
Depreciation	464,288	446,131
3c. Total Other	464,288	446,131
Total Expenditure	1,574,871	1,310,297

4. Analysis of Expenditure on General Operations

	2021-22	2020-21	
<u>Key</u>	£	£ <u>Key</u>	
Generating income	*	849,710	617,668 ***
Charitable activities	**	148,619	119,021 ****
Total General Operations Expenditure	@	998,329	736,689 #
Being made up of:			
Repairs & maintenance		46,277	47,541
Rates & utilities		65,439	34,439
Other premises costs		7,550	5,762
Total Premises Costs inclusive of Repairs & Maintenance		119,266	87,742
Wages and salaries		418,417	394,682
Social security costs		32,227	29,806
Pension costs		55,326	56,090
Other staff related costs		14,910	10,318
Total Staff Costs		520,880	490,896
Accountancy, HR, Payroll and Legal Costs		18,047	28,237
Costs of Caring For The Collection Inc Insurance		57,098	48,343
IT & telecoms		22,106	22,628
Travel		531	107
Other office costs		5,916	1,151
Total Costs of Travel, Stationery and Office Costs Inc IT		28,553	23,886
Marketing & Promotion		54,485	13,394
Consultants		110,947	19,858
Miscellaneous Supplies & Services		89,051	24,332
Total General Operations Expenditure	@	998,329	736,689 #

Approximately 17 FTE members of staff were employed during this period, (18 FTE in 2020-21). The reduction is due a vacant full-time position and no casual employees because of the museum closure. The figures exclude a % of senior management time.

No employees earned more than £60,000 for their Russell-Cotes related duties. There were no transactions involving the trustee or related parties and there were no ex-gratia payments. External auditor payments were £9,500 (2021 : £15,000) excluding VAT.

5. Fixed Assets - Tangible & Heritage

	2021-22	2020-21
	£	£
Tangible Assets		
Cost b/f	10,479	0
Additions in year	14,595	10,479
Depreciation charged	2,096	0
Depreciation adjustment	(2,096)	0
Total Tangible Assets	25,074	10,479
Heritage Assets - Buildings & Freehold Land		
Cost b/f	23,109,597	22,306,562
Additions in year	0	0
Transfer from Heritage Assets - Freehold Land	0	7,000
Revaluation in year	1,973,359	796,035
Cost c/f	25,082,956	23,109,597
Heritage Assets - Buildings & Freehold Land		
Depreciation b/f	0	0
Depreciation charged	462,192	446,131
Revaluation adjustment	(462,192)	(446,131)
Depreciation c/f	0	0
Heritage Assets - Freehold Land		
Cost b/f	0	7,000
Transfer to Heritage Assets - Buildings & Freehold Land	0	(7,000)
Cost c/f	0	0
Total Heritage Assets - Buildings & Freehold Land	25,108,030	23,120,076
Heritage Assets - Collection		
Net book value b/f	43,615,363	44,258,210
Revaluation adjustment	0	(642,847)
Additions in year	0	0
Disposals in year	(20,000)	0
Total Heritage Assets - Collection	43,595,363	43,615,363
Total Heritage Assets - Buildings, Freehold Land & Collection	68,703,393	66,735,439

Valuation

The trust's assets are the freehold land and buildings consisting of the East Cliff Hall, Bournemouth and the collection itself. The buildings are now classified as Heritage Assets. Their value is reflected in the endowment funds on the balance sheet. Following the insurance strategy and to ensure the valuations remain up to date a rolling programme of revaluation by collection area has been implemented using relevant experts. Some of the collection is valued by insured value as is the Heritage Freehold Buildings. All valuations are used to update the total valuations for the collection. All valuers, excepting the Heritage Freehold Buildings, and the museum curator are independent of the Trust. The museum curator has provided a valuation in her capacity as a professional in this area.

The valuations for insurance purposes are as follows: -	2021-22	2020-21
	£	£
Heritage Assets -		
Building & Land	£25.1m	£23.1m
Fine Art Collection	£43.6m	£43.6m
	£68.7m	£66.7m

6. Stock

	2021-22	2020-21
	£	£
Shop	18,889	14,770
Café	1,539	1,192
Stock of articles for resale	<u>20,428</u>	<u>15,962</u>

7. Debtors

	2021-22	2020-21
	£	£
Debtors	<u>38,547</u>	<u>23,592</u>

8. Creditors: Amounts falling due within one year

	2021-22	2020-21
	£	£
Creditors	<u>(92,086)</u>	<u>(24,598)</u>

9. Restricted Income Funds

	2021-22	2020-21
	£	£
Endowment income fund	(8,580)	(8,580)
Conservatory repair fund	(31,525)	(29,877)
Painting & Specimens Reserve	(16,093)	(16,093)
	<u>(56,198)</u>	<u>(54,550)</u>

These represent cash held for specific purposes, the cash is held in the BCP bank account.

10. Unrestricted Income Fund

	2021-22	2020-21
	£	£
Tangible Assets	(25,074)	(10,479)
Stock	(20,428)	(15,962)
Cash	(700)	(700)
	<u>(46,202)</u>	<u>(27,141)</u>

The balance reflects cost of stock purchased for resale, petty cash imprest, till floats and capital expenditure incurred on behalf of the Trust by BCP Council.

11. Endowment Fund

	2021-22	2020-21
	£	£
Balance b/f	(66,724,960)	(66,571,772)
Movement in year	(1,953,359)	(153,188)
Balance c/f	(68,678,319)	(66,724,960)

The full sum of the total revalued amount, the cost of any fixed asset additions since the last valuation and the depreciation will be debited or credited to the endowment fund.

12. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Heritage Fixed Assets	0	0	68,678,319	68,678,319
Tangible Assets	25,074	0	0	25,074
Current assets	113,214	56,198	0	169,412
Creditors due within one year	(92,086)	0	0	(92,086)
	46,202	56,198	68,678,319	68,780,719

*

* The Conservatory Fund is £31,525

Analysis of net assets between funds - prior year

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Heritage Assets	0	0	66,724,960	66,724,960
Tangible Assets	10,479	0	0	10,479
Current assets	41,260	54,550	0	95,810
Creditors due within one year	(24,598)	0	0	(24,598)
	27,141	54,550	66,724,960	66,806,651

*

* The Conservatory Fund is £29,877

13. Related party transactions

The trust has a close working relationship with BCP Council acting in its role of local authority. The Council acting in its role of trustee of the charitable trust has nominated Council Cabinet to act as the Management Committee under s.57 Bournemouth Borough Council Act 1985.

The charity trustee acting in the capacity as management was not paid or reimbursed expenses during the year and no charity trustee received any emolument or payment for professional or other service.

As disclosed in the analysis of resources expended, the Council provides staff to manage and maintain the museum and gallery. The Council has historically subsidised the annual deficits of the trust.

Donated services received by the Trust

	2021-22	2020-21
	£	£
BCP Council in its capacity as a local authority	645,447	470,644

There are 4 exhibits on loan to BCP Council which can be found in the parlours of both the Mayor and the Mayoress.

RUSSELL-COTES ART GALLERY AND MUSEUM

England & Wales - Charity number 306288

Accounts



RUSSELL-COTES ART GALLERY AND MUSEUM
ANNUAL REPORT AND STATEMENT OF ACCOUNTS
YEAR ENDED 31 MARCH 2021

Charity number 306288

CONTENTS	Page
Report of the Trustee	3 - 8
Report of the Independent Auditor	9 - 10
Statement of Financial Activities (incorporating Income and Expenditure Account)	11
Balance sheet	12
Notes to the Accounts	13 - 20

Report of the Trustee

The trustee is pleased to present its report together with the financial statements of the charity for the year ended 31st March 2021.

Reference and administrative details

Registered name: Russell-Cotes Art Gallery and Museum
Charity number: 306288
Principal Office: Russell-Cotes Road, East Cliff, Bournemouth, BH1 3AA
Trustee: BCP Council - Cabinet members <https://democracy.bpcouncil.gov.uk/mgCommitteeDetails.aspx?ID=285>
The current holder of the Meyrick Baronetcy - Sir George Meyrick (*entitlement not taken up*)
Auditors: Grant Thornton UK LLP, 199 Avebury Blvd, Milton Keynes, MK9 1AU

As of 1st April 2019 Bournemouth Borough Council became part of a new authority Bournemouth, Christchurch & Poole Council (BCP) and the policy of donation has passed to the new authority. This is enshrined in the following two UK Statutory Instruments:

- 2018 No. 648 The Bournemouth, Dorset and Poole (Structural Changes) Order 2018
- 2008 No. 2176 The Local Government (Structural Changes)(Transfer of Functions, Property, Rights and Liabilities) Regulations 2008.

The trustee is pleased to present these formal statements of account. This recognises the importance the art gallery and museum has as a key cultural community resource and flagship visitor attraction for the Bournemouth conurbation and region. The trustee has taken the Charity Commission's guidance on public benefit into consideration. It formalises the accounting treatment of the Trust as a separate entity with its own transactions distinct from those of BCP Council (The Council).

Governing Document

The Trust was created under Indentures of 1908, 1918 and 1920 between the County Borough of Bournemouth Corporation and Sir Merton and Lady Russell-Cotes. In 1962 a charity was formed to take over responsibility for the house and contents. Further information is provided in the notes to the accounts - fixed assets.

Under the Indentures, the house and its collection were gifted to the Council for the purpose of forming an art gallery and museum for the use, benefit and enjoyment of the residents of and visitors to Bournemouth.

The original Indentures were varied by s.57 Bournemouth Borough Council Act 1985. This requires that the Council manage, regulate, control and deal with the Trust, premises and property by means of a management committee appointed by them in accordance with the Local Government Act 1972.

Governance

Pursuant to the Council's Constitution, local choice functions are intended to be executive functions (ordinarily exercised by the Leader and/or Cabinet and Cabinet members per the Leader's scheme of delegation) as is permitted in accordance with the Local Authorities (Functions and Responsibilities) (England) Regulations 2000. The Council's executive therefore exercises the functions as Trustee for the operations and management of the Russell-Cotes Art Gallery and Museum. As in practice, Cabinet does not sit as the Management Committee and to that end, a new Management Committee was created in 2016, as a sub-committee of Cabinet and exercises the functions delegated to it.

The Management Committee meets twice a year and is serviced by the Council's Democratic services team. As a sub-committee the minutes of meetings are noted and agreed by Cabinet.

The Management Committee is made up of:

- The Portfolio Holder
- Two further Council members
- 4 external (Non-Council Members)
- Sir George Meyrick (or the person for the time being in enjoyment of the title), in compliance with the Bournemouth Borough Council Act. A substitute can be agreed with the elected chair prior to any meeting.

Non-council members cannot lawfully exercise formal voting rights. However the rules have been written very carefully to ensure the non-members' views are taken into account through a recorded shadow vote before any formal vote is taken.

Recruitment and appointment of external members

The management Committee recruitment process is carried out by officers and existing members on behalf of the Management Committee. The vacancy is advertised in the local media and interested parties are then provided with:

- Briefing Note
- Forward Plan
- Collections Strategy
- Latest Annual Report

The applicants' CVs are reviewed and potential applicants are then interviewed and appointed using the Charity Commission Operational Guidance, Trustee Act 2000, OG 86 B4 'Power to employ nominees and custodians'. On the appointment the committee members are provided with a copy of the governing documents, the Rules of the Management Committee together with the rules for conflicts of interest. A familiarisation session will be provided which ensures that the new management committee members have a good understanding of the Russell-Cotes Art Gallery and Museum as a whole and how it operates within the context of BCP Council.

Objectives and Activities

The objectives of the Charity are the same as the purposes of an art gallery and museum.

Vision and Aims**Vision**

Our vision is that the Russell-Cotes Art Gallery and Museum will be the internationally-acclaimed cultural flagship for Bournemouth and beyond. The pandemic has not changed this vision.

Mission

The mission is to inspire and enrich the lives of Bournemouth's residents and visitors by creating a cultural flagship around a unique historic house and international art collections. The pandemic has not changed this mission.

The Core Offer

Russell-Cotes Art Gallery and Museum is an outstanding celebration of late Victorian art collectors; their passions and achievements; how they lived and encountered the world; and how they presented their collections to enrich the lives of others.

We are entrusted to present the Russell-Cotes' personal legacy in the most authentic way possible, and to enable learning, enjoyment and access to the house and collections for residents and visitors to Bournemouth.

Background

The Russell-Cotes housed in East Cliff Hall and Grade II* listed is a rare survivor as the residence of a Victorian / Edwardian collector, filled with works of art and souvenirs from Sir Merton and Lady Russell-Cotes's extensive travels and planned and perpetuated as a permanent art museum. It now comprises art galleries, historic house, exhibitions, a licensed café and a shop and activity / learning area.

The Collections

The collection is a prime example of Victorian attitudes which resulted in an eclectic collection spanning fine art, ethnography, decorative and applied arts, sculpture, souvenirs and a theatre collection. Since Merton Russell-Cotes was an assiduous collector of British paintings in the latter part of the 19th century, the art collection provides a unique insight into middle class taste of the period. The collections were expanded and enhanced by the souvenirs acquired during the Russell-Cotes's travels around the world. Further donations, purchases and bequests have significantly added to the collection after 1921. The 'collections strategy' contains the policies for the acquisition, preservation, management and disposal of heritage assets and the details of the assets are maintained in the Modes database. The public has access to the collections that are on display however personal access to the collections is not permitted as a general rule however each request is reviewed on its merits taking into account the risks to the collection before granting or refusing access.

Achievements and Performance**Covid Pandemic**

Due to the Covid Pandemic and the regulations introduced, the Russell-Cotes was closed from 19 March - 6 July 2020. It reopened as soon as it was permissible namely:

- 7 July - 4 November 2020 (closed for rest of November) then
- 5 December - 30 December 2020 (closed until 12 April 2021)
- 13 April 2021 shop and outside catering reopened
- 18 May 2021 Museum and indoor catering reopened

The Museum was therefore only open for 5 months during the Financial Year. Even during the periods of opening, social distancing regulations reduced capacity significantly and together with reduced visitor confidence, had a significant impact on visitor numbers, shop and catering receipts and donations. Many activities including weddings, events, hires, learning and family engagement were curtailed if not completely stopped.

There was a significant drop in income, which was partially offset by a reduction in expenditure and further mitigated by major grants: ACE CRF Emergency Grant of £29,870 and ACE CRF Recovery Grant of £225,916.

The pandemic has not changed the vision, mission or core offer of the museum, it has only restricted the numbers of people it could reach and focussed its work on on-line activity. The museum is still a viable going concern as BCP Council acting as the trustee will donate services sufficient for the museum to break even.

Review of the year

During the year, the gallery provided a range of public benefits through its public exhibitions, displays, activities, events and learning resources and sessions, some of which moved to online activity because of the Pandemic, achieving the usage numbers:

- 71,295 usages (9,667 visits in person, 945 enquiries, 42,326 unique website users, 7,802 followers on Facebook, 2,597 followers on Twitter, 2,706 followers on Instagram, 4,523 e-newsletter subscribers and 729 online participants), compared to 122,197 in 2019-20.
- 9,667 visits in person, compared to 45,929 in 2019-20.

September 2020 saw the most visitors to the gallery (3,031), whilst October (2,270) and August (1,980) were also busy.

Visitor numbers were hugely impacted by closure, social distancing measures and lack of consumer confidence. Even September, the busiest month, reached only 67% of the equivalent month in 2019. Overall visitor numbers were 21% of 2019 figures. The pandemic made the onsite educational and events programme almost impossible to deliver:

- 2 sessions for home educated children were held on site. This compares to 24 school sessions/educational visits on and off-site - delivering to 788 pupils in 2019-20.

The number of annual tickets sold reduced to 93 (from 646) generating 298 return visits. The Friends membership reduced to 70 new members, generating 183 return visits. All existing members were offered an extension to their membership because of the periods of closure.

Covid-19 pandemic

The museum reopened 18 May with a reduced visitor number capacity. The museum continues to comply with all the HM Government guidance regarding social distancing. Visitor numbers are up increasing not only admission fees but also donations, retail & cafe sales - this is an estimated income increase of £142,000 which has been offset by an increase in expenditure of £91,000 (April - August 2021 compared to April - August 2020). The schools educational visits and events programming are still impacted by the pandemic. The pandemic has not changed the vision, mission or core offer of the museum, it has only restricted it in terms of the numbers of people it can currently reach. Despite the pandemic, the museum is still a viable going concern as BCP Council acting as the trustee will donate services sufficient for the museum to achieve breakeven.

Exhibitions and Events

***Beyond the Brotherhood: The Pre-Raphaelite Legacy* (22 February - 27 September 2020)**



Russell-Cotes Art Gallery and Museum and Southampton City Art Gallery worked in collaboration over a number of years to stage this major Pre-Raphaelite exhibition, showing in turn at both venues (18 October 2019 to 1 February 2020 at Southampton and scheduled for 21 February to 21 June 2020 in Bournemouth). The exhibition showcased both permanent collections which are rich in iconic Pre-Raphaelite works. Both collections were complemented by significant loans from institutions such as Tate Britain, Victoria and Albert Museum, Royal Academy, Bristol Museums, Victoria Art Gallery, Bath and private lenders in London and across the South.



The concept of this exhibition was to take Pre-Raphaelitism beyond its standard limits of 1848 to 1914/8 into the 1920s-1930s and even beyond illustrating how Pre-Raphaelitism lives on in contemporary fantasy, book illustration and film and how it inspires artists today. The exhibition was curated by Dr Anne Anderson.



This exhibition was a major development for the museum, taking several years of investment and activity to make structural improvements to the galleries (with the replacement of the skylights funded by DCMS/Wolfson and ACE), negotiate loans and achieve Government Indemnity Standard to support the costs of insurance.

A fully-illustrated catalogue was produced in partnership with publishers, Sansoms.

The museum was closed on 18 March 2020 because of the pandemic, but an extension to all the loans was secured from the institutional and private lenders enabling the museum to extend the run of the exhibition until 27 September. When the Museum reopened on 7 July the exhibition was still in place and clearly drew a reasonable level of visitors to the museum, despite the pandemic. The extensive programme of events, talks and workshops were cancelled, though some went on-line.

Hidden Highlights: Life in Lockdown (24 October 2020 - 12 September 2021)



The exhibition celebrating the 100th anniversary of Bournemouth Arts Club which was scheduled for summer 2020 was cancelled as the museum was not open to the public nor in position to borrow and install paintings on loan. Instead, an exhibition of paintings from the Museum's own collection curated through a humorous lockdown lens was opened on 24 October, with themes around Staycations, Working from Home, Home Schooling and Lockdown Glamour. Works included *The Kitchen, 1927*, *Isabel Codrington (1874-1943)*; *Miss Chaseley on the Undercliff, 1927*, *Maxwell Armfield (1882-1972)*; *Boy Reading, 1956*, *Henry Lamb (1883-1960)*; *North Foreland Lighthouse, Broadstairs, Kent, 1930*, *Elwin Hawthorne (1905-1954)*, *The Fortune Teller, 'Beware of a Dark Lady', 1940* *Frank Cowper (1877-1958)* and *The Guadarrama Range from Ávila, Spain, 1936* by *Charles Cundall (1890-1971)*.



The exhibition enabled the museum to showcase many rarely seen paintings from its fine collection, and provided a much-needed humorous angle on life in lockdown engaging with audiences on line and on site in generating new humorous captions.

This exhibition provided flexibility to the subsequent programming in the likely event of the pandemic making planning and installation of exhibitions very challenging.

Secretary's Room Exhibitions

The programming for the Secretary's Room was impacted by Covid.

Art of World War 2 (29 August - 22 November 2020)

To mark the 75th anniversary of the end of World War 2 and the 80th anniversary of the Battle of Britain, the Imperial War Museums, with the generous support of Art Fund, loaned three Battle of Britain artworks to the Russell-Cotes as part of a nationwide tour. These key works were displayed alongside a selection of the 33 paintings commissioned by the War Artists' Advisory Committee and given to the museum in 1948. The exhibition explored the representation of this global conflict which caused the death of 85 million people worldwide and changed the world forever.

Cafe Gallery

The Café Gallery was used for the purposes of selling affordable prints from the Collection and work by local craftspeople.

Events, Learning & Community - On-site and on-line

Owing to the pandemic and restrictions on social distancing, all the usual on-site activities such as tours and talks were stopped. Engagement activities therefore were moved on-line.

- 9 on-line talks were offered by volunteers, staff and external curators and researchers related to the collections, museum and Pre-Raphaelite and War Art exhibitions attracting 690 attendees
- 1 on-line performance of A Christmas Carol for 39 people
- Regular newsletters were sent to the mailing list/ supporters to keep them up to date with that was happening
- A weekly quiz about the collections, house and family was emailed out for 13 weeks
- A film of the exhibition and the content of 'Beyond the Brotherhood: the Pre-Raphaelite Legacy' was put on-line so it was accessible despite the museum's temporary closure. A short film about the exhibition was also put on the website.
- Increased content was put on social media channels about the collection and to encourage a response, including sending in photographs of artwork to be shared and recreating paintings from the collection.
- Activities for those home schooling their children in lockdown were created for the website
- A 'Friends Zone' was put on the website with background information and articles.

Only 2 learning sessions for 18 home educated students were held.

Collections and Interpretation

'Reconnect and Redisplay' Project

The programme of improvements to the Mikado's, Yellow and Red Yellow Rooms was completed thanks to major funding from DCMS Wolfson, ACE, Sasakawa Foundation and from the Bournemouth Mayor's charity and a legacy from Mrs Hart with further conservation of fragile murals continuing and improvements to interpretation.

The rooms have now been displayed

- to conserve and showcase the best of the original murals and decorations
- make the most of the magnificent views of the sea and coast
- blend sympathetically with the Victorian aesthetic of the house.



The Collections are now displayed

- highlighting the best and most interesting of the Museum's Japanese and world culture's collection
- in consultation with source communities
- conserving collections and display them in high quality cases
- allowing a more interactive experience for visitors with drawers, audio-visual material and interactives
- with context and narrative for visitors to understand the objects, how and why they were collected by Merton and Annie Russell-Cotes and to reflect on their own travels and souvenir collecting.

The result is a great success, fusing the historic style and atmosphere with beautiful and rich craftsmanship and contemporary expectations of security, clarity and accessibility.



The museum used lockdown to continue with the programme of conservation of the murals funded by a legacy.

Interpretation was also updated, partly reflecting the need to reduce touch points. New interpretative boards were produced, all collections information was made accessible via the website and the museum adopted Smartify app technology so visitors could also access this information interactively using their own smartphones. Staff and volunteers worked throughout lockdown on these projects.

Income Generation

- **Café**
The café adapted to the change in regulations required by Covid and started serving food and drink outside in response to public demand and to take advantage of the Museum's superb sea views. Thanks to the ACE Covid Recovery Fund Grant an outdoor catering cart and equipment were purchased in preparation for reopening.
- **Weddings and Venue Hire**
Despite Covid, the Museum had two wedding bookings and one filming booking. The filming led directly to a number of further bookings that took place at the start of 2021/22.
- **Retail**
Although visitors continued to spend well in the shop sales were heavily impacted by the lack of visitors.

Governance

Proposals to modify the governance arrangements for the museum continued, supported significantly by funding from the ACE Coronavirus Recovery Fund. This enabled specialist consultancy and business support to be procured to develop the business plan fully especially around issues such as staffing, pension, VAT, building liabilities, brand, etc. In addition legal and governance advice was procured and legal options fully explored. Dialogue started with the Charity Commission to establish its views on the viability of the proposed legal framework.

Consultation on the proposals on governance, business plan and funding arrangements started with key stakeholders.

Funding and Grants

The Russell-Cotes benefitted from a rate rebate and the reduction in VAT on tourism and hospitality.

It was awarded a grant of £29,870 from the ACE Coronavirus Emergency Fund in the summer 2020, which covered key staff salaries and digital investment including the drafting of a digital strategy, development of collections web pages, the creation of digital assets and the fee for subscription to the Smartify app for collections information.

In October 2020 the Russell-Cotes was awarded £225,916 from the ACE Coronavirus Recovery Fund. This also contributed partly to ongoing costs including salaries because of the lack of visitor income. It also invested in improvements to support the museum's ongoing financial sustainability including a new outdoor catering facility, a new integrated till and CRM system for managing income and memberships, improved signage, a marketing review. A significant proportion also supported the governance review by funding consultants and specialists to provide expert advice on legal, financial and staffing issues to progress the case for externalization from BCP Council.

Staffing

Approximately 13 FTE members of staff were employed during this period, (18 FTE in 2019-20). The reduction is due a vacant full-time position and no casual employees because of the museum closure. The figures exclude a % of senior management time.

Volunteer engagement and recruitment saw a significant reduction due to COVID-19. However, some volunteers were able to support the development of the digital offer by researching objects for the Smartify App and Digital Guide, by creating online content for the Friends of the Russell-Cotes, and by delivering talks via Zoom. The volunteer team were supported and benefited from digital efforts with an online 'volunteer hub' as a way to access information about volunteering and about the museum more generally, and through a new Volunteers of the Russell-Cotes Facebook group.

Volunteers continued to make a valuable 'in kind' contribution to the service both remotely and on-site, working on a range of projects including:

- **Interpretation** support for the new Smartify app (research and writing)
- **Collections-related** (cataloguing the Russell-Cotes library, collections research and documentation, environmental monitoring, deep cleaning)
- **Public facing** (stewarding, tour guiding, learning assistance, talks, café etc.)
- **IT, marketing & administrative** (gift aid reclaim, visitor feedback data entry etc.)
- **Performing live music in the house**
- **Maintaining the garden**

During the year about 96 volunteers contributed about 1,020 hours of their time.

Financial Review

Financial position and reserves policy

Historically the Council, in its role as local authority and corporate trustee, has provided donated services each year sufficient for the trust to achieve breakeven. This is currently the policy that is expected to continue and so the accounts have been prepared on a going concern basis. The unrestricted income fund is stock and cash held. Endowment income fund, conservatory repair fund & purchase reserve are held in trust to be retained for the benefit of the charity.

The trust's assets are the freehold land and buildings consisting of the East Cliff Hall, Bournemouth and the collection itself. The buildings are now classified as Heritage Assets. Their value is reflected in the endowment funds on the balance sheet. Following the insurance strategy and to ensure the valuations remain up to date a rolling programme of revaluation by collection area has been implemented using relevant experts. As a result of the pandemic no insurance valuation was possible. All valuations are used to update the total valuations for the collection. All valuers with the exception of the museum curator are independent of the Trust. The museum curator has provided a valuation in her capacity as a professional in this area.

Responsibilities of the Trustee

The Law requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its net movement in funds for that period.

The charity trustee is responsible for preparing a trustee annual report and financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom generally accepted accounting practice.)

In preparing those financial statements, the trustee is required to:

- a. select suitable accounting policies and then apply them consistently;
- b. observe the methods and principles in the Charities SORP;
- c. make judgements and estimates that are reasonable and prudent;
- d. state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- e. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustee is 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 requirements of the Charities Act 2011. 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.

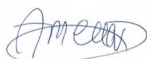
Each of the persons who are trustees at the time when this Report of the Trustee is approved has confirmed that:

- so far as that trustee is aware, there is no relevant auditor information of which the trust's auditor is unaware, and
- a trustee has taken all the steps that ought to have been taken as a trustee in order to make them aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

All of the activities reported are derived from the continuing operations of the charity.

By Order of the trustee

Signed



Councillor Drew Mellor

on behalf of Trustee

Approved on 27 January 2022



Independent Auditor's Report to the Trustee of Russell-Cotes Art Gallery and Museum

Opinion

We have audited the financial statements of The Russell-Cotes Art Gallery and Museum (the 'charity') for the year ended 31 March 2021, which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 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 have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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

We are responsible for concluding on the appropriateness of the trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the charity to cease to continue as a going concern.

In our evaluation of the trustee's conclusions, we considered the inherent risks associated with the charity's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the trustee and the related disclosures and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period.

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.

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

The responsibilities of the trustee with respect to going concern are described in the 'Responsibilities of the trustee for the financial statements' section of this report.

Other information

The trustee is responsible for the other information. The other information comprises the information included in the Trustee's Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the trustee for the financial statements

As explained more fully in the Trustee's Responsibilities Statement set out on page 7, the trustee is responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (The Charities Act 2011, the Charities SORP and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland) (United Kingdom Generally Accepted Accounting Practice).

We enquired of management, concerning the charity's policies and procedures relating to:

- the identification, evaluation and compliance with laws and regulations;
- the detection and response to the risks of fraud; and
- the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

We enquired of management, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur, by evaluating incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and fraudulent revenue recognition. We determined that the principal risks were in relation to:

- journals, management estimates and transactions outside the normal course of business; and
- fraudulent revenue recognition, and specifically the occurrence and accuracy of commercial trading and recreational activity income.

Our audit procedures involved:

- evaluation of the design effectiveness of controls that management has in place over journals;
- journal entry testing, with a focus on unusual journals made during the year and after the draft accounts stage;
- challenging assumptions and judgements made by management in its significant accounting estimates;
- understanding controls around the monitoring and receipt of income; and
- sample testing of income to supporting records.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- knowledge of the sector in which the charity operates
- understanding of the legal and regulatory requirements specific to the charity.

In assessing the potential risks of material misstatement, we obtained an understanding of:

- the charity's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
- the charity's control environment, including the policies and procedures implemented by the charity corporate trustee to ensure compliance with the requirements of the financial reporting framework.

Use of our report

This report is made solely to the charity's trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Milton Keynes

28/1/2022

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of Financial Activities (incorporating Income and Expenditure Account)

Year ended 31 March 2021

Note	2020-21	2020-21	2020-21	2020-21	2019-20	2019-20	2019-20	2019-20	
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	
	£	£	£	£	£	£	£	£	
2	Income and endowments from								
2a	Donations and legacies	(495,939)	0	0	(495,939)	(408,990)	0	0	(408,990)
2b	Other trading activities	(60,308)	0	0	(60,308)	(259,583)	0	0	(259,583)
2c	Investments	0	0	0	0	(47)	0	0	(47)
		(556,247)	0	0	(556,247)	(668,620)	0	0	(668,620)
2d	Charitable activities	(312,449)	(2,500)	0	(314,949)	(262,151)	(125,657)	0	(387,808)
	Total income and endowments	(868,696)	(2,500)	0	(871,196)	(930,771)	(125,657)	0	(1,056,428)
3	Expenditure on								
3a	Raising funds	702,726	2,500	0	705,226	765,969	125,657	0	891,626
		702,726	2,500	0	705,226	765,969	125,657	0	891,626
3b	Charitable activities	158,941	0	0	158,941	181,271	0	0	181,271
3c	Other	0	0	446,131	446,131	0	0	424,727	424,727
	Total expenditure	861,666	2,500	446,131	1,310,297	947,240	125,657	424,727	1,497,624
	Net (income)/expenditure before other recognised (gains)/losses	(7,030)	0	446,131	439,101	16,469	0	424,727	441,196
	Total (gains)/losses on revaluation of fixed assets	0	0	(599,319)	(599,319)	0	0	(2,350,338)	(2,350,338)
	Net movement in funds	(7,030)	0	(153,188)	(160,218)	16,469	0	(1,925,611)	(1,909,142)
	Reconciliation of Funds								
	Balance brought forward	20,111	53,879	66,571,772	66,645,762	36,580	52,394	64,646,161	64,735,135
	Movement in current assets	(3,449)	671	0	(2,778)	(16,469)	1,485	0	(14,984)
	Movement in fixed assets	10,479	0	153,188	163,667	0	0	1,925,611	1,925,611
	Total funds carried forward	27,141	54,550	66,724,960	66,806,651	20,111	53,879	66,571,772	66,645,762

All of the activities are derived from the continuing operations of the charity.

The movement in current assets is the difference between the opening stock and closing stock of items purchased for resale in the gift shop and cafe. These are donated assets and are reflected in the balance sheet.

The movement in fixed assets is due to capital costs being incurred by BCP Council and donated to the Trust and revaluations of the Heritage Assets.

Balance Sheet

31 March 2021

Note.		2020-21 Total Funds £	2019-20 Total Funds £
	Fixed Assets:		
	Tangible assets	10,479	0
5	Heritage assets	66,724,960	66,571,772
	Total Fixed Assets	66,735,439	66,571,772
	Current Assets:		
6	Stock and work-in-progress	15,962	19,411
7	Debtors	23,592	4,236
8	Investments	8,580	8,580
	Cash in hand	700	700
	Cash held on behalf of the Trust	46,976	66,298
	Total Current Assets	95,810	99,225
	Current Liabilities:		
	Overdraft	0	0
9	Creditors: Amounts falling due within one year	(24,598)	(25,235)
	Total Current Liabilities	(24,598)	(25,235)
	Net Assets	66,806,651	66,645,762
	The funds of the charity:		
10	<i>Restricted Income funds</i>		
	Endowment income fund	(8,580)	(8,580)
	Conservatory repair fund	(29,877)	(29,206)
	Painting and Specimens Reserve	(16,093)	(16,093)
		(54,550)	(53,879)
11	Unrestricted income fund	(27,141)	(20,111)
12	<i>Endowment fund</i>		
	Heritage Assets	(66,724,960)	(66,571,772)
		(66,724,960)	(66,571,772)
	Total Charity Funds	(66,806,651)	(66,645,762)

Signed



Councillor Drew Mellor

on behalf of Trustee

Approved on January 2022

Notes to the Accounts

1. Statement of Accounting Policies

Basis of preparation of the accounts

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting standard applicable in the UK and Republic of Ireland (FRS 102). Section 1A of FRS 102 has been applied and no Statement of Cashflows has been prepared.

The Russell-Cotes Art Gallery and Museum's corporate trustee includes the charity in its consolidated financial statements. The consolidated financial statements are prepared under the International Financial Reporting Standards and are available to the public at <https://www.bcpCouncil.gov.uk/About-the-council/Budgets-and-finance/Annual-accounts.aspx>. In these financial statements the Russell-Cotes Art Gallery and Museum is considered to be a qualifying entity (for the purpose of this FRS) and has applied exemptions available under FRS 102 in respect of the requirement to present a cashflow statement. Having given regard to Public Benefit Entity guidance the corporate trustee considers the Russell-Cotes Art Gallery and Museum to be a Public Benefit Entity.

Going Concern

Historically the Council, in its role as local authority and corporate trustee, has provided donated services each year sufficient for the trust to achieve breakeven. This is currently the policy and the trustee has received confirmation that this support will continue for the foreseeable future and is considered adequate and so the accounts have been prepared on a going concern basis. The trustee considers that there are no material uncertainties about the Trust's ability to continue as a going concern. The pandemic has not affected this policy.

Income recognition

Voluntary income in the form of Donated Services received is recognised in the year that the matching unfunded element of expenditure is incurred. The policy of BCP Council has been and will be to subsidise the charity each year to the extent of its income shortfall.

While this arrangement is likely to continue for the foreseeable future there is no contractual necessity for the Council to provide the subsidy through Donated Services other than the basic maintenance of the East Cliff Hall premises and grounds and the collection. There is also the need to employ a curator. Staffing currently includes a post of this nature together with the staff expected of a modern-day museum and art gallery.

Income from commercial trading activities is recognised at point of sale - this includes income from the café. Grant income is recognised when the charity can demonstrate entitlement, receipt is probable, and the amount can be measured reliably.

Expenditure recognition

Raising funds

The main cost is for staff and there is no distinction or recording of time between charitable activities and the cost of generating funds. For example, there are no specific, salaried staff members employed to make retail sales. Instead, other staff members cover this function as an incidental part of their employment. An estimate of the value of this service is reflected in the statement of financial activities on an accrual basis.

Maintenance includes the direct costs of maintaining the building and gardens. Running costs include rates, utilities and insurances. Salaries represent the cost of the Council supplied staff including those funded by any external grants.

Operating costs are mostly incurred by the Council and charged by way of recharges to reflect the Russell-Cotes' apportionment of the cost of central Council services provided.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include those related to preparing statutory accounts, the statutory audit, legal fees and costs of Committee meetings.

Current assets - Stock

The gift shop & cafe stock is counted at year end and valued at the lower of cost or most recent purchase price and net realisable value as per FRS102 (Section 13) and the Charity SORP.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

Cash at bank and in hand

Cash at bank is equal and opposite to the sum of the net of the debtors and creditors, the Conservatory Repair fund and the Paintings and Specimens reserve. The museum does not have its own bank account - all receipts are paid into and all payments paid from the BCP Council's main bank account.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount.

Fixed assets**Heritage assets**

The Trust's heritage assets consist of the museum building - East Cliff Hall, the land and the paintings, furniture and other objects that form the collection of the Russell-Cotes museum. They are held to provide benefit and enjoyment to the inhabitants of and visitors to Bournemouth.

Heritage assets are initially recognised at cost and are revalued periodically. Any revaluation gains or losses are held in the Endowment fund. These assets are valued using the Council's land and building valuation processes. Major refurbishment carried out by the Council is classified as a donated service and the asset revalued accordingly. Whilst being carried at other than a notional value, assets are depreciated on a straight line basis over their estimated useful lives.

Heritage - Freehold buildings	50 years
Heritage - Land	Not depreciated
Tangible	5 years

The carrying values of heritage assets are reviewed where there is evidence of physical deterioration or breakage. Any impairment is recognised and measured in accordance with the Trust's general policies on impairment. Depreciation is only chargeable on heritage assets if they meet the Trust's general policies for depreciation. The collection is not depreciated but revalued on a periodic basis by appropriate experts including the museum curator. A record of the heritage assets held by the Trust is maintained in the Modes database.

Capitalisation follows the policy of a threshold of £1,000.

Funds structure

There are a number of small restricted income funds which have designated purposes. The cash balance for these funds is held by the Council within its general bank balances and is available at any time upon demand.

The charity has a main unrestricted income fund. That comprises those funds which the trustee is free to use for any purpose in furtherance of the charitable objects.

The charity has a restricted endowment fund. This comprises the full sum of the Heritage Assets total revalued amount, the cost of any fixed asset additions since the last valuation and the depreciation charged.

2. Analysis of Income and endowments from

	2020-21	2019-20
	£	£
Public Donations	(25,295)	(39,471)
General support through donated goods and services	(463,614)	(385,988)
Donation of fixed assets	(10,479)	0
Change in value of gift shop closing stock	3,449	16,469
Petty cash adjustment	0	0
Donations from BCP Council	(470,644)	(369,519)
2a. Total Donations and legacies	(495,939)	(408,990)

2. Analysis of Income and endowments from (continued)

	2020-21	2019-20
	£	£
Retail Income	(56,466)	(226,246)
Letting Income	0	0
Venue Hire	(3,842)	(8,337)
Loan of exhibits	0	(25,000)
2b. Total Other trading activities	(60,308)	(259,583)
2c. Total Investments	0	(47)
Admission fees	(56,663)	(205,531)
Grant Income	(258,286)	(173,240)
School Visits	0	(7,338)
Guided Tours	0	(1,699)
2d. Total Charitable Activities	(314,949)	(387,808)
Total Income and endowments	(871,196)	(1,056,428)

3. Analysis of Expenditure on

	2020-21	2019-20
	£	£
General Operations (see note 4)	617,668	653,786
Exhibition Expenditure	69,981	56,472
Other Grant Funded Expenditure	2,500	125,657
Letting & Venue Expenditure	0	0
Retail Expenditure	15,077	55,711
3a. Total Raising funds	705,226	891,626
General Operations (see note 4)	119,021	146,542
Accountancy and audit costs	18,816	18,774
Repository	21,104	15,955
3b. Total Charitable Activities	158,941	181,271
Depreciation	446,131	424,727
3c. Total Other	446,131	424,727
Total Expenditure	1,310,297	1,497,624

4. Analysis of Expenditure on General Operations

	2020-21 £	2019-20 £
Generating income	617,668	653,786
Charitable activities	119,021	146,542
Total General Operations Expenditure	736,689	800,328
Being made up of:		
Repairs & maintenance	47,541	26,145
Rates & utilities	34,439	57,887
Other premises costs	5,762	8,021
Total Premises Costs inclusive of Repairs & Maintenance	87,742	92,053
Wages and salaries	394,682	433,332
Social security costs	29,806	34,103
Pension costs	56,090	57,169
Other staff related costs	10,318	20,864
Total Staff Costs	490,896	545,468

Approximately 13 FTE members of staff were employed during this period, (18 FTE in 2019-20). The reduction is due a vacant full-time position and no casual employees because of the museum closure. The figures exclude a % of senior management time.

No employees earned more than £60,000 for their Russell-Cotes related duties. There were no transactions involving the trustee or related parties and there were no ex-gratia payments. External auditor payments were £15,000 (2020 : £15,000) excluding VAT.

	2020-21 £	2019-20 £
Accountancy, HR, Payroll and Legal Costs	28,237	17,544
Costs of Caring For The Collection Inc Insurance	48,343	52,197
IT & telecoms	22,628	19,176
Travel	107	473
Other office costs	1,151	5,244
Total Costs of Travel, Stationery and Office Costs Inc IT	23,886	24,893
Marketing & Promotion	13,394	16,053
	2020-21 £	2019-20 £
Consultants	19,858	0
Miscellaneous Supplies & Services	24,332	52,120
Total General Operations Expenditure	736,689	800,328

5. Heritage Fixed Assets

	2020-21	2019-20
	£	£
Heritage Assets - Buildings & Freehold Land		
Cost b/f	22,306,562	21,656,856
Additions in year	0	0
Transfer from Heritage Assets - Freehold Land	7,000	0
Revaluation in year	796,035	649,706
Cost c/f	<u>23,109,597</u>	<u>22,306,562</u>
Heritage Assets - Buildings & Freehold Land		
Depreciation b/f	0	0
Depreciation charged	446,131	424,727
Revaluation adjustment	(446,131)	(424,727)
Depreciation c/f	<u>0</u>	<u>0</u>
Heritage Assets - Freehold Land		
Cost b/f	7,000	7,000
Transfer to Heritage Assets - Buildings & Freehold Land	(7,000)	0
Cost c/f	<u>0</u>	<u>7,000</u>
Heritage Assets - Total Land & Buildings & Tangible	<u>23,109,597</u>	<u>22,313,562</u>
Heritage Assets - Collection		
Net book value b/f	44,258,210	42,982,305
Revaluation adjustment	(642,847)	1,275,905
Additions in year	0	0
	<u>43,615,363</u>	<u>44,258,210</u>
Heritage Assets - Net book value c/f	<u>66,724,960</u>	<u>66,571,772</u>

Valuation

The trust's assets are the freehold land and buildings consisting of the East Cliff Hall, Bournemouth and the collection itself. The buildings are now classified as Heritage Assets. Their value is reflected in the endowment funds on the balance sheet. Following the insurance strategy and to ensure the valuations remain up to date a rolling programme of revaluation by collection area has been implemented using relevant experts. As a result of the pandemic no insurance valuation was possible. All valuations are used to update the total valuations for the collection. All valuers with the exception of the museum curator are independent of the Trust. The museum curator has provided a valuation in her capacity as a professional in this area.

The valuations for insurance purposes are as follows: -

	2020-21	2019-20
	£	£
Heritage Assets -		
Building & Land	£23.1m	£22.3m
Fine Art Collection	£43.6m	£44.3m
	<u>£66.7m</u>	<u>£66.6m</u>

The Building and Land combined have been revalued at £23.1m. Historically a residual approach had been adopted for Bournemouth Borough Council assets to establish land/building split. However since Bournemouth Borough Council became part of the new BCP Council (1st April 2019) a consistent approach needed across the conurbation and a bottom up approach was taken for 2020. This brings the Bournemouth assets into line with Christchurch and Poole. Historically the Russell-Cotes were part of the Bournemouth Borough Council group accounts, following the merger they are part of the BCP Council group accounts.

6. Stock

	2020-21	2019-20
	£	£
Shop	14,770	17,065
Café	1,192	2,346
Stock of articles for resale	<u>15,962</u>	<u>19,411</u>

7. Debtors

	2020-21	2019-20
	£	£
Debtors	<u>23,592</u>	<u>4,236</u>

8. Investments

	2020-21	2019-20
	£	£
Russell-Cotes Investment Capital	<u>8,580</u>	<u>8,580</u>

A small number of balances have built up over the years. These are maintained and used in accordance with any bequest or designated purpose. The balances are held on behalf of the trust within the BCP Council bank balances.

9. Creditors: Amounts falling due within one year

	2020-21	2019-20
	£	£
Creditors	<u>(24,598)</u>	<u>(25,235)</u>

The balance relates to amounts owing to accruals.

10. Restricted Income Funds

	2020-21	2019-20
	£	£
Endowment income fund	(8,580)	(8,580)
Conservatory repair fund	(29,877)	(29,206)
Painting & Specimens Reserve	(16,093)	(16,093)
	<u>(54,550)</u>	<u>(53,879)</u>

These represent cash held for specific purposes, the cash is held in the BCP bank account.

11. Unrestricted Income Fund

	2020-21	2019-20
	£	£
Tangible Assets	(10,479)	0
Stock	(15,962)	(19,411)
Cash	(700)	(700)
	<u>(27,141)</u>	<u>(20,111)</u>

The balance reflects cost of stock purchased for resale, petty cash imprest, till floats and capital expenditure incurred on behalf of the Trust by BCP Council.

12. Endowment Fund

	2020-21	2019-20
	£	£
Balance b/f	(66,571,772)	(64,646,161)
Movement in year	(153,188)	(1,925,611)
Balance c/f	<u>(66,724,960)</u>	<u>(66,571,772)</u>

The full sum of the total revalued amount, the cost of any fixed asset additions since the last valuation and the depreciation will be debited or credited to the endowment fund.

13. Analysis of net assets between funds**Analysis of net assets between funds - current year**

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Heritage Fixed Assets	0	0	66,724,960	66,724,960
Tangible Assets	10,479	0	0	10,479
Current assets	41,260	54,550	0	95,810
Creditors due within one year	(24,598)	0	0	(24,598)
	<u>27,141</u>	<u>54,550</u>	<u>66,724,960</u>	<u>66,806,651</u>

Analysis of net assets between funds - prior year

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Heritage Assets			66,571,772	66,571,772
Tangible Assets	0	0	0	0
Current assets	45,346	53,879	0	99,225
Creditors due within one year	(25,235)	0	0	(25,235)
	<u>20,111</u>	<u>53,879</u>	<u>66,571,772</u>	<u>66,645,762</u>

14. Related party transactions

The trust has a close working relationship with BCP Council acting in its role of local authority. The Council acting in its role of trustee of the charitable trust has nominated Council Cabinet to act as the Management Committee under s.57 Bournemouth Borough Council Act 1985.

The charity trustee acting in the capacity as management was not paid or reimbursed expenses during the year and no charity trustee received any emolument or payment for professional or other service.

As disclosed in the analysis of resources expended, the Council provides staff to manage and maintain the museum and gallery. The Council has historically subsidised the annual deficits of the trust.

Donated services received by the Trust

	2020-21	2019-20
	£	£
BCP Council in its capacity as a local authority	470,644	369,519

Services donated by the Trust

There are 4 exhibits on loan to BCP Council which can be found in the parlours of both the Mayor and the Mayoress.